

How can an employee value proposition strategy benefit your company?

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In order to learn all the ways identifying an employee value proposition (EVP) can benefit your company, let's start with the definition. An EVP is the complete offering a company makes to its prospective and current employees in return for their best efforts. It encompasses pay and benefits, all the non-financial aspects that attract, retain and motivate employees and the reasons former employees would speak well of the company. The concept has been around for years but has been gaining more traction lately – and for good reason.

EVP borrows terminology from the consumer side of business, where a company develops a customer value proposition (CVP) through a strategic evaluation of how their products can be most appealing to potential buyers. CVP includes an inherent recognition that the customer always has the option to buy from the competition. Therefore, CVP initiatives focus intensely on what the customer wants. EVP initiatives work best when they have a similar intense focus on what employees' value, unique to the organization they work for.

How does employee engagement fit into the picture? Think of EVP and employee engagement as siblings – two separate but related concepts affecting the employee satisfaction continuum.

For starters, employee engagement only applies to the period when a person is an employee. In fact, engagement sometimes gets serious consideration only during the annual employee survey. Engagement traditionally has given only modest attention to the reputation or “employer brand” of the organization before and after a person joins.

An EVP strategy, when best implemented, considers how the company is perceived before, during and after employment. Because it is informed by worker surveys but is not as closely linked to them, EVP tends to be less episodic than engagement initiatives.

However, assuming that a company gets good insights from its employee surveys, those analyses are central to understanding what employees value, where the company is succeeding in its EVP and where the company has the most serious gaps in its delivery on the proposition.

Like any way of framing the psychological contract between people and the organizations where they work, an employee value proposition is what a company makes it. If EVP is the



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mechanism for translating into concrete differences the leadership's genuine desire to make their employees happy, it's exceptionally powerful. If it's just marketing or a new label for more of what hasn't worked before, EVP won't matter. A focus on EVP does, however, have two advantages over a focus on employee engagement.

First, as mentioned above, EVP takes a broader view of the relationship, from a prospective employee's first encounter with the company all the way through to his or her time as a former employee. This is important given the higher turnover in some companies and the increased awareness of an organization's reputation on social media sites like Glassdoor and LinkedIn. With more people coming in and more people going out, greater attention needs to be spent on what happens before and after someone is an employee.

Second, and more important, EVP puts the burden on the company to offer the work, opportunities, culture and benefits of greatest *value* to the employee. In the last decade, traditional employee engagement programs increasingly blamed "disengaged" employees for having bad attitudes, despite evidence that the vast majority of people will be "engaged" if the company provides attentive and supportive managers, work-life balance, teamwork, a promising future and other reasonable requirements for a good job. EVP puts the initial burden where it belongs – on the company.

So, the first question companies should be asking is "what do employees value?" This is where traditional employee engagement approaches have failed. Many focus on the organizational upsides of engagement to the exclusion of what employees want in the bargain. People want to be happy at work. It's just that simple. And yet, many old-school engagement consultancies not only aren't focused on happiness, they argue against it. "The idea of making people happy at work is terrible," said the CEO of one traditional consultancy in a comment representative of many others.

BI WORLDWIDE's research shows a high correlation between happiness and all the performance variables that organizations need, such as customer focus, retention, innovation, collaboration and speaking well of the firm. To put it plainly, happiness at work is the ultimate employee value proposition.

Some think happiness is too vague to be a business goal and it can be if it's not broken down into its components. This is where BIW's research over the last five years is of the greatest value. Through cutting-edge

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studies that built on what was already established, BIW identified [12 elements](#) that define the unwritten contract between people and the companies where they work. When well executed, these 12 aspects make people happy and motivate them to perform at the highest levels for their employers.

Employees have a role in EVP too, which is one of the major differentiations between an employee value proposition and a customer value proposition. Customers of most organizations do not take an active role in shaping their experience because the relationship is based on infrequent transactions. Because employees spend the bulk of their waking hours at work and because many of the decisions are in their control, it's crucial they participate in making the company a better place to work.

When your EVP strategy is in practice – focusing on what employees truly value – it sheds a light on how your company is perceived before, during and after employment. Additionally, the motivations of the leadership in your workplace directly affect the actions of your employees. So, when you commit to working towards employee happiness, the attitudes of your employees follow suit and you stand to gain all that comes along with happier workers. That's how assessing and steering the direction of the big picture with an employee value proposition can make an immense difference for your company.

To learn more about how BI WORLDWIDE can help bring your employee value proposition to life, visit biworldwide.com or email info@biworldwide.com.

