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SA BOARD FOR  
PEOPLE PRACTICES

*Setting HR standards*

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# FACT SHEET



## EMPLOYER VALUE PROPOSITION

## INTRODUCTION

The SABPP National HRM Standard states that an organisation should have a clear employment value proposition. Objective 2.2.1 of the Talent Management element is: “To build a talent culture which defines the organisation’s philosophy, principles and integrated approach to talent, which leverages diversity and is communicated in a clear employment value proposition.”

Over 40 HRM audits across all sectors since 2014 have shown that few organisations meet this requirement.

The SABPP Professional Practice Standard on Employer Branding positions the employment value proposition within the practice of Employer Branding:

Employer branding is the practice of creating the idea or image of the organisation that employees (present and potential future) connect with, and marketing that image both internally and externally, building recognition and reputation as an employer of choice in order to attract, engage and retain employees who best fit the organisation’s values and enable to organisation to achieve its goals. The brand (image) should be rooted in the identification of the employer value proposition.

An employment value proposition is the “deal” – what employers offer as a total employment experience to employees and what employers expect in exchange.

### **CANSA**

*This Fact Sheet therefore provides some guidance on positioning, developing and implementing an employment value proposition (EVP). This Fact Sheet should be read in conjunction with the Professional Practice Standard on Employer Branding.*



## DEFINITION OF EMPLOYMENT VALUE PROPOSITION

An EVP is a specialist form of a general value proposition (VP), which is part of the marketing strategy of the organisation. A VP in general is “a clear, simple statement of the benefits, both tangible and intangible, that the company will provide”<sup>1</sup> through a product or service in relation to the price charged for that product or service. It should differentiate your product/service from your competitors and be the basis of an honest relationship with the customer. Although this definition infers that the VP is a statement, it is best used as “internal documents, used by organisations as a blueprint to ensure that all the messages they communicate, inside and outside the organisation, are consistent.”<sup>2</sup>

An EVP therefore is a blueprint of what the relationship is between employee and employer in this particular organisation. It is an expression of the “psychological contract” or what you give and what you get both from the employer’s point of view and the employee’s point of view.

The audience for the EVP-based messages is both prospective employees and existing employees and the EVP is part of the recruitment marketing strategy and the internal employee engagement process. Since the EVP is intended to be the basis of a clear and honest relationship with employees, it should reflect current reality rather than a desired long-term future state. Current employees should recognise as valid any messages that are communicated based on the EVP. Clearly then, an EVP needs to be developed through research and diagnostics of current reality. The EVP should be clear on why a talented person with critical skills would a) want to work for you and b) flourish in your environment.

It is probable that you will need a set of EVP’s targeted at the different talent segments in your organisation, since employees in different categories will probably value different things.



- 1 A business is a value delivery system. 1988. Lanning, M. and Michaels, E. Staff paper for McKinsey.
- 2 Value Merchants. 2007. Anderson, J., Kumar, N., Narus, J. Harvard Business School Press, ISBN 1-4221-0335-8





The employee value proposition describes what an organisation stands for, requires and offers as an employer. There is evidence of the influence of the psychological contract as the proposition represents the 'deal' between employer and employee.

Rather than focussing on a single value proposition for the whole organisation, some organisations are beginning to take a more segmented approach. Employee segmentation is driven by the recognition that employees, like customers, are not a homogenous group. It can be beneficial to tailor the 'deal' or value proposition to the needs of a diverse workforce – and this can mean emphasising different elements of the value proposition to different groups of employees or creating subsets of the overall value proposition.

It is possible to segment an organisation's workforce in many different ways. In the past organisations have analysed employee satisfaction or engagement data in terms of location and job type, but valuable insights can be gained from segmenting your workforce based on categories such as age, lifestyle and attitudes to communication in the organisation. Organisations use such approaches, for example, to help them communicate and promote 'flexible benefits' packages reflecting the various interests and needs of different parts of the workforce. Some are now moving on to using segmented reward approaches for different segments of an organisation's workforce, for example: sales, executives, call centres, technical support, and so on, in terms of base, variable pay, benefits and non-financial reward policies.

Whether to promote a single employer brand (and value proposition) is also a consideration for international organisations. For example, while they may wish to create global brand values, there might need to be some local interpretation of these to cater for the diversity of cultural needs locally.

CIPD Fact Sheet Employer Brand, October 2018.



