

Delivering on the Employment Brand Promise

Creating a Competitive, Differentiated Employment Value Proposition (EVP) Is Key to Attracting and Retaining Critical Talent Segments

EXECUTIVE SUMMARY

- ▶ Only four out of ten employees believe their organizations deliver a strong EVP. While targeted employment branding campaigns or recruiting strategies might increase the number of applicants in the short term, only a competitive EVP attracts and retains talent for the long term.
- ▶ **Leading organizations focus on differentiating and delivering their EVP.** A differentiated EVP builds upon market realities and focuses on the organization's strengths relative to competitors in the areas most important to employees.
- ▶ Effective management of the EVP increases an organization's access to candidates in the labor market by 50%, improves commitment of current employees by up to 29%, and **reduces new-hire compensation premiums by up to 50%.**

Failing to Deliver the Promised Employment Value Proposition

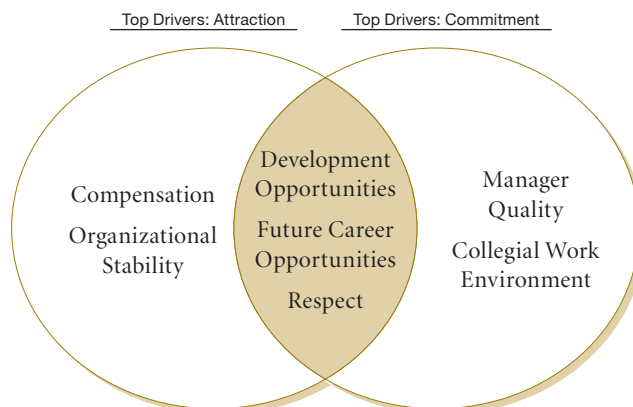
An increasing global demand for talent and a shortage of critical talent segments makes attracting and retaining critical talent a top priority for HR executives. While most organizations have responded to this priority through employment brand and recruiting-based strategies that have increased the number of applicants, they have been unable to achieve a long-term advantage in the labor market. This is evidenced by the only 24% of current employees who believe their organization delivers a strong EVP.

Four Challenges for Successful EVPs

There are four common failure points organizations face in designing and delivering an effective EVP:

- ▶ **Failure Point #1: EVPs Are Misaligned with Employee Preferences:** One cause of this misalignment is a disconnect between what the labor market prefers and what HR believes the labor market prefers.

Figure 1
Core EVP Attributes Across All Major Talent Segments



Use the Council to Take Action:

- ▶ Access the Council's Online Employment Value Proposition Design Center.
- ▶ Download the Full Study on the Council's Web site (www.clc.executiveboard.com).
- ▶ Access the Attraction and Recruiting Decision Support Center.
- ▶ Access Strategies, Templates, and Tools Through the Online Employee Engagement and Retention Decision Support Center.

For More Information

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- ▶ **Failure Point #2: EVPs Are Not Differentiated:** When organizations fail to differentiate their EVPs in the labor market, candidates and employees cannot identify the unique aspects of employment in the organization over competitors.
- ▶ **Failure Point #3: EVPs Do Not Address Variation in Preferences Across Key Talent Segments:** Variation of labor market preferences across geographies, functions, gender, and ethnicities makes finding desirable EVP attributes difficult.
- ▶ **Failure Point #4: EVPs Promised to Candidates are Not Delivered:** When organizations fail to deliver the promised EVP to new hires, commitment levels across the first 12 months of tenure decline, negatively impacting the performance of new hires as well as their intent to stay.

Build and Manage a Competitive EVP

To attract and retain critical talent segments, organizations must create a competitive EVP anchored in the following three insights:

Focus on the Seven Attributes That Are Universally Important for Driving Attraction and Retention: The starting point for any organization's EVP should be the seven core elements that provide 60% of the attraction and commitment benefits across all major talent segments. These core attributes are compensation, organizational stability, manager quality, collegial work environment, development opportunities, future career opportunities, and respect (Figure 1).

Vary EVP by Geographic Segments: Geographic differences account for 72% of the variation in EVP preferences. Segmentation based on function, gender, or ethnicity is unlikely to generate sufficient returns.

Use Current Employees to Communicate the EVP: Current employees are the most trusted communication channel of potential new hires. Turn employees into EVP advocates by providing them with information and tools to promote the organization.

Action Steps

- ▶ *Do You Know the EVP Preferences for Your Critical Talent Segments?*
- ▶ *Is Your EVP Differentiated From Your Competitors?*
- ▶ *Is Your EVP Aligned to Your Attraction and Recruiting Processes?*

Research Methodology

The Corporate Leadership Council surveyed 58,000 respondents from 90 member organizations through a Web-based survey conducted in the spring of 2006 and interviewed over 150 heads of HR.



Use the Council's EVP Design Center to benchmark preferences of EVP attributes by key segments.



Scotiabank uses seven steps to redesign their EVP to focus on the most competitive and strategically relevant aspects of the organization.



Philips identifies critical candidate touchpoints to reinforce EVP perceptions across the key stages of the candidate life cycle.

