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“Employee Value Proposition: A Study Among Employees Of Select Private Sector Banks.”

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Abstract

Employee Value Proposition (EVP) is the balance of rewards and benefits that are received by employees in return for their performance at the workplace. Nowadays, people look for more than just the salary when choosing what job to do or the kind of work they want to do. They want to improve their existing skills, develop new skills, and use them to get better jobs and earn better. They look for companies that will help them hone their skills and get better at their jobs. Therefore, it is important for the company to help its employees grow their skills and knowledge. The organisation can do so by creating a value proposition for its employees. The objective of the study is to assess how Employee value Proposition affects Employee Retention and Performance. The paper aims to find the relation between the five main components of Employee value proposition and the gender and education qualification of employees of private sector banks in Guwahati, while preparing EVP.

Keywords: Employee Value Proposition, Private Banks, Gender, Education Qualification

Employee Value Proposition

Employees are the life-blood of any organisation. Without them a company cannot function. Employees help the organisation to grow, both in profits, as well as in value. In today's world, with so many lucrative job options available, it can get a little difficult for companies to actually attract the right talent for the right job.

Nowadays, people look for more than just the salary when choosing what job to do or the kind of work they want to do. They look for growth potential. They want to improve their existing skills, develop new skills, and use them to get better jobs and earn better. They look for companies that will help them hone their skills and get better at their jobs. Therefore, it is important for the company to help its employees grow their skills and knowledge. The organisation can do so by creating a value proposition for its employees.

Employee Value Proposition (EVP) is the balance of rewards and benefits that are received by employees in return for their performance at the workplace. The original definition of EVP states that it is a set of monetary and non-monetary benefits provided by an organisation to its employees in return for the skills, capabilities, and experience they bring and the contributions they make to the organisation. According to the modern definition, EVP is an ecosystem of support, recognition and value that an employer provides to employees to achieve their highest potential at works.

Organisations need to build a unique brand of themselves in the eyes of its prospective employees. The organisation needs to express to their potential employees why working with them is better than working at another organization. While creating the value proposition the managers need to keep in mind to highlight the company's unique employee policies, programs, rewards and benefits that proves the company's commitment to its people and management development. (Pandita, Deepika, 2011)

Minchington (2005) defines an Employee Value Proposition (EVP) as a set of associations and offerings provided by an organisation in return for the skills, capabilities and experiences an employee brings to the organisation. It is an employee-oriented approach that is aligned with the organisational strategies.

Private Sector Banks

Private Banks are those commercial banks whose majority of the equity is owned by private shareholders. Although they are required to follow the policies, rules and regulations made by the central government, they have the liberty to create new and innovative products and services to better serve their customers. The shares of private banks are circulated on the stock market and anyone can buy them.

Private sector banks, just like other private companies, entered the Indian market after the Liberalization, Privatization and Globalisation policy was introduced by the government in the early 1990s. Private Banks have contributed largely towards the development of the Indian banking system by using, cutting-edge technology, new financial tools and innovative products and services. Currently there are 21 private sector banks in India.

In India, there are two types of private sector banks. They are

- Old private sector banks, that emerged before 1968 and existed at the time of nationalization.
- New private sector banks, which were established in India after the RBI issued guidelines for the same in 1993.

Private sector banks are known to provide quick and efficient services to their customers. They also provide tailored services, according to the needs of their customers. Also the management system of the private banks is very efficient and prompt. Unlike with public sector banks, there are no delays while providing services, due to their quick decision making process.

But, they charge additional fees for providing their services. These banks only operate in cities and urban area. They rarely venture in the rural areas of the country. These banks are pure profit making institutions.

Objective of the Study

To assess how Employee value Proposition affects Employee Retention and Performance.

Research Methodology

The present study is descriptive in nature and the tentative methodology of the study is as follows:-

Sampling Technique:

In order to get access to the required sample size Snowball Sampling was used.

Sample size:

The current study has two sets of sample. The first set consists of managers' form 3 private banks of Guwahati, which are HDFC bank, Axis Bank and YES Bank.

The second set consists of 100 employees from the private banks of Guwahati.

Tool of data analysis:

SPSS v21 (Statistical Package for Social Sciences) has been used to analyse the data. The analysis has been done to find the hypotheses testing. For hypotheses testing Mann- Whitney U Test and Kruskal Wallis Test has been used.

Tool of data collection:

A structured interview has been used to collect data from the manager and questionnaires have been used to collect data from the employees.

Source of Data:

Both primary and secondary data has been used to gather information.