## WHY HAVE AN EVP?

“For any organisation, the challenge is to find quality people – people with the skills, knowledge, experience, competencies and values that provide a match for the roles within the organisation. The person faces a different challenge: they look around, think about their personal circumstances, compare options, and then choose to take up or stay in positions on the basis of the best value for them on offer. This, the Employment Value Proposition, is the balance of reward and benefit, work policies and practices, experienced by an employee in return for their work: 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.”<sup>3</sup>

The Corporate Leadership Council conducted research in 2006 into the impact of an EVP , and the outcomes were as shown below:

Measure	Organisations without a clear EVP	Organisations with a clear EVP	Notes on the impact of a clear EVP
Employee commitment at commencement	9%	38%	4 times the commitment level at commencement ..
Employee commitment after one year	3%	31%	.. and the commitment level is maintained significantly more strongly
Salary premium required to attract	21%	11%	The ongoing cash premium required is halved

<sup>3</sup> Total rewards: The employment value proposition. 2006. Hill, B., & Tande, C. Workspan, 10(6), 19–22. Retrieved from <http://www.tandehill.com/pdfs/Total-Rewards.pdf>



So the benefits to an organisation of researching, developing and implementing a clear EVP include:

- Increased probability of gaining a committed new recruit.
- Increased probability of keeping committed new recruits.
- Less salary premium required to acquire a new recruit, therefore greater internal pay equity.

There is an important caveat to realising these benefits: the EVP must reflect the actual experience that recruits will encounter when they join and as they stay.

### Hypercompetition in the labor market demands a strong EVP

Many EVPs are ineffective or difficult to maintain. Some comprise the wrong attributes or fail to differentiate from competitors. Others show a significant gap between promise and reality, resulting in reduced employee commitment.

Gartner, <https://www.gartner.com/en/human-resources/insights/employee-engagement-performance/employee-value-proposition>

Performance Consulting International make the point that the EVP is not the same as Core Values:

### Defining attributes



- Building blocks for the employer brand 'platform' / EVP
- Answer the key question – what makes you special?
- Typically 3-5 defining attributes per EVP
- Differ from core values in terms of being:
  - More benefit-led for employees (addressing both the 'give' and 'get')
  - More distinctive / more compelling (vs. generic / obvious)
  - More in-tune with the customer brand / key organisational capabilities
- Play to the 'organisation at its best'

4 The Employment Value Proposition – A Key to Attraction and Commitment. 2006. Corporate Leadership Council Research Summary.



## WHAT SHOULD THE EVP COVER?

There are many models of what the EVP should consider.

- a. As one example of constructing an EVP, research by Brian Heger developed a set of 52 EVP attributes, which was then refined using criteria of key drivers of retention/engagement; actionability and uniqueness to the organisation into 41 attributes. These were grouped into 11 categories:

Compensation	Day to Day Work	Goals and Objectives	Health Benefits
Pay for Performance	Flexible Work	Unit Leadership	Learning and Development
Supervisor – Performance Management	Supervisor - Respect and Integrity	Supervisor – Results Focus	

- b. The Gartner model includes:



The elements are elaborated as:

- Opportunity** includes career and development opportunities and organisation growth rate.
- People** includes manager quality, co-worker quality, senior leadership reputation and camaraderie.
- Organisation** includes market position, product/service quality and social responsibility.
- Work** includes job-interest alignment and work-life balance.
- Rewards** includes compensation, health and retirement benefits and vacation time.

5 Linking the EVP to Employee Engagement and Business Outcomes : Preliminary Findings from a Linkage Research Pilot Study. 2007. Heger, Brian K. Organisation Development Journal; Chesterland Vol. 25, Iss. 2, (Summer 2007): P121-P132,P233



**c. A model from DO Select includes<sup>6</sup>:**

• **Career growth**

- Introspection on the growth of skillsets at the employees' present job.
- Gaps between the current levels of competency and their future aspirations.
- Development of roadmaps to help employees grow in their current position and towards their future aspirations.
- Hiring internal career coaches to help sharpen employees' resumes.
- Financing external sources of learning for skillsets' advancement.

For example, Google's work atmosphere consistently emphasises on aiming big and translates it into their initiatives and rewards. With a focus on aspects such as:

- Technical innovation that brings solutions across multiple spheres of life.
- Technical awards and collaborations with an aim to impact the community. For example Google Rise Awards — Indian Slum & Rural Innovation Project.
- Exposure offered in the development on world's best cloud computing infrastructure.

• **Culture**

- An organisation's reputation.
- The quality of interaction and camaraderie between co-workers.
- The engagement between employees with the organisation's goals and values.
- The efficacy and quality of management spanning verticals, and
- An organisation's participation and level of engagement in Community Service.

