

Employee Value Proposition (EVP)

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The challenge

§ For any organisation, **the challenge is to attract a quality workforce**. People with the:

- right skills
- knowledge
- experiences
- competencies, and
- values that match organisational requirements eg a good person-job and person-organisation fit

What do we mean by 'employee value proposition' (EVP) and why is it important?

- § The Employee Value Proposition is the jargon commonly used to describe **the characteristics and appeal of working for an organisation.**
- § It is the balance of reward and benefit, work policies and practices, experienced by an employee in return for their work. It is **the deal struck between an organisation and employee in return for their contribution and performance.**
- § It describes why **the total work experience is better than at any other organisation** and accordingly it may be critical in attracting and retaining quality people (*Hill & Tande, 2006*).
- § It defines **‘the give and the get’** between company and worker, encompassing every aspect of the employment experience

The impact a competitive EVP can have on your organisation

- § Helps you to attract and retain talent
- § Helps you to appeal to different markets and 'tough to hire' talent groups
- § Helps you to re-engage a disenchanted workforce
- § Helps you to prioritise your HR agenda
- § Creates a strong 'people' brand
- § Reduce new-hire premiums

What's the 'deal'?

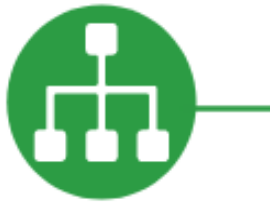
psychological contracts 'iceberg' model



Factors that can directly impact an employee's assessment of value:



1. **Job enrichment** – includes job satisfaction, the level of challenge as well as professional development and career opportunities; the task/job has to be fulfilling and stimulating.



2. **Structure** – refers to organisational systems processes and recourses; the organisation has to provide sufficient infrastructure to ensure the employee has work-life flexibility and feels enabled to do their job well.



3. **Interpersonal** – covers the employee's dealings with the manager and immediate team as well as the overall fit with the organisational culture and brand.

Many employers find their EVPs are ineffective or difficult to maintain because they:

- Comprise the wrong attributes: organisations invest in less important EVP attributes.
- Do not differentiate from competitors: the labour market perceives minimal variation in the EVPs of companies with similar offerings.
- Fail to deliver: a mismatch between the EVP's promise and reality significantly reduces employee commitment.

Broken promises and confounded expectations

An effective EVP enables an organisation to **stand out as different** but also ensures that the **‘packaging’ reflects the ‘contents’**. All too often people join organisations tempted by the ‘branding’ but are disappointed when they experience the reality.

Research has shown how **employees whose expectations are met by their employer are happier at work and they reciprocate in kind.** They demonstrate **higher levels of commitment,** they are **more willing to ‘go the extra mile’** in their work, and they are less likely to be tempted away by rivals.

Activity

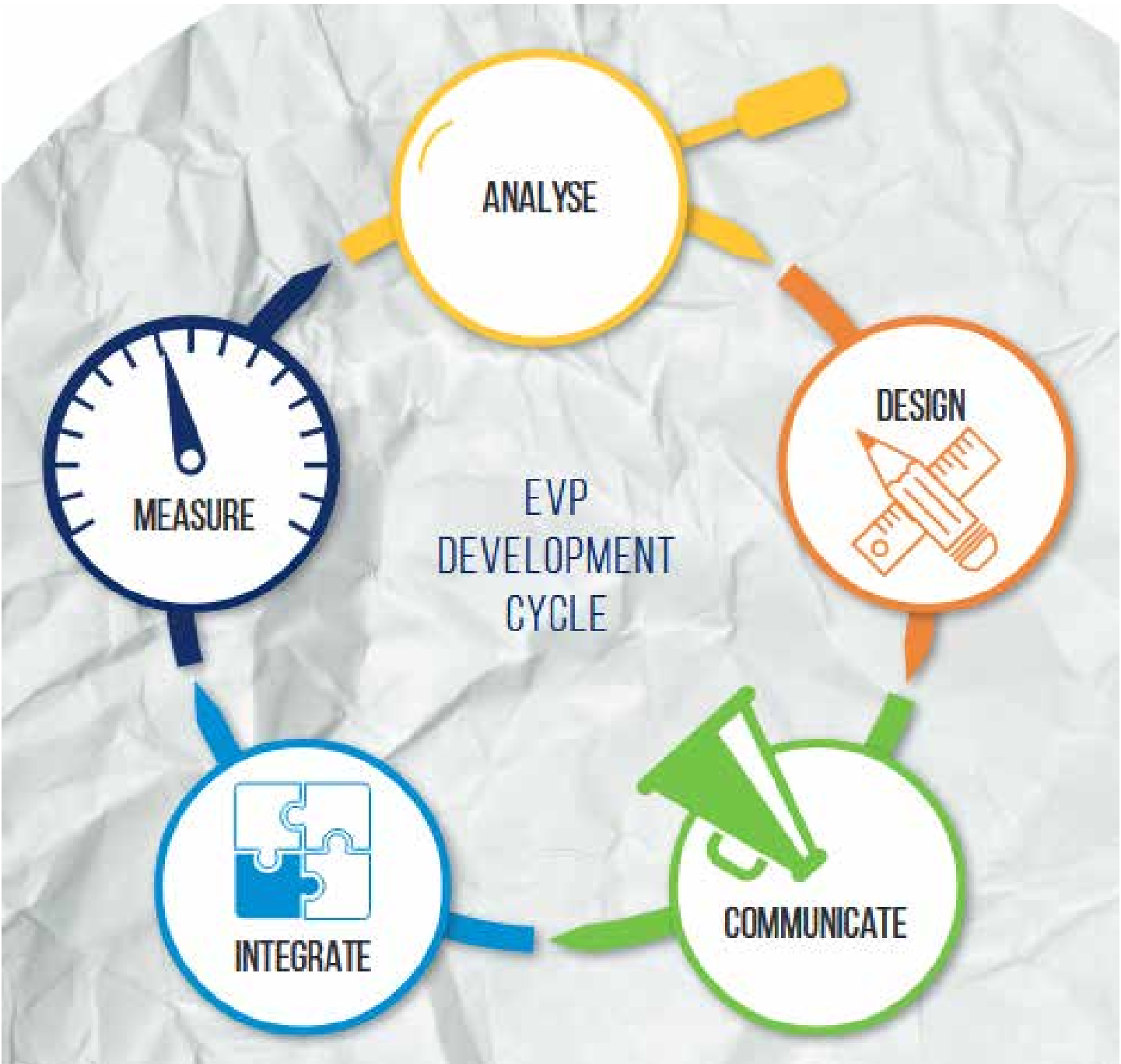
	What does your organisation <u>expect</u> from its staff?	What does your organisation <u>give</u> its staff in return?
5 years ago
NOW
In 5 years' time