Limitations of the Study

1. The sample size of the study is limited to the city of Guwahati, which limits the generalization of the study.
2. The respondents were reluctant to answer the questions

Hypotheses

1. H_0 : There is no association between variety of work content and gender
2. H_0 : There is no association between structure of work content and gender
3. H_0 : There is no association between autonomous decision making of work content and gender
4. H_0 : There is no association between how challenging the job is and gender
5. H_0 : There is no association between prospect of career advancement and gender
6. H_0 : There is no association between personal growth and gender
7. H_0 : There is no association between how useful the training is and gender
8. H_0 : There is no association between job security and gender
9. H_0 : There is no association between financial/ non-financial incentives and gender
10. H_0 : There is no association between training and gender
11. H_0 : There is no association between Triple Bottom Line and gender
12. H_0 : There is no association between the work environment and gender
13. H_0 : There is no association between work culture and gender
14. H_0 : There is no association between organisation's CSR activities and gender
15. H_0 : There is no association between feedback and gender
16. H_0 : There is no association between variety of work content and education qualification
17. H_0 : There is no association between structure of work content and education qualification
18. H_0 : There is no association between autonomous decision making of work content and education qualification
19. H_0 : There is no association between how challenging the job is and education qualification
20. H_0 : There is no association between prospect of career advancement and education qualification
21. H_0 : There is no association between personal growth and education qualification
22. H_0 : There is no association between how useful the training is and education qualification
23. H_0 : There is no association between job security and education qualification
24. H_0 : There is no association between financial/ non-financial incentives and education qualification
25. H_0 : There is no association between training and education qualification
26. H_0 : There is no association between Triple Bottom Line and education qualification
27. H_0 : There is no association between the work environment and education qualification
28. H_0 : There is no association between work culture and education qualification
29. H_0 : There is no association between organisation's CSR activities and education qualification
30. H_0 : There is no association between feedback and education qualification

Analysis of the Study

Test of Normality

Normality test- Kolmogorov - Smirnov test has been used to test normality of the data. Since the significant value is .000, which is below 0.5, the data is said to be not normal. So, we will have to apply non- parametric tests like Mann- Whitney U Test and Kruskal Wallis Test.

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Variety in Work	.291	100	.000	.841	100	.000

a. Lilliefors Significance Correction

Table 3.1: Test of Normality

Source: Survey Data

3.2 Analysis of Objective 1: To assess how EVP affects Employee Retention and Performance.

Null Hypothesis	P- Value	Result
H ₀ : There is no association between variety of work content and gender	.444	Reject
H ₁ ₀ : There is no association between structure of work content and gender	.207	Reject
H ₂ ₀ : There is no association between autonomous decision making of work content and gender	.445	Reject
H ₃ ₀ : There is no association between how challenging the job is and gender	.241	Reject
H ₄ ₀ : There is no association between prospect of career advancement and gender	.292	Reject
H ₅ ₀ : There is no association between personal growth and gender	.924	Reject
H ₆ ₀ : There is no association between how useful the training is and gender	.436	Reject
H ₇ ₀ : There is no association between job security and gender	.415	Reject
H ₈ ₀ : There is no association between financial/ non-financial incentives and gender	.681	Reject

H9 ₀ : There is no association between training and gender	.460	Reject
H10 ₀ : There is no association between Triple Bottom Line and gender	.527	Reject
H11 ₀ : There is no association between the work environment and gender	.275	Reject
H12 ₀ : There is no association between work culture and gender	.707	Reject
H13 ₀ : There is no association between organisation's CSR activities and gender	.991	Reject
H14 ₀ : There is no association between feedback and gender	.885	Reject
H15 ₀ : There is no association between variety of work content and education qualification	.754	Reject
H16 ₀ : There is no association between structure of work content and education qualification	.815	Reject
H17 ₀ : There is no association between autonomous decision making of work content and education qualification	.121	Reject
H18 ₀ : There is no association between how challenging the job is and education qualification	.578	Reject
H19 ₀ : There is no association between prospect of career advancement and education qualification	.198	Reject
H20 ₀ : There is no association between personal growth and education qualification	.942	Reject
H21 ₀ : There is no association between how useful the training is and education qualification	.115	Reject
H22 ₀ : There is no association between job security and education qualification	.555	Reject
H23 ₀ : There is no association between financial/ non-financial incentives and education qualification	.874	Reject
H24 ₀ : There is no association between training and education qualification	.493	Reject

H25 ₀ : There is no association between Triple Bottom Line and education qualification	.766	Reject
H26 ₀ : There is no association between the work environment and education qualification	.043	Accept
H27 ₀ : There is no association between work culture and education qualification	.691	Reject
H28 ₀ : There is no association between organisation's CSR activities and education qualification	.937	Reject
H29 ₀ : There is no association between feedback and education qualification	.433	Reject

Table 3.2: Summary of Hypotheses

Source: Survey Data

Work Content

Considering gender, significance value of all the factors under work content are more than 0.05. Therefore, the null hypotheses of no association between gender and work content are rejected. The alternate hypotheses that there is association between gender and work content are accepted.

