

Reframing your employee value proposition

Why organisations are finally
examining their EVP

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Introduction

Customer experience, centred around a clear customer value proposition (CVP) has long been recognised as critical to delivering business performance. Today, employees (equally so) are at the centre of delivering organisational strategy, and are increasingly at the forefront of leaders' concerns and aspirations.

As CVP looks through the lens of the customer, employee value proposition (EVP) looks through the lens of the leader, the employee and organisations' target talent segments. This is why we believe EVP answers the call for how to shape and measure a more human-centred employee experience. This requires you to understand the needs of your people and to engage with them to ultimately drive better business results.

What is EVP and why does it matter?

EVP is the articulation of the why: why join, why engage, and why stay with a company. It defines the exchange of value between an organisation and its people. The exchange is dynamic and constantly changes throughout the lifecycle of the organisation and its people.

A leading EVP should differentiate, be relevant to your organisation, be impactful and purpose led and evolve constantly. Organisations that are focused on their EVP and employee experiences are winning the talent attraction and retention game.



According to Gartner¹, engaged organisations (full of people who are inspired by the right leaders or employee experience) deliver better performance, with around 29% greater impact on business outcomes. They also drive greater brand loyalty and external advocacy, which leads to around 70% greater employee retention.

EVP done well puts people at the centre of their own experience.

A strong, differentiated EVP:

1

...allows companies to attract, engage and retain the right talent through meaningful employee experiences.

2

...is the voice for employees bringing to life your company objectives, ambition, brand, culture and purpose.

¹ M. Kearney, "Why people experience must trump business efficiency in the new normal", *LinkedIn*, March 2022. <https://www.linkedin.com/pulse/why-people-experience-must-trump-business-efficiency-new-kearney/>

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Changes in the labour market mean the balance of power has shifted to favour employees.

EY Work Reimagined 2022 survey



Why is having a compelling EVP so critical right now?

The labour market has changed significantly with megatrends impacting the way we think about, and prefer to engage with our work. We have identified four megatrends that impact the way organisations need to think about the value exchange.



1. Digitisation and the demand for digital skills

Digital transformation remains at the top of the agenda for organisations to succeed and remain competitive. Since the Fourth Industrial Revolution², technology has driven an ever-evolving demand for new infrastructure, skills and expertise. The COVID-19 pandemic had an accelerated effect on digital adoption in most sectors, thereby magnifying the global digital skills shortage.

To adapt and thrive, HR leaders must tackle the growing demand for organisations to address both the technical and behavioural digital skills gap that exists now whilst closing the gap in the future.

They need to be mindful to create EVPs that articulate the opportunity to enhance, elevate and nurture the workforce's ability to apply and develop blended skillsets.

The shortage in skills and the pace of technological change mean organisations that have not evolved their EVP will find it harder to retain the required talent in an already highly competitive and rapidly changing market.

2. The demand to work differently triggered by the pandemic

It's important to acknowledge that traditional assumptions around financial benefits as the main attraction and retention mechanism are defunct. COVID-19 has accelerated existing employee trends and the necessity of working from home has become the norm. People are seeking more flexibility in the way that they work (see the recent EY survey results [here](#)) as they have successfully adapted to spending more time at home or working remotely, resulting in considerable lifestyle

changes. People are also demanding flexibility in terms of where they work (hybrid working as an example); when they work; and how many hours they work (work-life balance).

The EY Work Reimagined Survey 2022³ revealed that **80% of employees want to work remotely at least two days per week.**

Employees ranked flexibility in where and when they work as their second-highest priority if they were to change jobs.

Flexibility and hybrid working are the new normal. Remote working has opened doors for people through location independence, making it easier to job-share or work part-time through flexible schedules. It has increased access to wage and income equalisation for those often marginalised, allowing members of the workforce to work from home. Online talent marketplaces have helped widen the talent pool for companies too.

New ways of working are helping fuel the desire and need for greater autonomy and choice, an essential element in the employee experience of today.

3. New generations are reframing the future differently

An EY Ripples survey⁴ conducted in 2021 set out to discover how business and education can aid Gen Z to reframe the future. The survey revealed how Gen Z seeks challenging, meaningful careers that are both intellectually and socially stimulating. They desire jobs that will allow them to contribute to original ideas and solve global challenges.

² N. Davis, "What is the fourth industrial revolution?", *World Economic Forum*, 2016. Accessed 04/05/22 at <https://www.weforum.org/agenda/2016/01/what-is-the-fourth-industrial-revolution/>

³ L. Fealy and R. Feinsod, "How workforce rebalancing is building pressure in the talent pipeline", *EY*, 2022. Accessed 04/05/22 at https://www.ey.com/en_gl/workforce/work-reimagined-survey

⁴ Anne Sawyer, "How business and education can help Gen Z reframe the future", *EY*, April 2021. Accessed 01/06/22 at https://www.ey.com/en_gl/corporate-responsibility/how-business-and-education-can-help-gen-z-reframe-the-future

78% of the survey participants felt positive about the emerging trends and tools shaping the future of work, be they globalisation, automation, or shifting work norms. Unlike previous generations, they see these forces as opportunities that will free them to work flexibly and allow them to focus on projects that have a greater impact.

