

Analyzing the Impact of Employee Value Proposition on Labor Turnover

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Abstract: The Research aims to analyze the impact of Employee Value Proposition (EVP) on labor turnover in leading IT player in the state of Tamil Nadu with a specific focus on determining the cause and effect of the high Labor Turnover in the IT sector and suggesting suitable remedial measures. The information for this research was collected and compiled by means of literature and an empirical study. The Empirical study gathered the information through a questionnaire which was tested for its reliability. The questionnaire was designed by segmenting the labor market into general attributes that are evident in all organizations in the IT Sector. The Data was collected from 500 white collar employees of the stated organization using Stratified Random Sampling. The response rate was 95%. The primary data together with the literature data was processed and analyzed using statistical techniques. The Data was validated empirically and was analyzed using One-Sample Kolmogorov Smirnov test, Chi Square and ANOVA. Conclusions and recommendations were drawn based on the data analysis made. The research concluded that the organizations which focus on superior Employee value proposition initiatives have less Labor Turnover. The research clearly identified shortcomings within the current retention process and suggested methods to develop an effective strategy for bringing down the employee turnover rate in the organization.

Key Words: Employee Value Proposition, Labor Turnover, Retention, Empirical Study, Labor Market

Introduction & Background

The looming talent war is a topic of great importance to all labor markets. As the market for talent becomes increasingly more global, smart and focused intelligent people become the most important currency a company has. Those companies that have a long-term talent acquisition and retention strategy will have a competitive advantage in the future (Ajilon Finance, 2005). This will force a fundamental rethinking of workforce staffing strategies. Yet, rather than focus on the retention of stars, companies and researchers frequently are more enamored with investigating general turnover rates. Overall turnover rates do, in fact, yield useful information, particularly when examined relative to a company's industry, competitors or its own past experience. They are crude tools, however, compared to what performance-specific analysis can yield (Trevor, 2006).

Experts predict that winning organizations now and in the future are distinguished by the caliber of their human capital, as this is the one factor that

offers long-term, sustainable shareholder value and cannot be replicated by the competition. As competition for talent increases, organizations not only have trouble attracting employees, but also with keeping them, as competitors raise compensation packages in bids to “poach” talent (Corporate Executive Board, 2006: 2)

In terms of non-monetary losses, the new incumbent cannot just step into the role and be as effective as the person who has just left the organization. It will take the new incumbent at the executive level at least six months to become fully operational (Gordon Institute of Business Science, 2006). Engagement is the extent to which employees commit to something or someone in their organization and how hard they work and how long they stay as a result of that commitment. Commitment has both an emotional component - the extent to which employees value, enjoy, and believe in their organizations - as well as a rational component - the extent to which they believe it is in their best interests to stay with the organization (Corporate Executive Board, 2006: 32).

Employee Turnover is defined as the ratio of the number of workers that had to be replaced in a given time period to the average number of workers while attrition is the reduction in staff and employees in a company through normal means, such as retirement and resignation. Employee turnover is a huge challenge and a potential impediment in organizational growth and success. Employee Turnover and Attrition represents significant costs and can make a quantifiable difference (financial) in organization performance. One of the primary reasons why employees leave organizations is their supervisor or team leader, when they perceive a lack of trust or communication, relevant and timely feedback, appreciation and fair treatment. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce that ‘pulls’ them; on other occasions, they are ‘pushed’ due to dissatisfaction in their present jobs to seek alternative employment. In many cases the cause of attrition is a mixture of both the pull and push factors. Some of the most successful organizations globally have a very high quotient of discretionary effort that they achieve from their workforce. Discretionary effort is a function of willful display of the right behaviors that are aligned to achieving the overall business objectives and strategy. An effective performance management framework drives and rewards the right behaviors – superior financial results are then just a mathematical outcome. In short these successful organizations have a very powerful Employee Value Proposition (EVP).). For any organisation, the challenge is to find quality people – people with the skills, knowledge, experience, competencies and values that provide a match for the roles within the organisation. The person faces a different challenge: they look around, think about their personal circumstances, compare options, and then choose to take up or stay in positions on the basis of the best value for them

on offer. This, the Employee Value Proposition (EVP) is the balance of reward and benefit, work policies and practices, experienced by an employee in return for their work: it describes why the total work experience is better than at any other organisation and accordingly it may be critical in attracting and retaining quality people (Hill & Tande, 2006).

