Australian Government

Workforce Australia

EMPLOYEE VALUE PROPOSITION
Toolkit

Strengthening your organisation's EVP

Career Revive

Contents

Introduction

Until recently, the priority for organisations has been high-quality experiences for customers, not employees. As a result of the changes in ways of working, organisations will need to adapt to the evolving needs of modern day professionals, and understand which values are most important to their contemporary workforce.

UNDERSTANDING THE EVP

The employee value proposition (EVP) is a nuanced concept. It encapsulates everything from what an organisation uses to attract and retain talent, through to how someone describes the experience of working in an organisation to their family and friends.

> It's a mix of tangible and intangible benefits, describing why someone would choose to work at one organization over another.

The EVP includes objective elements, such as:

- Parental leave policies
- Remuneration and;
- Flexible work arrangements.

As well as subjective elements, such as:

- The experience of working for a particular leader.

ABOUT THE TOOLKIT

The Employee Value Proposition Toolkit contains tools, tips and advice to help HR professionals and business leaders to develop a compelling EVP.

While tools are applicable across a range of context and sectors, the toolkit focuses on three talent segments: Women, frontline workers, and knowledge workers.

The toolkit is divided into six pages which cover:

- Rethinking the employee experience (p.3)
- Knowing what workers want (p.4)
- Visualising the EVP (p.6)
- Enhancing the EVP (p. 7- 9)
- Getting inspired (p.10)

> According to a report by consulting firm, KPMG, only 18% of organisations differentiated their EVP from other organisations with whom they compete for talent.

> In this new world of work, we need to see employers and businesses getting their people together to test ideas, talk about what's working, and try different ways of attracting talent. Listening to what staff think about an organisation and where they think improvement needs to happen is a good indicator of where an EVP needs to draw upon and where focus may be required.
>
> **CAREER REVIVE MENTOR**

Rethinking the employee experience

The expectations that employees have of their employers are undergoing unprecedented change. Employees are more focused on their individual experience at an organisation than ever before, and employers need to adapt accordingly to retain top talent.

EMPLOYEE EXPERIENCE AS A BUSINESS IMPERATIVE

Think about the last time you booked a trip. Did you check for reviews or blog posts first to see what others had experienced directly? The same attention to experience has now come to the workplace.

We are now in an age where employees can share more information about the quality of their employee experience than ever before. Glassdoor, a platform that enables employees to share reviews about their company, is a current example of how empowered employees are speaking up about their experiences of business.

With a plethora of jobs to choose from, and employers in need of talent, employers will need to raise their game in regard to the employee experience.

⭐ Research by consulting firm Deloitte has found a growing mismatch between what employers offer and what employees expect from their organisations. The latter wanting businesses to be socially responsible, ethical and committed to positive contribution to society.

⭐ Research by data and consulting firm, Gartner indicates that organisations that deliver on their EVP improve loyalty and commitment by 30% and decrease turnover by 69%.

⭐ Gartner has also found that strong employee experiences can reduce compensation premiums or benefits by 50%.

A NOTE ABOUT THE EVP

A common misconception is that employee engagement is the sole responsibility of HR or a specialist team. While HR plays a pivotal leadership role in delivering engagement outcomes, employee engagement is a collective effort.

A secondary warning considers the crossover of EVP and the brand of your organisation. While EVPs should align and complement the consumer brand proposition (CVP), they should not replace it. Often, the line between the EVP, marketing strategy, and internal communications is blurred. EVPs should not become a brand unto themselves.

BASIC PRINCIPLES

Researchers have identified three powerful forces (the 3 Cs), that drive employee engagement: **cause, community, and career**.