For example, Adobe, synonymous to 'constant reinvention', created a transparent concept of "Picturing life at Adobe". They realised the concept by:

- creating an Adobe Life page that speaks volumes about their sense of community through inspiring blog stories about their employees' personal challenges and achievements.
- creating an active twitter hashtag that deeply incorporated their values and culture. By letting their employees become the organisation's voice, Adobe could transparently reflect the culture and opportunities that it fostered.
- By connecting with and valuing their internal employees across verticals, and giving an honest glimpse of their work culture, Adobe gracefully struck all the right chords with their audience — within and outside.

• **Philosophy/vision**

- Every employee, at an intrinsic level, seeks to contribute their efforts to a workplace that is deeply rooted to its core values, and is resonant with the organisation's tenets and beliefs. This deceptively subtle pillar of the Employee Value Proposition is of critical relevance as it indicates the willingness of association amongst the talent pools within and outside the organisation — directly hinting at an organisation's willingness to put its money where the mouth is. The pillar of Philosophy generally speaks about:
  - An organisation's central values and ethics.
  - Their reason of existence.
  - How they create solutions while always keeping these tenets uncompromised.

<sup>6</sup> <https://doselect.com/blog/employee-value-proposition-strategy-model/>

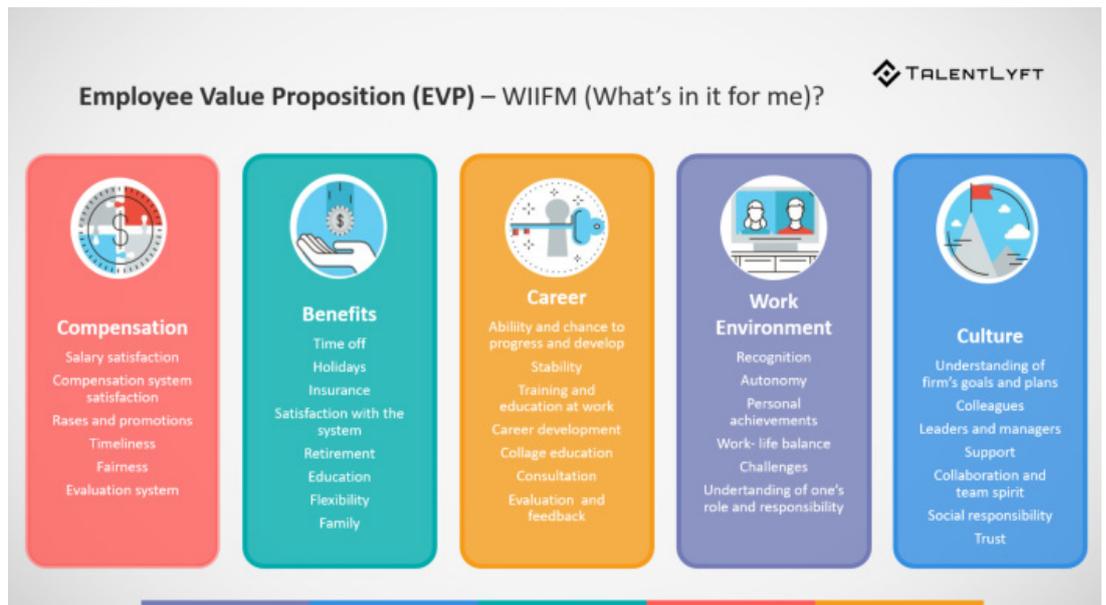


For example, right from the point of inception, Amazon has invariably taken their philosophy of being the most customer-centric company on earth to heart. An example of how atomically this has been implemented across the organisation can be observed in the engagement process with their prospective employees. A typical interview at Amazon sees to:

- Scheduling interviews within a short frame of interaction to respect a candidate’s time.
- Ensuring exposure to intellectual interactions at the campus with their prospective teams to better gauge the cerebral and emotional compatibility with the team members.
- Carrying out the post-interview engagement in a short span of time.
- Revolving an attitude of respect and regard around the candidate’s experience at every level of engagement such as:
  - the waiting time between interviews
  - the interaction with internal employees
  - the reception by the recruitment coordinators

In doing so, Amazon reflects the uniformity with which their values are imbued into every molecule of the organisation.

**d. TalentLyft has a model as shown below:**



## DEVELOPING YOUR EVP

The EVP should be congruent with the value proposition for the products/services of the organisation, as both together create the lived experience of the brand. If an organisation fails to live up to the expectations created by its VP or the EVP, there will be impact on both customers and employees. Therefore, HR needs to work closely with the marketing department in developing the EVP.