To be managed effectively, the EVP must be employee-centred. That is, whilst it will be made up of the unique mix of environment, policies, programs and processes (Hill & Tande 2006) in place in the organisation (organisational policies and practices are the best predictor of degree of engagement (Corporate Executive Board, 2004)), it must be relevant to the employee, rather than focused on the employer. To be successful it must also be compelling for the employee as well as unique and relevant (Minchington 2010). Finally, it must be built up from optional components, which can then be separated and re-mixed to provide unique combinations to meet the unique needs and values of each employee. From this perspective it becomes clear that there are two aspects to a person's relationship with the organisation. The first is the view formed from outside the organisation; the second is that formed inside the organisation—as an employee. From the viewpoint of the organisation these may broadly be divided into attraction (recruitment) and retention. Typically, the relevance of the various components that could make up the EVP differs across these two phases of the relationship: Research undertaken by the CLC (*Employment Value Proposition –Corporate Leadership Council (CLC) Research Summary* 2006) proposes five categories (Rewards, Opportunities, Organisation, Work and People): however, the following discussion of components that may make up the EVP is framed around these two key phases of the employer-employee relationship. Most obvious amongst the components of the EVP is the direct remuneration package. This is made up of wages, salary, allowances, commissions and profit sharing, whether paid in cash or in kind including equities and options. Superannuation is in effect a form of remuneration, with access deferred. Retrospective performance bonuses (results-based incentives) fit in here as well, as would prospective increases based on an employee's increased capacity to contribute to the organisation in the future. Secondly, there are non-income conditions. Flexible working hours are included here. These include leave of all types (sick leave, long service leave, annual leave, parental leave, bereavement leave and so on). Even where they are common or mandated through legislation for employees these are appropriately included, because the employee very often has the option of working through consultancy or contracting mechanisms which may not offer these conditions. Thirdly, one-off or start-up services and allowances may be offered. Relocation expenses may be paid, or an employee may receive an allowance for a period after taking up a position in a new location.

Fourthly, there are non-wage offerings. These include: housing; meals; insurance(health, disability and life insurances, for example); tuition fees for family and nonwork-related training; childcare expenses; wellness programs including gymmemberships and facilities as well as counselling services; and the use of facilities such as vehicles, laboratories and consulting rooms for private purposes. Fifthly, gifts may be offered. Discounts on products or services from the employer are commonly offered in the private sector. Paid vacation travel and accommodation would fall into this category, whether it is related to a staff incentive or recognition scheme or not. Provision of refreshments such as cold drinks, cheese platters and fruit in the workplace would also fall into this category. Whilst all of these components may be subject to some form of taxation, in Australia there are Fringe Benefits Tax implications for most of the items in the fourth and fifth groups, and accordingly these may be expensive for the employer. Sixthly, there are non-remunerative considerations such as location of the organisation near snow and coastlines, and proximity to opportunities such as research institutions, high-quality schools or family-friendly areas:

Cheap or free for the employer to take advantage of, and with no tax implications, as well as these can be powerful inducements—geography has been found to contribute nearly three quarters of the variation in perception of EVP across organisations (*The Employment Value Proposition – A Key to Attraction and Commitment* 2006). Finally, people looking around the job market do not focus solely on their immediate needs for compensation, but also look to opportunities unfolding over time. Development opportunities, career progression pathways, respect and organisational stability will have considerable impact here. The organisations' growth and also its reputation for rewarding merit and achievement may also have considerable impact. (*Employment Value Proposition – Corporate Leadership Council (CLC) Research*)

An Employee Value Proposition (EVP) is a holistic framework that addresses all the aspirations of a 'high performing' workforce. These aspirations of a 'high-performing' workforce can be clustered in 3 pillars which in turn address 12 sub-factors which are the decision drivers for employment choice and at the same time help organizations achieve larger business objectives. EVP must be unique, relevant and compelling if it is to act as a key driver of talent attraction, performance and retention. Organizations can no more afford to think only of existence, they need excellence for survival. When we look at what makes organizations great, is it the fixed assets, the plant and machinery, the technology? No, while all of these are important and contribute in their own way to an organization's success, there is more to it that makes good organizations great, it is the people! A people-centric EVP is therefore an indispensable enabler to achieve the much needed competitive edge. Attracting the top talent is probably