Daniel Cable, in his book 'Alive at Work', describes how work should satisfy our need for self-expression, experimentation and purpose. These are all crucial elements that need to be factored in to a strong EVP.

HR leaders are increasingly needing to acknowledge that people are consciously questioning their organisation's purpose and what it stands for.

The organisation of the future should be a place where people can explore their talent and where they feel a sense of meaningful belonging.⁵

The 2022 Edelman Trust Barometer⁶ revealed that **60% of employees want their CEO to speak out on societal issues they care about**, and 80% of the general population want CEOs to be personally visible when discussing public policy, or the work their company has done to benefit society.

HR leaders need to design workplaces for generations to come. Generation Alpha, born in the past ten years will bring their own demands to the future of work. They were born with a screen in their hand and are acutely aware of societal issues such as equality, mental health and diversity⁷. They are the most digitally active and the most informed generation yet. To stay ahead of the curve in terms of nurturing and attracting this talent, organisations will need to consider how to not only provide the digital training and infrastructure this generation will seek but also connect on issues that matter to them through their EVP.

If you do not articulate clearly what matters to your organisation, which resonates with this generation, you will disengage a pool of talent that you cannot grow without.

4. Rising employee turnover and 'the great resignation'

The acceleration of digitalisation as well as new trends in employee demands, has fuelled the unprecedented levels of attrition, being termed globally as 'the great resignation'.⁸ Highlighted in the EY Work Reimagined Survey 2022, 68% of employer respondents say employee turnover has increased in the past 12 months, with **43% of employees saying they are likely to leave their current employer in the next year.**

Employers are putting more emphasis on learning, flexibility, employee wellbeing and safety. 72% of employers believe new ways of working will cause some segments of the workforce to lose competitive advantage, compared to just 56% of employees, emphasising the disconnect in what employees want and what employers are expecting.

In order to bridge the divide and combat any disparity with employees, employers will need to reinforce a transcribed EVP into the day-to-day lived employee experience, which delivers an authentic and holistic proposition that resonates.

Improving day-to-day experiences take time, requiring your leaders to show up differently, and even encompasses investments in your digital workplace of the future. EVP is a great place to start in re-contracting on this commitment whilst you bring your ambition to life.


5 A. Kholi, "What employees really want at work", *Forbes*, July 2018. Accessed 04/05/22

at <https://www.forbes.com/sites/alankohli/2018/07/10/what-employees-really-want-at-work/?sh=2fa41a095ad3>

6 "2022 Edelman trust barometer", *Edelman*, 2022. Accessed 04/05/22 at <https://www.edelman.com/trust/2022-trust-barometer>

7 Dan Schawbel, "The Future of Work According to Generation Alpha", December, 2020. Accessed 01/06/22 at <https://www.linkedin.com/pulse/future-work-according-generation-alpha-dan-schawbel/>

8 J. Fuller and W. Kerr, "The great resignation didn't start with the pandemic", *Harvard Business Review*, March 2022. Accessed 04/05/22 at <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>