### Step 1 – gather data.

Much of the information necessary to develop your EVP needs to be gathered from existing employees, as they are the ones living the current experience. Sources of information would include employee engagement surveys and exit interviews. Not all existing employee engagement surveys might include vital aspects of what an EVP should be based on, so ensure that information on the following is gathered:

- How employees feel about their work, culture and their perceived growth prospects.
- The factors that motivate your employee to work in the organisation.
- The growth opportunities that the employees see for themselves.
- The values that they resonate with deeply.
- What employees don't like about the organisation.
- How they differentiate the organisation from talent competitors.

Make sure that opinions across representative samples of different sectors of the workforce are obtained, including management. Look for differences between sectors and try to understand what is behind those differences.

If feasible, also try to gather perceptions of prospective employees, possibly by analysing the type of questions that applicants ask during the recruitment process. Surveys such as the annual surveys conducted by the SA Graduate Employers Association can also be useful as they measure perceptions of your organisation amongst graduating students.<sup>7</sup>

### Step 2 – analyse the data

Analyse the data using a model that suits your organisation, using the ideas outlined in Section 4 above. See which factors are positive or negative for your organisation.

### Step 3 – isolate the key factors that will drive your EVP

From the analysis, you should be able to pick out key defining features that will attract and motivate the sort of people you want to recruit. Identify the features which will make up for and outweigh some of the negative factors.

<sup>7</sup> [www.sagea.org.za](http://www.sagea.org.za)



For example, an EVP for a major academic hospital in an urban area in South Africa for the health care professionals could be the opportunity to gain extensive experience in treating severe trauma and to work with world-renowned senior staff. (This can outweigh the negative factors of poor working conditions)

As a second example, an EVP for a middle manager in a manufacturing company with its plants in rural areas might be the opportunity to live in a small, safe community with access to good primary school education and quality of life for the family.

As a third example, an EVP for a technology company might include the opportunity to innovate and test out new ideas in a collaborative work environment. This might outweigh the extended working hours and highly pressurised work environment.

#### **Step 4 – test EVP on focus group**

Select a focus group of the talent segment your EVP is aimed at and test the draft EVP on them to gather feedback. Edit as required and proceed to implementation.

## **IMPLEMENTING THE EVP – THE ROLE OF THE HR DEPARTMENT**

The ownership of the organisation's EVP needs to be spread across different functions, even though the champion/custodian might be the HR department. The EVP is part of the branding of the organisation and therefore needs to be jointly driven with the marketing department and also with the department responsible for internal and external communications.

All line managers need to understand the EVP as it relates to their department and need to understand their specific role in living up to it. For example, if an important element of the EVP is the collaborative work environment, managers need to make sure that they have the right skills to lead a collaborative team.

Within the HR department, the rewards strategy needs to be closely aligned with the EVP, and all the other HR functions need to analyse what part they should play in living up to the EVP. For example, the performance management system may need to be adapted to highlight critical aspects of the EVP. The Employee Wellness programme may be an important element of the EVP, so the practitioners managing that programme need to make sure it really meets the needs of employees. If the EVP includes that key technical staff will be offered opportunities to make major professional conference presentations, then the L&D department could get involved, and also the travel and accommodation policy needs to be checked.

Constant review and adjustment of the EVP is necessary, as conditions change internally and as the external talent market evolves.



## EXAMPLES OF EVPs

Examples of the EVP as expressed in recruitment marketing are shown here. Remember that this is not necessarily the whole EVP, which should be in internal blueprint for consistent messaging.

Note: not all the examples given here represent the good practice outlined in this Fact Sheet. It would be a useful exercise for your HR team to critique the examples against the criteria of this Fact Sheet. A pro-forma example given by Talentbrandrevolution is shown below:

### Example: Employer Value Proposition



#talentbrandrevolution

Sourced from slideshare.net





## Development of strategic EVP – a real life example.

### Deloitte.

Input from 5,000 stakeholders

Focused on what defines the Deloitte employment experience

Produced 14 EVP statements (6 shown here)

Statements are a suite of aspirational and authentic messaging describing the experiences of being at Deloitte

- 1) Our people are our brand
- 2) We have a continuous learning environment
- 3) Creativity is encouraged; innovation is expected
- 4) We believe teamwork beats individual brilliance every time
- 5) Our leaders know they are not the sole source of wisdom – they are students and teachers simultaneously
- 6) We are redefining the way professional services are experienced for our clients and our people

Advertising | Marketing | Digital | Employer Brand | Talent Technology

Deloitte. 2014

### L'oreal

**"A thrilling experience. Inspiring company. School of excellence."**

L'oreal has invested in defining and showing off their EVP through a beautiful careers page complete with content designed to attract talent, and help them succeed in the interview process. Notice the supporting statements of "thinking outside the box," "be part of our adventure," etc that dot their owned and social media.