the least issue, retaining them certainly is complex, and what is the most critical is providing the right eco-systems for this high performing top talent to perform to their ultimate potential and enhance it further from their last job. From a strategic HR management perspective, it is widely argued that a well framed EVP can lead to better organizational performance and an enhanced bottom line. For its 2012-2013 Global Talent Management and Rewards Study, Towers Watson surveyed 1,605 employers. The study found that organizations that had done the most work developing and executing their employee value proposition achieved superior financial performance over businesses with less-developed ones. According to Corporate Leadership Council's Research, a well thought through and executed EVP can increase the commitment of new hires by up to 29%, reduce new hire compensation premiums up to 50%, and increase the likelihood of employees acting as advocates from an average of 24% to 47%.

The employee value proposition needs to be communicated to all employees, current and prospective, and other organizational stakeholders. It may be reflected on the company's website, job advertisements and letters extending employment opportunities. The extent to which employees connect with your organization's EVP determines the amount of discretionary effort they commit to bringing the company culture, mission, vision and values to life. One key differentiation between the traditional performance management systems and a holistic EVP is that the traditional PMS seen in the region are forcefully driving the business objectives with a focus on drivers that will ensure a willfull execution of the right behaviour, whereas a well thought out EVP ensures that the majority workforce displays the right behaviours reducing the achievement of financial results to a natural mathematical outcome.

At the same time the importance of supporting the EVP with the right structure and leadership is absolutely critical. An EVP framework just like any other organizational strategy is of no good if it is not being driven by the right leaders and support by the right processes & structures. In a world of high dynamism and ambiguity the need for mature processes is further enhanced to accommodate agility and avoid chaos. (Mahesh Punia, David Gacheru)

The purpose of this study is to understand the cause and effect relationship between the various organizational processes, Employee Value Proposition and personal factors that lead to employee turnover. The research also focuses on analysing the causes of the high attrition rate while understanding their organizational impact and identifying suitable remedial measures.

Research Methodology

This study was conducted on the permanent employees of a leading IT player in the state of Tamil Nadu. The employee turnover in terms of Business/Function/Department, time spent in the organization, geography, positions held, qualification, total experience, department, age and gender and the attrition of low and average performers within the State was profiled. The chosen sample size of 500 permanent employees is representative of the total population of the target company. The Sampling technique used was Stratified Random Sampling the data was collected using a structured questionnaire and analyzed using SPSS Statistics package. The Questionnaire was tested for reliability using Cronbach Alpha and it was found to be reliable with an alpha value of .92.

Reliability Statistics	
Cronbach’s Alpha	No of Items
.924	11

Cronbach’s alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach’s alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. The alpha coefficient for the table 3 data is 0.924 which indicates a very high internal consistency of the scale items.

Results & Discussion

The data collected through the administration of the structured data was collated and tabulated. The tabulated data (Table1) provides insights into the key contributory factors to Employee Turnover within the target organization. The data was subsequently analyzed using SPSS Statistics Ver. 20 software. The tests validated both the hypotheses. The major findings of the study and the recommendations for organizations are outlined in the following sections.

Table 1 – Employee Turnover – Key Factors

S.N	Factor	Ranking					Weighted Avg.
		5	4	3	2	1	
1	Job Responsibility/ Authority/ Role Clarity	22	28	34	8	4	3.44
2	Compensation and Benefits	3	27	38	22	7	2.88
3	Rewards and Recognition	1	16	34	30	16	2.47
4	Work Environment and Culture	7	32	32	19	9	3.06
5	Performance Management & Career Opportunities	2	40	86	44	22	5.38
6	Hygiene Factors	1	13	32	33	19	2.38
7	Working Relationship with Reporting Manager	35	37	24	2	1	4
8	Organizational Value System	21	39	29	6	3	3.63
9	Recruitment and Selection process	6	37	40	14	1	3.27
10	Inter-departmental dynamics	2	27	37	20	10	2.79
11	Employment value proposition	10	42	31	12	3	3.38

TABLE 1 DATA INTERPRETATION

A Likert Scale was employed to record the responses to the administered questionnaire. The weighted average of the responses was calculated. The five key factors affecting employee turnover were:

- Performance Management & Career Opportunities
- Working Relationship with Reporting Manager
- Organizational Value System
- Job Responsibility/ Authority/ Role Clarity