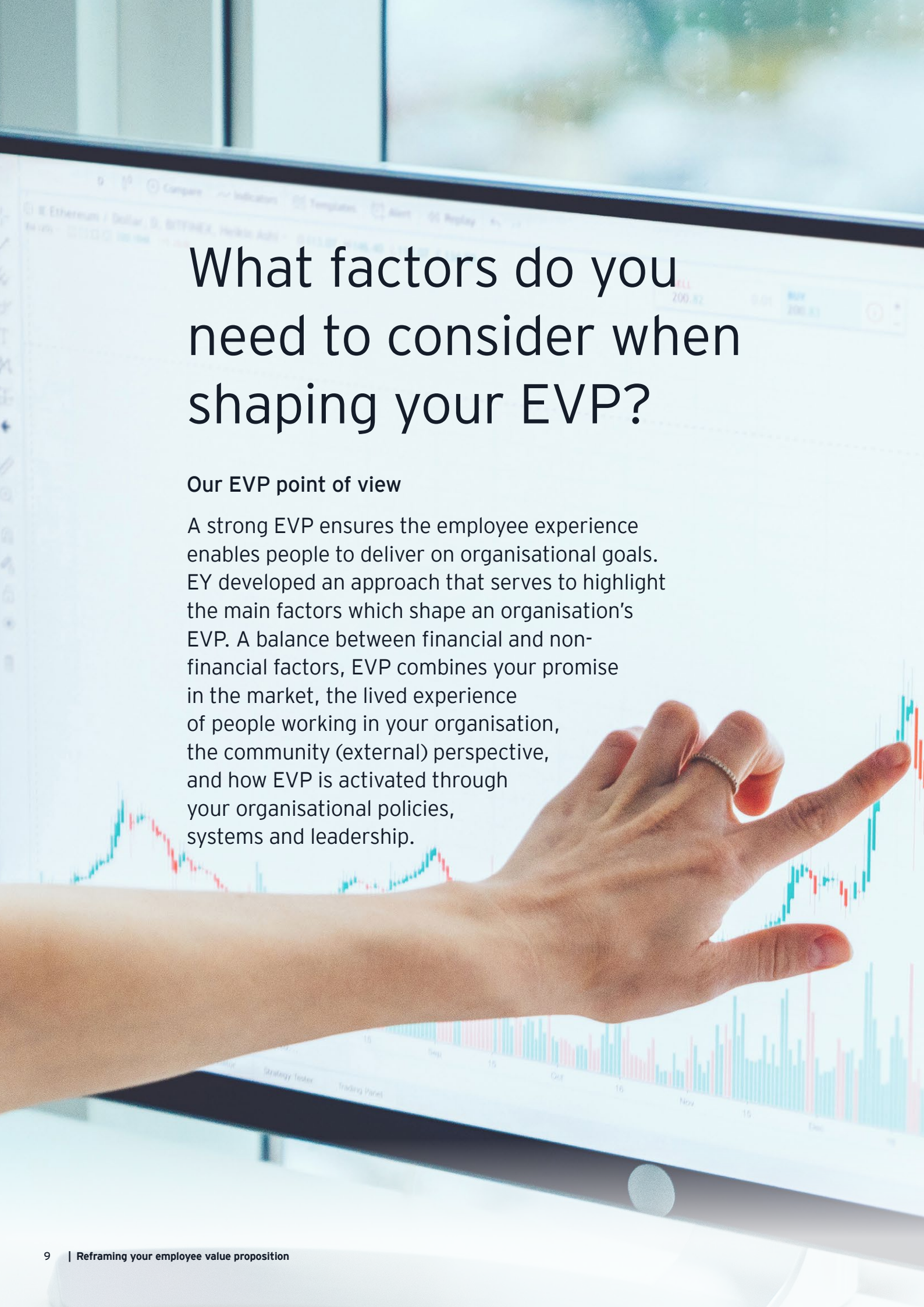
EVP is more important than ever.
According to Gallup,⁹ organisations with a strong, proactively managed EVP experience a

**10% increase in productivity,
69% reduction in employee turnover, and
30% increase in profitability.**

Organisations need to recalibrate and understand what exactly they are offering employees, with both the employee promise and the lived experience. A strong differentiated EVP will enable companies to navigate 'The Great Resignation', meet growing employee and organisational demands and become a destination company for the best talent.

It's critical for organisations to refresh, reframe and reinvent their EVP, delivering a human-centred employee experience that truly values its greatest asset, its people, and helps achieve long-term success.

⁹ J. Harter, "Employee engagement on the rise in the U.S.", *Gallup*, August 2018. Accessed 04/05/22 at <https://news.gallup.com/poll/241649/employee-engagement-rise.aspx>