Cause is about purpose: feeling you make a meaningful impact, identifying with the organisation's mission and believing in the organisation's contribution to the wider world. Working at the organisation is accompanied by a sense of pride.
1

Community is about people: feeling respected, cared about and recognised by others. It drives a sense of connection and belonging.
2

Career is about work: having a job that offers autonomy, allows you to use your strengths and promotes learning and development. It's at the heart of intrinsic motivation.
3

❝ Jeffery Pfeffer, Professor of Organisational Behaviour at Stanford Graduate School of Business has done extensive research on the topic of employee health and performance. He found that job stress cost US companies more than $300 billion annually and may cause 120,000 excess deaths each year. Some workplaces are literally killing people.

Creating excellent employee experiences goes further than winning the war for talent. Increasingly, organisations are becoming aware of the role they play in addressing societal issues.

Knowing what workers want

One size does not fit all when it comes to attracting and retaining talent. What people seek from their place of work is entirely unique to them, often influenced by age, life stage, and career and personal goals.

The profiles below suggest the stated desires and interests of three employee segments: women, frontline workers and knowledge workers. Note the similarities and differences between the 3:

WOMEN

Research from Potential Project found that in the first year of the pandemic alone, 54 million women around the world left the workforce, almost 90 percent of whom exited the labour force completely. The participation rate for women in the global labour force is now under 47%, drastically lower than men at 72%. Opportunity awaits employers who are willing to tap into this market. Women are most likely to seek and respond to the following:

CONTROL OF THEIR WORKDAY	FLEXIBLE WORK PENALTIES	COMPASSIONATE MANAGERS	CULTURE
Women want control over when, where and how their work is completed. They are 10% more likely than males to look for and accept roles where they can work flexibly.	Women want their employers to play a more active role in helping them to progress without paying a flexible work tax (where career progress stalls when one elects to work part time.)	Women (more so than other cohorts) desire compassionate managers who understand the need for flexibility, wellbeing supports, and take action to help manage burnout.	Toxic cultures have been the number one factor identified in influencing women to leave their places of work.

KNOWLEDGE WORKERS

Research has shown that productivity for knowledge workers rose by 30% during the pandemic, a spike which came with a cost. The blurring of boundaries between home-life and work-life increased feelings of fatigue and burnout. The pandemic also introduced a new level of flexibility and autonomy, cementing hybrid work as an expectation. Knowledge workers are most likely to seek and respond to the following:

SUPPORTIVE COWORKERS	WORK LIFE INTEGRATION	FLEXIBILITY	REMUNERATION
Knowledge workers wish to work alongside talented co-workers and supportive managers.	This cohort have increased their focus on work life balance. On average, employee job satisfaction decreases as they work greater hours per week.	Knowledge workers are seeking more autonomy over their working day, including where, when and how work is completed.	This cohort wish to ensure that remuneration is commensurate with the rising cost of living and capabilities they bring to the role.

Knowing what workers want (cont.)