Table2 – Employee Turnover Analysis - Skewness & Kurtosis												
Factors F	N	Range	Min	Max	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
F1	5	30	4	34	19.20	5.748	12.853	165.200	-.191	.913	-2.359	2.000
F2	5	35	3	38	19.40	6.454	14.433	208.300	.080	.913	-1.689	2.000
F3	5	33	1	34	19.40	5.862	13.107	171.800	-.371	.913	-.675	2.000
F4	5	25	7	32	21.80	5.669	12.677	160.700	-.582	.913	-3.200	2.000
F5	5	84	2	86	38.80	13.951	31.196	973.200	.696	.913	1.077	2.000
F6	5	32	1	33	19.60	6.013	13.446	180.800	-.413	.913	-1.214	2.000
F7	5	36	1	37	19.80	7.794	17.427	303.700	-.284	.913	-3.033	2.000
F8	5	36	3	39	19.60	6.809	15.225	231.800	.123	.913	-1.961	2.000
F9	5	39	1	40	19.60	8.004	17.897	320.300	.337	.913	-2.886	2.000
F10	5	35	2	37	19.20	6.160	13.773	189.700	.039	.913	-1.095	2.000
F11	5	39	3	42	19.60	7.270	16.257	264.300	.662	.913	-1.622	2.000
Valid N (listwise)	5											

TABLE 2 DATA INTERPRETATION

The descriptive statistics of the questionnaire responses is presented in the table. These include mean, standard deviation, skewness and kurtosis. Skewness is used for distribution analysis and is indicative of a sign of asymmetry and deviation from a normal distribution. Out of the 11 factors 6 indicate positive skewness while the remaining 5 factors are negatively skewed. Kurtosis is an indicator used in distribution analysis as a sign of flattening or “peakedness” of a distribution. Most of the factors have a Kurtosis < 3 which is indicative of a Platykurtic distribution, flatter than a normal distribution with a wider peak.

Table 3 – Pearson Correlation of Employee Turnover Data

		F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11
F1	Pearson Correlation	1	.614	.100	.481	.501	-.098	.827	.918*	.829	.586	.809
	Sig. (2-tailed)		.271	.872	.413	.390	.876	.084	.028	.083	.299	.097
	N	5	5	5	5	5	5	5	5	5	5	5
F2	Pearson Correlation	.614	1	.816	.939*	.951*	.680	.146	.535	.920*	.992**	.773
	Sig. (2-tailed)	.271		.092	.018	.013	.207	.815	.353	.027	.001	.125
	N	5	5	5	5	5	5	5	5	5	5	5
F3	Pearson Correlation	.100	.816	1	.762	.901*	.978**	-.440	-.053	.525	.816	.285
	Sig. (2-tailed)	.872	.092		.134	.037	.004	.459	.933	.363	.092	.642
	N	5	5	5	5	5	5	5	5	5	5	5
F4	Pearson Correlation	.481	.939*	.762	1	.816	.643	.120	.502	.865	.915*	.782
	Sig. (2-tailed)	.413	.018	.134		.092	.242	.848	.389	.059	.029	.118
	N	5	5	5	5	5	5	5	5	5	5	5

	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11
F5	Pearson Correlation	.501	.951*	.816	1	.800	-.054	.328	.791	.955*	.571
	Sig. (2-tailed)	.390	.013	.092		.104	.931	.590	.111	.011	.315
F6	N	5	5	5	5	5	5	5	5	5	5
	Pearson Correlation	-.098	.680	.643	.800	1	-.610	-.256	.340	.682	.092
F7	Sig. (2-tailed)	.876	.207	.242	.104		.275	.677	.576	.204	.883
	N	5	5	5	5	5	5	5	5	5	5
F8	Pearson Correlation	.827	.146	-.440	-.054	-.610	1	.894*	.503	.111	.648
	Sig. (2-tailed)	.084	.815	.459	.931	.275		.041	.388	.859	.237
F9	N	5	5	5	5	5	5	5	5	5	5
	Pearson Correlation	.918*	.535	-.053	.328	-.256	.894*	1	.821	.520	.916*
F10	Sig. (2-tailed)	.028	.353	.933	.590	.677	.041		.088	.369	.029
	N	5	5	5	5	5	5	5	5	5	5
F11	Pearson Correlation	.829	.920*	.865	.791	.340	.503	.821	1	.912*	.949*
	Sig. (2-tailed)	.083	.027	.059	.111	.576	.388	.088		.031	.014
F12	N	5	5	5	5	5	5	5	5	5	5