# L'ORÉAL



## Work At Nedbank



At Nedbank, we recognise that our people are our organisation. That's why we believe in empowering our employees to explore and enhance their skills throughout their careers.

We believe that, by providing a working environment that values individuals and encourages them to keep growing, we invest not only in those individuals' careers and wellbeing, but also in our business and its future.

Through our wide range of wholesale and retail banking services, and our insurance, asset management and wealth management businesses, we can offer an extensive and diverse range of career opportunities for ambitious and dynamic young South Africans with varying interests to thrive in.

We are a vision-led and values-driven organisation, and we strive to build a culture wherein all of our employees, irrespective of their level, embrace our values of respect, integrity, people-centredness, and accountability, ensuring that Nedbank is always a great place to work, bank and invest.



**Nampak**

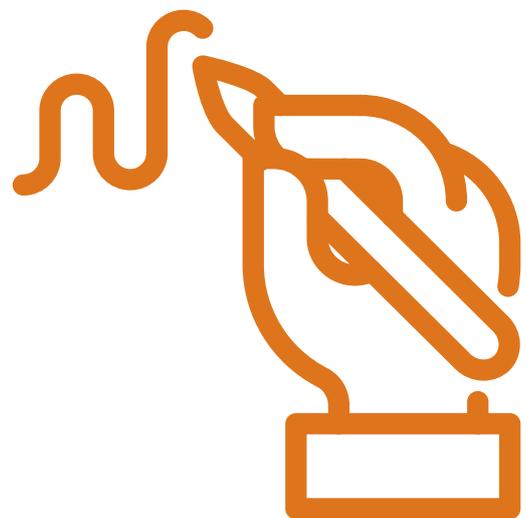


Today, over 6 663 people are building successful, long-term careers at Nampak. This is made possible through our enduring commitment to skills development and training, continuous learning, career planning, coaching, recognition and reward.

For a video of implementing the EVP at Distell, see <https://www.bing.com/videos/>

## CONCLUSION

It is becoming very clear from the HRM Audits conducted by the SABPP that successful HR departments are the ones which have a very clear idea of the “bigger picture” of what they are doing and how they assist in achieving the organisation’s strategic objectives. This means developing comprehensive and clear strategies at the integrated organisational level (the HR, Talent Management and Risk Management strategies) and at the level of each of HR’s sub-functions. An EVP which is rooted in the reality of day to day working in the organisation, while at the same time attracting and retaining people with the skills which will be critical for the organisation’s future, is an essential component of strategy implementation. For smaller organisations, probably one overall EVP for the organisation will be sufficient, while for larger, more complex organisations, segmentation of the EVP for key talent categories will be required.



The key to an effective EVP is simplicity, but it is simplicity derived from careful analysis of complexity.

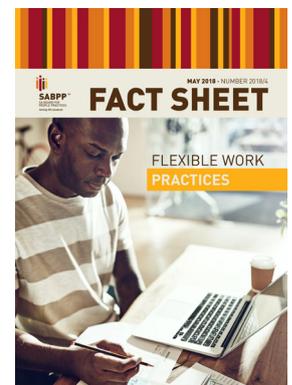
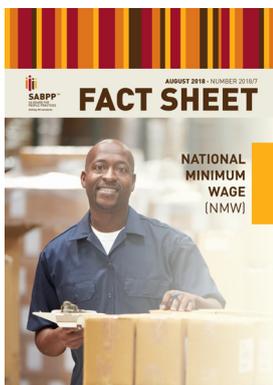
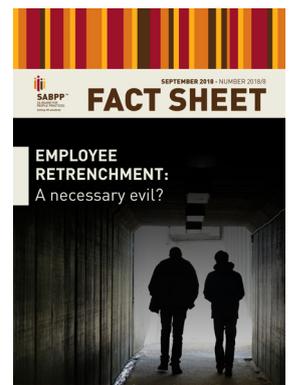
**This Fact Sheet was written by Dr Penny Abbott, Research and Policy Adviser, SABPP.**



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November	10	<b>SEXUAL HARASSMENT</b>

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DATE	NUMBER	SUBJECT
<b>2019</b>		
February	1	<b>EMPLOYER VALUE PROPOSITION</b>

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