

EMPLOYEE SATISFACTION INDEX

Impact indicator, Outcome indicator

Indicator Phrasing

English: average value of the Employee Satisfaction Index among the targeted [specify the group]

French: valeur moyenne de l'indice de satisfaction des employés parmi [spécifiez le groupe] ciblés

Portuguese: valor médio do Índice de Satisfação dos/as Funcionários/as entre [especificar o grupo-alvo]

Czech: průměrná hodnota Indexu spokojenosti zaměstnanců mezi cílovými [určete cílovou skupinu]

What is its purpose?

The indicator measures the extent to which the employees of the targeted businesses are satisfied with their job. It employs a methodology called Employee Satisfaction Index that is commonly used across different countries. Its amended version can also be used for measuring the satisfaction of self-employed people running their own micro-enterprises.

How to Collect and Analyse the Required Data

1) Decide whether your survey should measure only the employees' **overall satisfaction** or their **satisfaction with specific aspects of their work**, such as satisfaction with the remuneration (salary, bonuses); with the support they receive from their superior; with the (lack of) freedom employees have in how they do their job; with the working environment / conditions; with the future opportunities the work provides; etc. The first approach is easier; however, the second approach is likely to provide more actionable data.

2) Define the survey questions:

If you decided to measure **overall satisfaction**, use the following questions commonly used by EPI surveys: *"How satisfied are you with your current workplace and job?"* and *"If you imagine how your job as a [specify what the person is doing – e.g. "sales agent"] would ideally be, how close is your current job to this ideal?"*

If you decide to measure the employees' **satisfaction with specific aspects of their work**, you will have to define the questions for each assessed aspect of the work. For example:

- *"To what extent are you satisfied with the salary you receive for your work?"*
- *"To what extent are you satisfied with the support you receive from your manager when you need it?"*
- *"To what extent do you feel safe from the risk of accidents or injury in your workplace?"*

- “When things get difficult at your work, to what extent can you rely on your co-workers to help you?”

In all instances, **ensure that the questions are phrased in a neutral way** that does not lead the respondent to a certain answer. Furthermore, ask the data collectors to avoid discussing any significantly negative or positive characteristics of their work before the interview with the respondents, as this might influence their answers.

3) **Conduct individual interviews** with a [representative sample](#) of the employees of the targeted businesses (or the targeted micro-entrepreneurs – see comment below), asking them the questions defined in point 2 above.

Before the data collectors start asking about the respondents’ job satisfaction, they should show the respondent the meaning of the **visual scale** provided at the bottom of this page. The most unhappy face means extremely low satisfaction while the happiest means very high satisfaction. The face in the middle means that the respondent is neither satisfied nor dissatisfied. They should explain to the respondent that s/he should respond to all the (satisfaction-related) questions by pointing to one of the faces that best represents how satisfied s/he feels.

4) As you can see, the visual scale has 5 different options. Each option has a different value / score. The happiest face has a score of 5, while the most unhappy face has a score of 1 (neutral has 3). Using this system, **calculate the score per each responded question** (exclude all respondents who did not respond to one or more of the asked questions). As a next step, for each respondent, 1) sum up all the scores received for each response, 2) then divide the result by the maximum possible score, and 3) multiply it by 100 to convert it to a percentage. For example:

- the scores of the provided answers were $4 + 3 + 5 + 4 = 16$
- the maximum score per answer is 5 and there were 4 answers, therefore $5 \times 4 = 20$
- $16 \div 20 = 0.8$
- $0.8 \times 100 = 80$

The 80 is the Employee Satisfaction Index’s value for the given respondent. Use Excel formulas to calculate the value of the Index for each surveyed employee / entrepreneur.

5) To **calculate the indicator’s value**:

- sum up the Index’s values for all surveyed respondents
- divide this by the number of surveyed respondents (exclude all respondents who did not respond to one or more of the asked questions)
- the resulting number is the average value of the Employee Satisfaction Index

Disaggregate by

[Disaggregate](#) the data by gender, the type of business the employer / entrepreneur is doing, the duration of employment and other relevant criteria.

Important Comments

1) The closer the Index's value is to 100, the higher the satisfaction (and the other way around).

2) If you decide to measure the employees' satisfaction with various aspects of their work, **also report on the Entrepreneur Satisfaction Index value for each of the surveyed aspects of employees' satisfaction** (e.g. the value of the Index related to salaries or the support provided by the manager). This is easy to do:

- sum up the scores of all the respondents for the given aspect of employees' satisfaction (see point 4)
- divide these by the number of answers multiplied by the maximum possible score (e.g. $300 \times 5 = 1,500$)
- multiply the result by 100 to convert it to a percentage

For example, (scores total 1,350 divided by 1,500) multiplied by 100 = 90.

3) It is possible to also conduct the **survey among targeted (micro)entrepreneurs**, assessing their satisfaction with various aspects of their job. In such a case, consider rephrasing the indicator to *"average value of the Entrepreneur Satisfaction Index among the targeted [specify the group]"*.

4) If you work in a country with high literacy, use an **anonymous** paper-based or electronic survey as it is likely to give you more reliable data. If required, you can replace the visual scale with pre-defined answers ranging from very unhappy to very happy.

5) This guidance was written based on PIN's programming and M&E experience and the advice provided by the following sources: [Hubstaff](#) and [CiteHR](#).

Access Additional Guidance

- People in Need (PIN) (2019) [Visual Scale \(5 options\)](#)