	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11
Pearson Correlation	.586	.992**	.816	.915*	.955*	.682	.111	.520	.912*	1	.770
F10 Sig. (2-tailed)	.299	.001	.092	.029	.011	.204	.859	.369	.031		.128
N	5	5	5	5	5	5	5	5	5	5	5
Pearson Correlation	.809	.773	.285	.782	.571	.092	.648	.916*	.949*	.770	1
F11 Sig. (2-tailed)	.097	.125	.642	.118	.315	.883	.237	.029	.014	.128	
N	5	5	5	5	5	5	5	5	5	5	5
*. Correlation is significant at the 0.05 level (2-tailed).											
**. Correlation is significant at the 0.01 level (2-tailed).											

TABLE 3 DATA INTERPRETATION

Pearson’s correlation coefficient (r) is a measure of the strength of the association between the two variables. Pearson’s correlation coefficient (r) for continuous (interval level) data ranges from -1 to +1. Positive correlation indicates that both variables increase or decrease together, whereas negative correlation indicates that as one variable increases, so the other decreases, and vice versa. There is a positive co-relation between most of the factors impacting employee turnover.

HYPOTHESIS TESTING

Hypothesis 1 - Organizations with Effective Employee Value proposition enjoy significantly high levels of employee commitment and reduced Employee Turnover

Employee Value Proposition (EVP) is a term used to denote the balance of the rewards and benefits that are received by employees in return for their performance at the workplace. EVP is an employee-centered approach that is aligned to existing, integrated workforce planning strategies because it has been informed by existing employees and the external target audience. EVP must be unique, relevant and compelling if it is to act as a key driver of talent attraction, engagement and retention. It has become closely related to the concept of employer branding, in that it is being used to define the underlying ‘offer’ on which an organization’s employer brand marketing and management activities are based . The following figure 3 illustrates the concept of EVP:

Employee Value Proposition

Rewards	Opportunity
Organization	Work
People	

Poor EVP delivery reduces an employee’s intent to continue with the current organization. The seven key EVP measures are as listed:

- Compensation
- Future Career Opportunities
- Recognition
- Organization Growth Rate
- Organization Stability
- Development Opportunities
- Work Environment

An analysis of the primary data garnered on Employee Turnover (Table 3) reveals that the five major factors affecting employee turnover are Performance Management & Career Opportunities, Working relationship of an employee with their reporting manager, Organizational Value System, Job Responsibility/ Authority/Role Clarity and EVP. These factors are the key contributors to EVP in an organization. The data collected was subjected to one sample Kolmogorov-Smirnov test (Table 7) which validates hypothesis 1.

Hypothesis 2 – The working relationship of an employee with their reporting manager is impacts employee retention

A Gallup poll of more than 1 million employed U.S. workers concluded that the No. 1 reason people quit their jobs is a bad boss or immediate supervisor”. The lack of strong leadership skills contributes significantly to attrition. The study also discovered that poorly managed groups were 50 percent less productive than those with strong and respected leaders, and that profits were reduced by 44 percent. It is said; employees join an organization and leave their managers. A ‘bad boss’ thus is one of the major causes for attrition. Lack of appreciation of individual excellence is a major cause of turnover in organizations. Another major reason for dissatisfaction is the partial treatment to a few employees. In addition many managers try to steal the limelight by taking credit for the work done by the team members. Non-appreciation and non-acceptance of an individual can have a negative impact on their performance.

From the data presented in table 6 it is evident that the employees working relationship with their reporting manager is the second highest contributory factor for employee turnover within the target company being studied. A One sample Kolmogorov-Smirnov test of the table 6 data validates hypothesis 2. The results of the test are presented in table 7.