Considering education qualification, significance value of all the factors under work content are more than 0.05. Therefore, the null hypotheses of no association between education qualification and work content are rejected. The alternate hypotheses that there is association between education qualification and work content are accepted.

Career

Considering gender, significance value of all the factors under career are more than 0.05. Therefore, the null hypotheses of no association between gender and career are rejected. The alternate hypotheses that there is association between gender and career are accepted.

Considering education qualification, significance value of all the factors under career are more than 0.05. Therefore, the null hypotheses of no association between education qualification and career are rejected. The alternate hypotheses that there is association between education qualification and career are accepted.

Affiliation

Considering gender, significance value of all the factors under affiliation are more than 0.05. Therefore, the null hypotheses of no association between gender and affiliation are rejected. The alternate hypotheses that there is association between gender and affiliation are accepted.

Considering education qualification, significance value of all the factors under affiliation, except work environment, are more than 0.05. Therefore, the null hypotheses of no association between education qualification and affiliation are rejected. The alternate hypotheses that there is association between education qualification and affiliation are accepted. But, the null hypothesis that there is no association between work environment and education qualification is accepted, because the significance value is 0.043.

Findings

Work Content

In this paper, four different factors of work content are being analysed. They are variety of work done, structure of work, autonomous decision making at work and how challenging the job actually is. From the analysis we find that there is an association between gender and variety of work done, structure of work, autonomous decision making at work and how challenging the job actually is. Therefore, gender is a factor that should be considered while setting the work content.

We also find that there is an association between education qualification and variety of work done, structure of work, autonomous decision making at work and how challenging the job actually is. Therefore, education qualification should also be considered while setting the work content.

Career

In this paper, six factors relating to career are being analysed. They are prospect of career advancement, personal growth, training given, how useful the training is, job security and financial/ non-financial incentives. From the above analysis we find that there is association between gender and the different factors relating to career. Therefore, gender should be considered while providing career opportunities.

We also find that there is association between education qualification and prospect of career advancement, personal growth, training given, how useful the training is, job security and financial/ non-financial incentives. Therefore, education qualification should also be considered while providing career opportunities.

Affiliation

In this paper, five factors relating to affiliation are being analysed. They are Triple Bottom Line, work environment, work culture, organisation's CSR activities and feedback. From the above analysis we find that there is association between gender and affiliation. Therefore, gender of the employees is related to the employees' affiliation to the organisation.

It is also found that there is an association between all the factors relating to affiliation and education qualification, except for work environment. It is found that there is no association between work culture and education qualification. Therefore, education qualification of the employees is related to the different factors of employees' affiliation to the organisation, except for work environment.

Suggestions

While preparing Employee Value Proposition (EVP) needs to be careful and considerate. Employees should feel valued within the organisation, which will lead to increase in morale. Gender of the employees has an association with work content, career and their affiliation with the banks. Men and women value different factor within these elements. So while preparing the EVP the banks need to consider gender as an influencing factor.

Education qualification also influences the different elements under EVP. There is an association between the different factors under work content, career and their affiliation, except for work environment. Therefore, education qualification should be considered while preparing the EVP of the banks.

Conclusion

Employee Value Proposition (EVP) is the balance of rewards and benefits that are received by employees in return for their performance at the workplace. Nowadays, employers are required to create a unique employee value proposition in order to attract and retain employees. Employees are no longer satisfied with only hygiene factors. They require motivators to engage and retain employees. Employees require a personal touch. Trends like wellness, work life balance and work from home are emerging. When an employee is looking for companies to join they are not looking for what 'We Offer'. Rather they are looking for 'You Will Experience This'. They are looking for a more emotional touch, rather than a corporate view.

There are five basic elements in EVP. They are compensation, benefits, work content, career and affiliation. Organisations need to consider these elements while creating the EVP for the employees. In order to develop effective EVP the management needs to understand the factors that employees consider as requirements in a great workplace.

To create a strong EVP it must revolve around factors that genuinely attract, engage and retain talent employees. The EVP should also be in line with the strategic HR objectives and show the USP of the organisation. It should contain factors that are currently present in the organisation, as well as factors they aspire towards. This shows that the organisation is open to and accepts change and progress.

EVP should be backed by facts. The companies should have programmes that will help them fulfill their promises. If a company makes promises that they cannot fulfill, it will lead to them having a bad name in the market. They will no longer be able attract the required talent. The companies need to build programs deliver on their promises.

Therefore, companies should create and implement an EVP that will let the employees know what to expect once they join the company. This will motivate the employees to join the organisation. That is why EVP is a very important component of recruitment.

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