

# Development

## Feature at a glance: all the key elements

### WHAT EVP IS

An EVP is a promise or pledge to employees, which communicates the values and aspirations of the company as well as the benefits for employees

### THE BLUEPRINT

The development of an EVP is simply the first step. It's the blueprint. The implementation process can be equally, if not more, arduous. All relevant touchpoints must tie in

### VIRTUOUS CIRCLE

A company that clearly transmits its values and aspirations enhances reputation as the EVP is translated into how employees interact with customers

## Get (and keep) great people

*Roland Bernhard examines the Employee Value Proposition as a potential recipe for attracting and keeping the best possible people to deliver the customer strategies your organisation needs in tough times*

OF ALL THE DIFFICULTIES currently facing businesses in the UK, one that might not be immediately apparent is employee recruitment and retention. Surely, economic uncertainty makes it less likely that staff will walk out? The answer, however, is not so straightforward. In fact, as companies look to adjust to the new climate the likelihood of your best people being attracted away does not decline.

Demand for the most productive people actually grows in these circumstances and businesses that do not persuade employees or potential recruits that they offer both excellent financial rewards and a great working environment struggle to keep up. This in turn impacts on the customers' experience of the brand, service or product and can exacerbate decline.

### The Employee Value Proposition

To counter this potential danger to

the survival of a business we help clients to develop and implement an Employee Value Proposition (EVP). An EVP is a promise or pledge to employees, which communicates the values and aspirations of the company as well as the benefits for employees. It sets out what the company stands for, what it offers its staff and what it expects from them in return.

The development of an EVP must include input from different key functions of the business including marketing, human resources and corporate communications to ensure it fits in with the objectives and culture of the organisation, and is coherent and complementary to external articulations of the brand.

Cross functional co-operation in the development of an EVP is also important to avoid a common mistake made by many companies - making claims to both current and potential employees that do not reflect the real experience of working

for the company. Two of the most common claims that companies make focus on diversity and innovation. Yet, more often than not, a quick visit to the company website reveals a top management team that is largely homogeneous and a product pipeline that is less than inspiring.

To attract the best people companies do not just need a good EVP they also need to be able to prove it.

### Developing an Employee Value Proposition

Prophet has developed a proven process that not only creates an EVP but also helps companies achieve the aspirations it sets out, delivering real benefits in terms of employee recruitment and retention as well as the broader reputation of the business.

The process of developing the EVP is based on four pillars. A good starting point is always to look at what other companies are doing. To stand out a company needs to create an EVP that is unique and discovering the 'white space' is critical. This research does not focus solely on companies in the same sector but also those in other sectors that are attracting the kind of people you would like to be working for you. An additional and equally important aspect of this phase is to examine the qualities of other successful brands and whether these qualities need to be incorporated into your own culture as an ante for consideration, for example

providing the opportunity to develop both personally and professionally through high levels of responsibility.

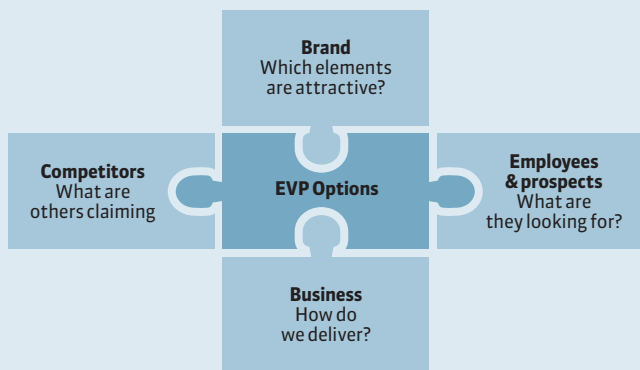
Secondly, you need to analyse the elements that are already part of your brand which can be used to successfully recruit and retain employees. An examination of the choice drivers that help to shape people's decisions about where they want to work and a comparison with your existing equities needs to be supported by the third pillar of the process, namely a detailed survey of the opinions of employees and potential employees.

This third pillar helps to identify what these people really think. Why have people applied for a job in your company? Why did they refuse or accept an offer? What do your current employees think? Why have some employees been with you for years and what keeps them here? Detailed

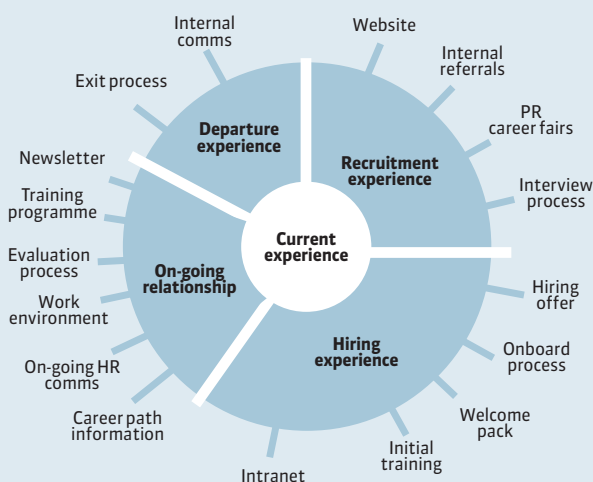
The successful development of an Employee Value Proposition means companies retain and attract the best people. These are individuals who fit in with the values of the company and share its aspirations. This puts businesses in a strong position to survive any economic downturn and to prepare for future growth



**Figure 1 - The questions that need to be asked when developing EVP options**



**Figure 2 - Implementing an EVP requires thought and action on all touch points between an organisation and its employees, past, present and future.**



research into where a company stands at the moment provides the insights needed to move forward.