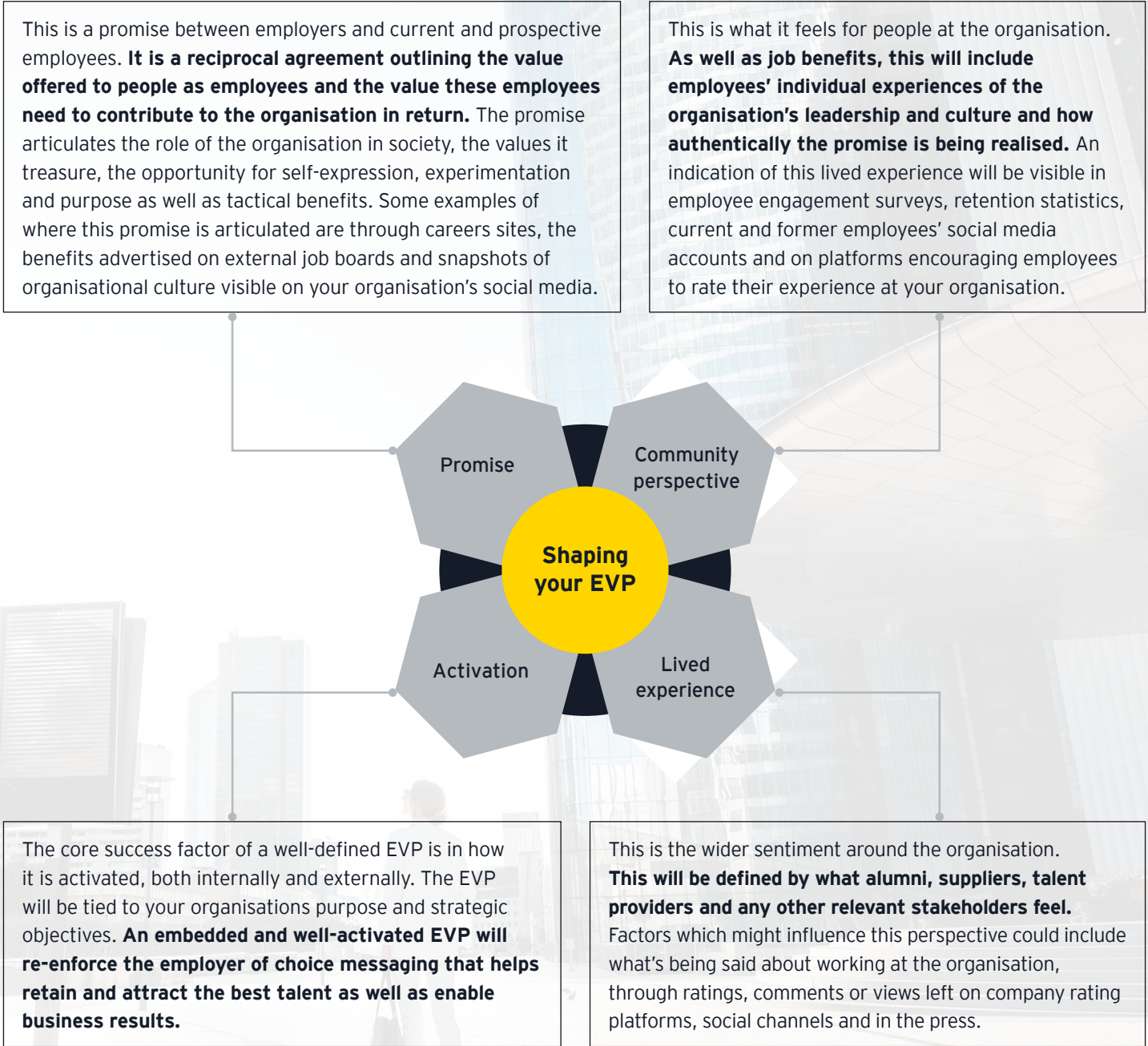
A hand with a ring on the ring finger points towards the right side of a computer monitor. The monitor displays a financial trading interface with a candlestick chart and a volume bar chart below it. The background is a blurred office window with greenery outside.

What factors do you need to consider when shaping your EVP?

Our EVP point of view

A strong EVP ensures the employee experience enables people to deliver on organisational goals. EY developed an approach that serves to highlight the main factors which shape an organisation's EVP. A balance between financial and non-financial factors, EVP combines your promise in the market, the lived experience of people working in your organisation, the community (external) perspective, and how EVP is activated through your organisational policies, systems and leadership.

The following factors are critical for employers to effectively understand the true value of EVP and maximise its impact.



You can address and evolve each of the above factors for your organisation. A truly robust EVP combines the promise, lived experience and community experience with consistent activation.

The delta between employee promise and lived experience



When considering their EVP, most organisations will find a discrepancy between their promise and their employees' lived experience. We call this the delta. The delta exists as employers cannot control every aspect of the employee experience. However, the strength of an EVP largely relies on the size of the delta. For example, having large discrepancies between your promise and your employees' lived experience may make your organisation appear disingenuous, which in turn will negatively impact the 'community perspective' element of your EVP.

To strengthen EVP, organisations can concentrate on minimising the delta. By moving the lived experience closer to the promise and vice versa, the delta can be reduced.

Organisations should recognise that the time taken to reduce the delta is directly related to the size of the shift in the overall ambition and promise, compared to the current lived experience.

The scale of desired changes in company purpose, corporate strategy and people priorities will influence the amount of refreshing, reframing and reinventing of EVP required. Therefore, organisations must manage the tension between being compelling and being realistic.

4 key takeaways

1

Organisations need to recalibrate and understand what exactly they are offering people. Determining this will help them differentiate and stay ahead of their competitors when it comes to attracting and retaining talent.

2

Activate the EVP both internally and externally to maximise the ability to not only engage and retain people, but also attract the best talent to achieve your company goals.

3

The strength of an organisation's EVP is reliant on the size of the delta between the promise to people and their lived experience. Minimise the delta by promoting your organisation's hidden strengths and aligning the promise and people's lived experience.

4

To continuously evolve the EVP, organisations need the right metrics to measure progress. Match these to the specific areas of EVP focused on and align them to the business objectives.

Elevate your EVP now.

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