One size does not fit all when it comes to attracting and retaining talent. What people seek from their place of work is entirely unique to them, often influenced by age, life stage, and career and personal goals.
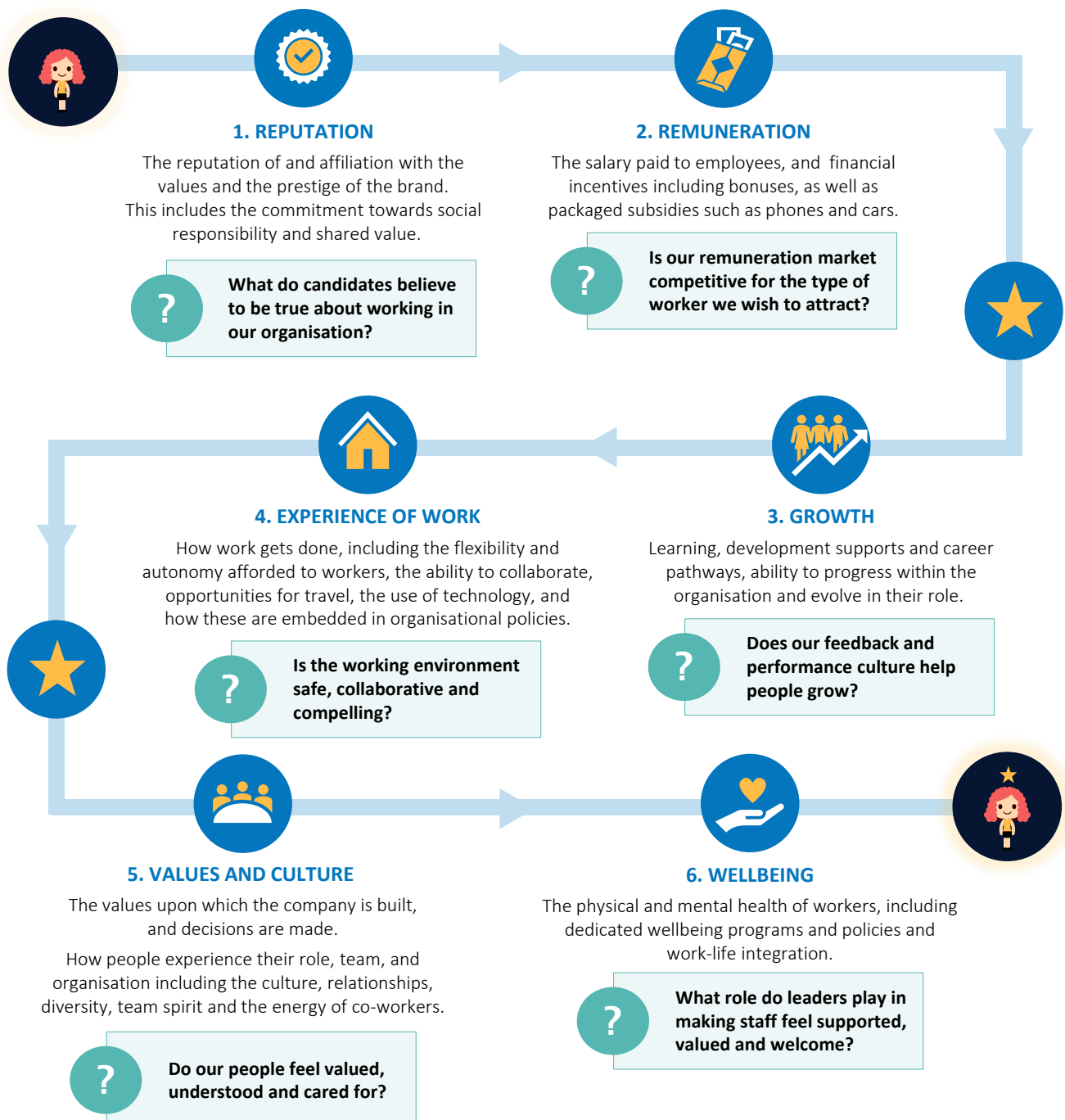
FRONTLINE WORKERS

Frontline workers were at the coal face of the pandemic, risking their personal safety while many others stayed at home. Research from consulting firm, Accenture, has found at least three quarters of frontline workers feeling anxious, overwhelmed or frustrated. Frontline workers are most likely to seek and respond to the following:

REMUNERATION	HEALTH AND HYGIENE	CULTURE	DIVERSITY AND INCLUSION
Frontline workers are motivated by pay and ensuring this is commensurate with the rising cost of living.	This cohort want to work in organisations which promote the safety, health and wellbeing of employees.	Frontline workers place significant importance on culture and team dynamics.	Frontline workers are seeking a strong commitment to wellbeing, diversity, equity and inclusion.

Visualising the EVP

When deciding what to include in your EVP, it is important to think about what might be most important to target employee segments. This also needs to align with what your business is best placed to deliver.

The map below can help guide organisations and leaders to conceptualise their EVP. Use in conjunction with the EVP enhancement activities on pages 08 – 10 to target activities.

1. REPUTATION

The reputation of and affiliation with the values and the prestige of the brand.
This includes the commitment towards social responsibility and shared value.

