EMPLOYEE VALUE PROPOSITION RESEARCH PROJECT

Introduction

A national research project is being undertaken to support a review of the Employee Value Proposition (EVP) in local government. This research project is jointly funded by Local Government Improvement & Development, the Public Sector People Managers’ Association and London Councils.

What is an EVP?

The Employee Value Proposition represents the perceived overall ‘deal’ between employer and employee. The employer makes an offer to the employee (also called ‘inducements’ or the ‘give’) and expects ‘contributions’ (or the ‘get’) from the employee in return. The inducements and contributions consist of mutual obligations and promises. Inducements typically concern things such as career progression, organisational support, fair and transparent performance management and more tangible things such as pay and holiday entitlements. Contributions relate to things such as working hours (including discretionary effort), being an advocate of the employer within and outside the organisation, bringing skills, enthusiasm and entrepreneurship to productive work. Importantly, within the overall deal there are nested deals operating at different levels of the organisation, such as the tailored, workable arrangements forged between team leader and team members, which we call idiosyncratic deals or ‘i-deals’. These reflect opportunities available for employees to shape their work experience.

Why is this important?

A well-designed Employee Value Proposition (EVP) provides a “meaning structure” that allows people from different disciplines, backgrounds and levels of decision-making to develop an understanding of the state of ‘balance’ of the ‘inducements and contributions’ at play in the employment deal. This can be evidenced and described in a number of ways – for example the ‘psychological contract’ can be used as one of several descriptive ‘lenses’ that illuminate what is going on. Another is to look at the EVP ‘personality’ or other attributes that one would expect to find in a high involvement/high performance work system.
In the current turbulent financial environment, local government employees are feeling that the “deal” is progressively skewed against them and in favour of the employer, as they see pay and benefits eroded, the expectations of more discretionary effort and large swathes of friends and colleagues managed out through redundancy. If this skewing effect remains in a state of imbalance, with the perception of little or no prospect of improvement (or rebalancing), this will lead to diminished performance, reduced levels of employee engagement and will create an environment where it is harder to attract and retain top talent.

The research project is designed to open up meaningful “conversations for change” through which managers and employees can co-create a more productive and sustainable working relationship based around a revised EVP or deal.

**Why is the PPMA supporting this?**

The PPMA believes that this is a key area which requires attention. Whilst the focus at present is on delivering savings, there is a need to look to the longer term and alongside the potential for new operating models to emerge, there is a need to consider the future of reward and more broadly the offering to employees that will sustain engagement.

In these challenging times, the PPMA wishes both to be at the heart of the debate about the future for local government and the public sector more broadly to provide practical tools and support to its Members. This research project delivers in both of these areas.

**Who is undertaking it?**

The methodology being used in the research project has been developed by Dr Martin Reddington and Dr Helen Francis and provides a diagnostic and change intervention tool to surface the tensions around the EVP and to illuminate elements of the employer/employee relationships that we most valued and which impact positively and negatively at different levels within the organisation.

This methodology has been successfully applied in the private sector to expose tensions in the existing EVP and assist in developing a revised EVP.

**Who is involved?**

The intention has been to involve local authorities, of different sizes and political persuasions and from different parts of the country. This mix will enable the similarities and differences between the parts of the sector to be identified.
The London Borough of Barking & Dagenham will be one of the research partners and we have agreement in principle from a County Council in the North and a District Council in the West Midlands.

What does the research project entail?

There are a number of phases to the project. I have included below detail from the project proposal as to how the research will be conducted and the impact on organisations taking part:

**Phase I: Evaluating the “Experienced EVP” (current state analysis)**

1. Conduct a survey of “EVP Attributes” and “EVP Personality” via an enterprise 2.0 portal. (This is one combined survey)

2. The qualitative data will be thematically arranged using template analysis techniques. The template will reflect the categorizations used in the “EVP Attributes” and “EVP Personality” surveys.

3. The EVP Attributes and EVP personality data sets will be analysed and the profiles can also be compared against other organisations.

4. The blend of quantitative and qualitative analysis, combined with insights from the latest published literature (e.g. The Work Foundation “The Deal in 2020” reports) will be used to assemble the Phase 1 report. The report will provide a current state analysis of the participating organisations’ current EVP (“Experienced EVP”) and recommend a structured approach, via focus groups and enterprise 2.0 facilitated discussions, to establish a new “Espoused EVP”.

Note: Assumes all internal communications performed by the participating organisations. Edinburgh Institute supplies the portal technology, survey tools and associated analysis. The participating organisations may provide Research Assistant type resources to help with data analysis and report production.

**Phase 2: Architecting a new “Espoused EVP” (the aspirational or future state EVP)**

1. Conducting three facilitated workshops (one per organisation) with the Senior Management Groups of the participating organisations to architect a new Espoused EVP. This will be informed by the outcomes of Phase 1 and the conceptual EVP framework set out in section 1 – the Reddington and Francis, 2010 EVP model. The concept of EVP will be explained and examined using a structured approach, which will elicit their perceptions of the EVP attributes most likely to influence organisational outcomes (EVP Equity). The approach allows for both quantitative and qualitative data capture.

2. The workshop outcomes will be published on the enterprise 2.0 portal, purely for the SMG members to collaborate within a secure, virtual “walled garden” to facilitate refinement of the workshop outcomes.

3. The output of Phase 2 (presented as a report) will produce a set of “Position Statements” that accurately define the main elements of the Espoused EVP and will also form the basis for relevant metrics for the “EVP Scorecard”.
4. An indication will also be given of the interventions that may be necessary to move from the “Experienced” to the “Espoused” EVP.

There are clearly additional phases of work for participating organisations if they wish to take the outputs and fully develop the new EVP.

What are the outputs

Phase 1 of the project will provide participating organisations with a current state analysis of their own EVP, which highlights strengths and weaknesses. In the knowledge that a good EVP encourages higher levels of loyalty, advocacy and engagement for existing employees and supports the attraction of new ‘employees of choice’, phase 1 will highlight where aspects of the deal need to be improved. The articulation of a new EVP, informed by the findings of phase 1, is the purpose of phase 2. Working within a highly challenging budgetary climate, it will focus on how the EVP can be made more attractive or ‘balanced’ given that the pervading mood is mostly accented by ‘cuts’ and ‘more-for-less’.

The participating local authorities will be able to use the outcomes of phase 1 and 2 to inform a better designed and articulated EVP which will encourage better, sustainable organisational performance. The exercise will highlight priority areas for attention and encourage innovative thinking.

The output from the research project will be made available to all PPMA Members. If authorities wished to take this work further, the next steps would be to ‘test’ the new EVP across the audience as a whole and designing change interventions (co-created with employees) to realise the potential for improvements by embedding new working arrangements.

For the sector as a whole, the outputs from the project will enable a broader discussion about the future EVP for the sector and will help all councils to consider further their future offer to staff and their reward strategy.

What shall I do next?

If you wish to find out more about the project, please contact Martin Rayson, who is co-ordinating this project for the PPMA on 02082273113 or at martin.rayson@lbbd.gov.uk