Organisational case study:

Infineum International Ltd

The steps for implementing your own effective EVP

How to create a compelling EVP



Source: Insync

1. Analyse what your employees expect & value in the employment relationship

- § It is crucial to be clear about why you want to create or adjust your EVP. Having clarity about your core purpose will help you define employee benefits and guide the implementation of your EVP.
- § Ask yourself the key reason your organisation needs an EVP: **‘What challenge are we trying to solve?’**

Identify:

- § Who the target audience is, ie all employees or a particular segment, eg young people.
- § What your employees enjoy about coming to work each day eg look at your employee engagement survey data; conduct focus groups or use online forums – what drives job satisfaction? What are employees looking for in their employment experience?
- § What your employee turnover and exit survey data says about why employees chose to leave and what was missing from their employment experience with your organisation?
- § What your competitors state as their EVP and understand your points of difference.

2. Design an authentic and meaningful EVP with the help of your employees

To be effective, your EVP should meet the following criteria:

- § **Alignment with vision, mission and values** to enhance organisational culture
- § **Honesty** – a statement of what's offered to employees while setting clear expectations; not a 'false advertising' exercise
- § **Linkage to your workforce planning strategy** so it's relevant to the type of employees you want to attract and/or retain
- § **Uniqueness** to drive competitive advantage/differentiation
- § **Effective wording**, use of your organisation's communication style, and alignment with external branding
- § **Concise statements** supported by appropriate imagery

3. Communicate the EVP in a way that resonates with both existing and potential employees

Initial verbal communications should:

- § Be delivered in a **timely manner** so the EVP does not get lost among other priorities
- § **Come from the top**; this should not be seen as an HR initiative but as an organisational initiative
- § **Highlight the reasons** for the chosen words, phrases and/or statements within your EVP
- § **Offer examples** of where elements of the EVP are already being demonstrated by the organisation

Integrate the EVP as a 'business as usual' concept

When integrating the EVP, the following actions should be considered:

- § Ensure the EVP is **aligned with organisational strategy and employer branding**, and mentioned alongside these initiatives
- § Regularly refer to the EVP in employee communications, **highlighting where and how the organisation is delivering to employees** what it says it will
- § Reference the EVP in **recruitment, induction and promotion templates** to prompt on-going discussion eg in job advertisements
- § Discuss the EVP in **performance reviews and development discussions** – how does it correlate with personal needs? Identify what might be missing for each employee and agree on actions to address gaps
- § Ensure stakeholder, leaders and employee feedback channels allow the organisation to **access comments and suggestions to further enhance EVP elements and themes**

Measure and improve the EVP as part of your on-going strategic cycle

- § Ask yourself: **Have you delivered the promise? Are you attracting the right type of people?**
- § Measurement is as simple as **collecting employee feedback** at regular intervals eg employee surveys – entry, exit and/or engagement – can measure EVP effectiveness.
- § Over time, absenteeism and turnover data should also be positively impacted.
- § The **time taken to recruit** and an **increased talent pipeline** are recruitment measures that can provide an indication of EVP success – are the right people knocking on the employment door for the right reasons?

§ In line with measurement, it is also important that the EVP is **reviewed and updated every one to two years** to keep it relevant to the current organisational strategy and the industry.

§ Any EVP **changes should be communicated properly and integrated into organisational practice** – this dedication to continuous improvement will ensure the EVP continues to attract and retain targeted talent.

EVP Worksheet

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