? What do candidates believe to be true about working in our organisation?

2. REMUNERATION

The salary paid to employees, and financial incentives including bonuses, as well as packaged subsidies such as phones and cars.

? Is our remuneration market competitive for the type of worker we wish to attract?

4. EXPERIENCE OF WORK

How work gets done, including the flexibility and autonomy afforded to workers, the ability to collaborate, opportunities for travel, the use of technology, and how these are embedded in organisational policies.

? Is the working environment safe, collaborative and compelling?

3. GROWTH

Learning, development supports and career pathways, ability to progress within the organisation and evolve in their role.

? Does our feedback and performance culture help people grow?

5. VALUES AND CULTURE

The values upon which the company is built, and decisions are made.

How people experience their role, team, and organisation including the culture, relationships, diversity, team spirit and the energy of co-workers.

? Do our people feel valued, understood and cared for?

6. WELLBEING

The physical and mental health of workers, including dedicated wellbeing programs and policies and work-life integration.

? What role do leaders play in making staff feel supported, valued and welcome?

Enhancing Your EVP

How do organisations recast their EVP to turn 'the great resignation' into 'the great opportunity?' They begin with deep listening, adopting more curious mindsets and considering the forces that shape how people find meaning at work.

The process below has been developed to support employers to create or to reshape their EVP. While this may be driven by the HR team, it is advised that the EVP is updated in collaboration with managers, leaders and marketing team.

1. CONSIDER YOUR CURRENT EVP

A value proposition exists whether an organisation has invested consciously in it or not. It is suggested that you begin the process by taking time to examine the story that you are already telling the market about working in your organisation. To complete stage one, consider the questions below:

Job Advertisements	Look at your job advertisements across a range of roles and business areas and reflect on the following questions.

1
- When were these advertisements last reviewed or refreshed?

▶ *The EVP by its nature should be a dynamic offering, which is updated regularly to ensure ongoing relevance and (where possible) remain at the forefront of employee needs.*

2
- What story are we telling about the organisation's culture, benefits and values?

▶ *When profiling your organisation, try to remain focused on the factors that are important to your target cohorts. This includes (but may not be limited to) commitment to work life balance and market competitive pay.*

3
- How does our narrative or position differ from our nearest competitors?
- How are our competitors using images, social media and the employee voice to tell their story?

▶ *The goal is to have a clear point of difference from your competitors. If you are both or all offering the same benefits then there may be more work yet to do.*

This step alone may provide opportunities to improve the story you are telling in the broader market. This comes with a word of caution. It is important to ensure that the public promise you are making is genuinely aligned with the experience of current and recent employees.

Enhancing Your EVP (cont.)

How do organisations recast their EVP to turn 'the great resignation' into 'the great opportunity?' They begin with deep listening, adopting more curious mindsets and considering the forces that shape how people find meaning at work.

2. ENGAGE WITH EMPLOYEES

There can be a gap between what leaders and organisations believe their employees want and what employees desire. Engaging with employees directly may help to surface areas where further investment is needed. Dialogue may also help to unearth strengths that may not have been given due acknowledgment. Insights may be gathered from varied sources, including:

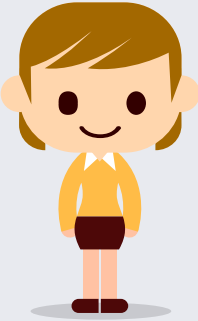|	
Employee Focus Groups	*Focus groups should explore what attracted staff to the organisation in the first place, why people remain, and how their values and needs have change over time. Ideally, focus groups will be segmented by role, unit and seniority to enable open discourse and provide nuanced observations by level and area. Alternatively, individuals undertaking this work may wish to focus on critical or emerging roles.*
Exit Data	*A review of exit surveys and interviews may offer insights about forces driving individuals to leave the organisation. Particular attention should be paid to individuals who have left the organisation in the first year or following a large life transition (including having children). References to poor team culture, pay, overwork and burnout will likely require further investigation.*
Glassdoor Reviews	*While individuals may not always be honest about their reasons for leaving an organisation in their exit interview, they are more inclined to do so when they can leave reviews anonymously. Glassdoor contains a number of unfiltered reviews from past employees. While this sample may represent 'extreme users' only, reviews are publicly available and should therefore be acknowledged and managed in a considered way. It may also be a worthwhile exercise to review reviews from competitors, as insights may suggest areas of differentiation that can be emphasised in your own EVP.*
Seek inspiration from studies	*Research companies have published data on the values and desires of certain workforce segments. Review publicly available information to help shape and inspire future efforts.*