Finally, a company needs to look at what can realistically be delivered. What will actually work for the business and support overarching brand goals?

This research and analysis process then leads to the development of several possible EVPs. For Prophet, the development of an EVP combines art and science. We use the insights derived from the research to develop a strategy and then use intuition and creativity to develop a range of unique solutions. There may be a set list of ingredients that needs to go into making an effective EVP - such as for example working culture, development opportunities and impact on the local community - but how these are mixed together can produce very

different results, some of which may not fit well with the objectives and culture of the company.

To find the best option, all the possible EVP solutions need to be put through a filter process. This asks whether it is really relevant to employees and potential recruits, whether it is really different or unique, whether it really fits with the business strategy and whether it is really credible? The latter filter often needs to include a time frame within which a company sets out an ambition to achieve its EVP. This is based on a clear understanding of the gap that exists between the current position and where the company wants to be.

### Implementing the Employee Value Proposition

The development of an EVP is simply the first step. It's the



# Development

A company that clearly transmits its values and aspirations to its employees enhances its wider reputation as the EVP is translated into ways in which employees interact with customers. It creates a virtuous circle

» blueprint. The implementation process can be equally, if not more, arduous. First of all companies need to ensure that all of their relevant touch points tie in with the EVP.

Employees and potential applicants interact with companies on many different levels. This can be through the internet, company literature, personal experience of the brand and its products or service. Do these touch points encourage the right potential employees to apply for vacancies and do they all line up with the EVP you have developed?

Secondly, a major effort is needed to bring current employees on board, to make them understand and engage with the EVP and how it will benefit them. In particular, managers need to be trained to live the brand in order to transmit it to employees and to candidates during the interview process.

This is a crucial step because it is current employees who transmit the EVP externally and help build the reputation of the company with clients and customers and attract the right kind of person to apply for a vacancy. The process of implementing an EVP must also include the measurement of progress with the two main criteria being changes in the rate of staff retention and the quality of applicants. Having the right metrics

and an effective monitoring and reporting system ensures progress is on track.

## The benefits of an Employee Value Proposition

The successful development of an Employee Value Proposition means companies retain and attract the best people. These are individuals who fit in with the values of the company and share its aspirations. This puts businesses in a strong position to survive any economic downturn and to prepare for future growth.

It also creates a virtuous circle. A company that clearly transmits its values and aspirations to its employees enhances its wider reputation as the EVP is translated into the ways in which employees interact with customers. This helps recruitment. You have people who live the brand and the culture.

Higher staff retention also means cost savings. Those organisations that develop an EVP which clearly sets out benefits in terms of personal development and working environment can, in fact, often avoid competing on salaries with their peers.

People are not only motivated by money and an effective EVP not only means a better reputation and more loyal customers but also reduced costs. ☺



### ABOUT THE AUTHOR

**Roland Bernhard is a Partner at the global strategy consulting firm Prophet. With more than 20 years experience in consulting and line management, he has worked with leading companies to develop and execute winning brand strategies and drive organisational change. This has included a focus on employee value proposition and engagement. Before joining Prophet, Roland was Global Head of Marketing at Red Bull. Roland holds an M.B.A. from the Fuqua School of Business, Duke University in North Carolina, USA**

ANDREW JOHNSON

## Credit crunch and incentives

*In troubled and uncertain times such as these it's more important than ever to recognise those going the extra mile for you*



WHAT A YEAR IT has been! This time last year I certainly would not have expected that the phrases 'credit crunch' and 'recession' would be so rife, nor that leading world banks would either be collapsing or needing rescue packages from governments in the US and Europe, companies going out of business, thousands of people being made unemployed and prices going through the roof. In such a gloomy economic climate incentive rewards become even more important. When delivered effectively they will prove to be an invaluable way of demonstrating appreciation on those whose businesses. Choosing the most effective incentive rewards is, therefore, an extremely important consideration.

I decided to ask several members of The Va to demonstrate why vouchers and gift cards offer one of the most cost-effective and valued solutions:

Denise Porter, business development director at Treatme.net, comments: "An increasing number of companies are transferring from cash bonuses to vouchers. Money is perceived as less effective because it can get absorbed into day to day spend rather than used as a gift. Vouchers, on the other hand offer users the ultimate in flexibility, enabling the employees to choose their own gift and make the incentive more rewarding."

Martin Cooper, sales and marketing manager at

Love2reward, commented: "Gift vouchers and cards allow companies to give their clients or staff the opportunity to buy something for themselves. They can accommodate any budget and some options, such as Love2reward's 'Love2choose' card, even lets recipients choose the voucher they want. This can be invaluable for an individual, especially as the credit crunch continues to bite, since these vouchers can be used not only for recipients to purchase gifts for themselves, but can also enable them to purchase gifts for their friends and family."

When seeking to make a lasting impact through incentive rewards, Peter Clayton, director of corporate sales, Buyagift, also cites experience vouchers as a good solution. He explains: "They hold an appeal to an employer wanting to reward their staff with a gift that lives long in the memory, whereas simple monetary rewards are easily forgotten. Also, the cost is hidden to the recipient and the perceived value is much higher. This ensures the maximum impact to the end user with the minimum cost to the business."

Finally, House of Fraser's business incentives manager Catherine Forrest provides some further advice when offering vouchers and gift cards as incentives: "As vouchers have a monetary value, ensure that you pitch them at the right level."

**Andrew Johnson is director general of the VA**