

## LOOKING AHEAD: WILL YOUR EMPLOYEES STAY? By Christine Stanton

As the economy begins to stabilize, employers may be looking forward to better times. But how are employees preparing for this potential shift and what impact will it have on the future? Employers would be wise to prepare for the next wave...

- The **Corporate Executive Board's Corporate Leadership Council** conducted research that finds **less than one quarter of employees (23%)** exhibited a high level of "intent to stay," a leading measure of turnover, in the second quarter of 2010.
- A recent analysis by **Hewitt Associates** shows that **almost half of organizations around the world saw a significant drop in employee engagement levels at the end of the June 2010 quarter** — the largest decline Hewitt has observed since it began conducting employee engagement research 15 years ago.

The research clearly shows that employees are frustrated after a lengthy recessionary period and the response to this crisis by many employers (layoffs, freezing pay/benefits, doing more with less). It certainly seems that, with this financial downturn, some employers abandoned the concept of an **Employee Value Proposition (EVP)** and instead responded to the fear many employees feel in an unstable environment. While some might call this approach the "**You're Lucky to Have a Job**" proposition, where does this leave these employers when the economic picture brightens?

Right now, as high unemployment rates linger, the scales continue to be tipped on the side of employers. However, it seems clear that if employers invest time to rebuild their EVP *now*, they will likely see gains in employee performance and improved retention as the economy stabilizes. Let's take a step back and examine what an EVP includes.

### What is an EVP?

Essentially, an EVP is the balance between what an employee receives from his or her employer in return for job performance. More simply, from an employee's perspective, "**What's in it for me to work here?**" Key components of an EVP might include:

- **Compensation:** Monetary rewards employees receive for their work and performance (base salary, incentives, equity).
- **Benefits:** Indirect compensation including health, retirement, life/disability insurance, and time off.
- **Affiliation:** The feeling of belonging to the organization.
- **Work content:** The satisfaction employees receive from their work.
- **Career:** Opportunities for development and advancement.

### What Does EVP Mean in Your Organization?

- **Examine each component of an EVP and identify where you stand as an employer.** Think about what makes working for your organization unique and

special. There is no “one-size-fits-all” approach. For example, many universities are able to offer lower pay levels in exchange for stronger career development opportunities (including free tuition).

- **Communicate your EVP to recruits and employees.** Help potential and existing employees understand the unique value of working for your organization.
- **Measure your EVP.** It’s not enough to put words on paper – you’ll need to do periodic reality checks with employees. Surveys can help identify challenges to your EVP, guide you on where you need to build strength, and allow you to track progress over time.

A clearly defined EVP can be a critical differentiator in attracting and retaining key talent. Employers who offer a compelling answer to “**What’s in it for me to work here?**” will have a better chance of holding on to their “best and brightest” when the job market improves.

***Christine Stanton is SVP, Total Value Advisory at TD Bank, America’s Most Convenient Bank®.***