



IMPORTANCE OF GENERATING EMPLOYEE VALUE PROPOSITION (EVP)

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Abstract

The study aims at understanding the importance in generating EVP (Employee Value Proposition), by considering its framework which stands on five basic pillars like employee benefits, affiliation, work content, career advancement and compensation system. It lays emphasis on the importance of organization culture and employer branding in EVP aspect to have a high performance organization. It considers the importance of alignment of employee's perception about the organization culture and its customer's expectation, which helps in improving productivity and performance of the organization. The study speaks about the multiple benefits of EVP like talent acquisition and retention, prioritizing the agenda, strong employer brand, and customer retention and satisfaction.

Key Words: Employee Value Proposition, Employer Branding, Compensation Management, Talent acquisition, Career advancement, Alignment and Benefits

Introduction:

Employee value proposition (EVP) is the value that employees gain in return for working at an organization. This can include financial compensation, benefits as well as perks like work-life balance and career advancement assistance. EVP is a key for retaining the best talent in company, and it is critical for attracting the talented candidates need.

An EVP must be distinctive, pertinent and undeniable in order for it to be an effective driver of talent attraction, engagement and retention. An EVP is the absolute offering a company makes to its prospective employees in hopes they will join and to current employees in return for staying, for giving their best efforts, and in hopes they will articulate well of the organization once they've moved on.

Understanding EVP:

Employee Value Proposition (EVP) is the full array of elements an organization delivers to employees in return for the contribution done by those employees. It is characteristics and appeal of working for an organization

EVP is the mix of characteristics, benefits and ways of working in a corporate by measuring the balance between what an employee receives from their employer in exchange for their



performance on the designated task. It is more or less like a “get” and “give” deal between the employee and the employer.

The uniqueness of EVP is that it comprises of things beyond salaries and benefits, it indicates the total employment experience at a company including benefits, career development opportunities, rewards, culture of the organization and management style. EVP should align with the company's brand image and be reflected consistently to employees.

Employment Value Proposition (EVP) describes the value or benefits an employee derives from his or her membership in an organization. The EVP has been suggested to be a determinant of employee engagement and retention, both of which have an impact on critical business outcomes.

Having a value proposition on health and safety in a company also creates an environment for teamwork and success.

The framework of EVP:

The core of EVP is the reward delivered or rendered. The five basic pillars on which EVP stands are as following:

- i. Affiliation
- ii. Work content
- iii. Career
- iv. Benefits
- v. Compensation

When it comes to the Affiliation aspect, EVP basically revolves around organization commitment, work environment, and citizenship trust.

The work content phenomenon concentrates on variety of tasks, challenges, autonomy, meaningfulness of work and a regular feedback mechanism.

One should not ignore the career aspect of the employees. Therefore career advancement, personal growth; regular training and employment security is essential ingredient for successful EVP.

As far as compensation management is concerned, the HR department needs to carefully plan the base salary, incentive mechanism, case recognition for individuals as well as at group level, premium pays and also the pay process to have more transparency and accountability

The other benefits which can be result in having sound EVP is benefit package of the compensation system. One needs to have an appropriate monetary as well as non monetary



benefits package like health insurance, retirement benefits, recognition, appreciation and perquisites.

Organization Culture and Employer Branding:

One of the most essential features of EVP is Employer Branding and organization culture.

Internal branding is like laying down the foundation of organization culture. Organizations need to get a new view towards loyalty and trust, adhering to values, honest communication, execution of strategies, and delivering results to build trust. Organizations cannot expect employees to come to work for them for the rest of their lives, those days or over, however organizations needs to ask employees to work by trusting their employer and feel good about it. In this way great results can be achieved, this is the formulation of alignment of organizational needs and individual employee's goals.

Alignment of employee's perception and customer's expectation:

Brand and company's goodwill, reputation are the most important factor in attracting and retaining right talent, which serves the customers of an organization, however, the reality is Human resource department in most of the cases do not control the company's reputation, image, perception and the value of brand. Therefore it is essential to have a brand alignment for better reputation i.e. the customer's perception and experience as marketing department on its own cannot control employee's understanding of the brand, delivering on the brand promise.

Hence, effective brand alignment needs HRM and Marketing department to align their efforts in order to create externally integrated, aligned 'employee and customer perception and experience' as there is a direct relationship between employee satisfaction and customer delight.

This helps an organization to differentiate themselves against their competitors, helps make a new corporate brand and also helps in identifying the key areas for change in order to monitor and improve engagement of the most prioritized talent.

Productivity and Performance:

EVP is the overall gain offered to an employer in exchange for the productivity and performance of an employee.

From the employee perspective, through EVP they can determine their level of discretionary effort in making the organization achieve its Vision, Mission, and values and from employer's perspective, EVP attracts, retain, engage and motivate employees to drive business to success, finally it boils down to , "The give " and "The get".

Benefits of EVP:



- i. Attracting retaining right talent.
- ii. To reengage a stereotype work force.
- iii. To prioritize the HR agenda.
- iv. Help in creating a strong “people” brand.
- v. It reduces a new hire premium.

The attributes and consequences of a sound EVP are strong Employer brand, proper internal communication, effective recruitment process, employee engagement, realistic HR strategy, powerful corporate brand.

EVP helps corporate to become an employer of choice, it results in transforming the corporate into a high performance organization.

EVP is being used by corporate as a marketing tool; it is being utilized as a marketing tool to ensure through employees to reach people who deal with organization, as it is a way to attract good talent and more number of customers.

Certain illustrations and practices:

Yes bank believes that for an organization to appropriately convey its external brand value to its existing and potential customers, the same value must translate into the internal brand, the image that employees have of the organization as an employer. This will enable employees to imbibe core values of the organization and adequately convey the same to its customers.

The **Tata Consultancy Services (TCS)** employee value proposition emphasizes on global experience beyond geographical boundaries, freedom to work across domain, best infrastructure and facilities and it promises work life balance by a well designed program, named “Maitree”.

Similarly, at **Yahoo**, EVP plays a vital role in attracting, retaining and engaging talent.

Conclusion:

It can be concluded that EVP is essential part of HR practices for successful organization. Having a sound EVP approach will help support a corporate to attract and retain right talent, generates a strong internal brand image and a powerful corporate brand and image. It can be achieved by having a well designed compensation system, benefit package and career advancement opportunities to employees. This results in enhancing productivity and performance of employees and results in generating a high performance culture in an organization.

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