Table 4 –Hypotheses Testing of Employee Turnover Data – Kolmogorov Smirnov

Hypothesis Test Summary

Sl. No	Null Hypothesis	Test	Sig.	Decision
1	The distribution of F1 is normal with mean 19.20 and standard deviation 12.85	One - Sample Kolmogorov-Smirnov Test	.982	Retain the null hypothesis.
2	The distribution of F2 is normal with mean 19.40 and standard deviation 14.43.	One - Sample Kolmogorov-Smirnov Test	.985	Retain the null hypothesis.
3	The distribution of F3 is normal with mean 19.40 and standard deviation 13.11.	One - Sample Kolmogorov-Smirnov Test	.987	Retain the null hypothesis.
4	The distribution of F4 is normal with mean 21.80 and standard deviation 12.68.	One - Sample Kolmogorov-Smirnov Test	.704	Retain the null hypothesis.
5	The distribution of F5 is normal with mean 38.80 and standard deviation 31.20	One - Sample Kolmogorov-Smirnov Test	.947	Retain the null hypothesis.
6	The distribution of F6 is normal with mean 19.80 and standard deviation 17.43	One - Sample Kolmogorov-Smirnov Test	.966	Retain the null hypothesis.
7	The distribution of F8 is normal with mean 19.60 and standard deviation 15.22	One - Sample Kolmogorov-Smirnov Test	.922	Retain the null hypothesis.
8	The distribution of F9 is normal with mean 19.60 and standard deviation 17.90	One - Sample Kolmogorov-Smirnov Test	.976	Retain the null hypothesis.
9	The distribution of F9 is normal with mean 19.60 and standard deviation 17.90	One - Sample Kolmogorov-Smirnov Test	.946	Retain the null hypothesis.
10	The distribution of F10 is normal with mean 19.20 and standard deviation 13.77.	One - Sample Kolmogorov-Smirnov Test	1.000	Retain the null hypothesis.
11	The distribution of F11 is normal with mean 19.60 and standard deviation 16.26.	One - Sample Kolmogorov-Smirnov Test	.828	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

FINDINGS

The primary Employee Turnover Factors based on their ranking are as listed below:

1. Performance Management & Career Opportunities
2. Working Relationship with Reporting Manager
3. Organizational Value System
4. Job Responsibility/ Authority/ Role
5. Organizational EVP
6. Recruitment and Selection process
7. Work Environment and Culture
8. Compensation and Benefits
9. Inter-departmental dynamics
10. Rewards and Recognition
11. Hygiene Factors

The major findings of the research are:

- There is a strong positive co-relation between Performance Management & Career Opportunities and compensation and Benefits, Rewards and Recognition, Work Environment and Culture, Hygiene Factors, Recruitment and Selection process, Inter-departmental dynamics & Organizational EVP
- Working Relationship with Reporting Manager has a strong positive co-relation with Job Responsibility/ Authority/ Role Clarity and Organizational Value System. It has a weak negative association with Organizational hygiene factors
- Organizational Value System has a strong positive co-relation with Job Responsibility/ Authority/ Role Clarity, Working Relationship with Reporting Manager and Organizational EVP
- Organizational EVP has a strong positive co-relation with hygiene factors
- Recruitment and Selection Process has a strong positive co-relation with Job Responsibility/ Authority/ Role Clarity, Compensation and Benefits, Work Environment and Culture, Performance Management & Career Opportunities, Organizational Value System, Inter-departmental dynamics and Organizational EVP

- Work Environment and Culture has a strong positive relationship with Compensation and Benefits Rewards and Recognition Performance Management & Career Opportunities Recruitment and Selection process Inter-departmental dynamics Organizational EVP
- Job Responsibility/ Authority/ Role Clarity has a strong positive co-relationship with Working Relationship with Reporting Manager, Organizational Value System, Recruitment & Selection process and Organizational EVP
- The Organization should reduce the Employee Turnover by focusing on Employee Value Proposition Engagement Activities. A strong EVP will have positive impact on business performance.

CONCLUSION

The employee's satisfaction in their working life will be directly related to their value experience. This satisfaction is based on the relationship between the cost to the employee—the work to be performed---and the quality experienced—the total balance of reward and benefit received as defined by the employee. It is this balance between the cost and quality that will lead to competitive advantage for the employer in attraction and retention of quality people. Indian IT sector is one of the world's fastest growing sectors and has been the key driver for India's high economic growth. The research clearly identified shortcomings within the current retention process, but these shortcomings are possibly the same for all organisations. The success of retention will depend on the implementation of an attraction and retention strategy. The organization has an attraction strategy and a retention strategy. The shortcomings have been identified to align these two and develop an EVP Strategy. In order to ensure sustained growth organizations need to adopt EVP strategy to boost employee morale and loyalty towards the organization. The research concluded that the organizations which focus on superior employee value proposition initiatives have less Labor Turnover. The research clearly identified shortcomings within the current retention process and suggested methods to develop an effective strategy for bringing down the employee turnover rate in the organization.

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