Enhancing Your EVP (cont.)

How do organisations recast their EVP to turn 'the great resignation' into 'the great opportunity?' They begin with deep listening, adopting more curious mindsets and considering the forces that shape how people find meaning at work.

3. MIND THE GAP

By this stage, you will have developed a range of insights to enhance your EVP. Take the time to analyse and segment data by workforce profile. You will likely have identified areas where investment will be needed to deliver expectations and future aspirations. You may also have identified areas of strength, which may be profiled in your external communications. The final step in the process is to identify areas of investment and ensure that adjacent supports are in place to turn the promise into a reality.

Consider how the organisation (below) used this exercise to attract returners to their organisation.

Target Segment	Insight/s	Our Strengths	Area for investment
Women who have been out of the workforce for up to two years and are looking to return to the workforce.	Returners value choice and autonomy. They wish to have a degree of choice over when, where and how their work is completed.	• Corporate roles have high levels of flexibility and autonomy. **Action: Promote flexibility and autonomy in job advertisements.**	• N/A
	They value and respond to compassionate managers who take action to help manage burnout.	• Business has invested in EAP supports for employees. **Action: Highlight commitment to wellbeing and associated supports in job advertisements**	• Invest in manager training in areas where Returners will be placed. **Action: Promote supports provided to manage workload and help build confidence.**
	Returners often had successful careers prior to leaving the workforce. They value recognition for this work and an understanding that they are not starting their careers from scratch.	• The organisation has a learning culture, infrastructure and training to bridge knowledge gaps. **Action: Promote protected time for learning and skilling.**	• **Action: Invest in new learning and development platforms and virtual working technology.**

Getting Inspired

Use the check list below to refine your EVP and be inspired by how other businesses are approaching the EVP opportunity.

	Ask yourself:	Get inspired:
Reputation	What sets us apart as an employer? Does working for us come with a sense of pride or prestige? How are we managing our alumni? Have we considered staff who may have left but wish to return?	"We are remaining competitive by looking at our environmental, social, governance and broader community impact. "
Remuneration	Are we reviewing remuneration frequently enough to keep pace with the scale of change? Should we be considering greater pay transparency or guiding principles?	"We cannot compete on salary, so we focus on the culture and values of our organsiation and quality of our senior leaders."
Growth	Have we clearly defined career pathways to support mobility and skilling across the organisation? Do leaders and managers mentor and sponsor talent?	"We've started investing in job crafting conversations, so our people feel like they are in control and doing more of what they love."
Experience of Work	Do we have a clear and embedded position on flexibility and working from home? Would employees describe their roles and work as meaningful or challenging?	"Frontline organisations that stand out are investing in technology, making jobs easier, more attractive and enjoyable via blending tech and trade skills. "
Wellbeing	How proactive are we as an organisation in managing employee wellbeing? Do we treat the symptoms of burnout or are we focused on preventative measures?	"Part of the reason that we focus so much on diversity, equity and inclusion is because we know it is a leading indicator of wellbeing "
Values and Culture	How (if at all) are we making our community and society a better place? Given the preference for working with good co-workers, how can we profile our people and talent in our attraction and recruitment activities.	"Members of our leadership team reach out to top talent directly, often with a personalised note. It's flattering for them and they get direct access to our top talent."