

Employment Value Proposition (EVP) Variation Across Key Talent Segments

Corporate Leadership Council (CLC) Research

Importance of Segmentation

- EVP management strategies that fail either to deliver or communicate the EVP appropriately to talent segments can result in substantial missed opportunities.
- Imagine, for example, two candidates applying for similar positions—one is 25 years old and the other is 55 years old. As expected, the returns on communicating about “future career opportunities” associated with the job during the interview will typically be greater for the younger candidate who, on average, ranks “future career opportunities” in his/her top five EVP attributes nearly half of the time—compared to only one in five older employees.
- Likewise, if both individuals joined the organization, delivering competitive “retirement benefits” would typically drive the older employee’s commitment more than the younger employee, as shown by the graphic on the right where the older worker’s perceptions of “retirement benefits” result in nearly three times greater impact on his/her commitment as compared to the younger employee.
- To be effective, organizations must consider the implications of different HR investments for different segments of the workforce.

Please see [“One-Size-Fits-All” EVP Incurs Cost](#) attached.

Embarking on the Segmentation Challenge

- While segmentation strategies often appear feasible in theory, deciding which talent segments warrant tailored EVP strategies requires careful consideration.
- To understand how to segment the workforce, organizations should first determine which segments are readily identifiable, accessible, and substantial enough in size to warrant the additional investment of resources required for segmentation.
- Once the [potential segments are identified](#), organizations must identify how each segment is unique in terms of both preferences and information consumption, and then determine the extent to which the organization can and should deliver a segmented EVP that supports the segment’s needs.

The decision to consider different segments is an important one that should be carefully balanced with the advantages. Deutsche Bank’s Group Human Resources team used

five decision filters to assess the need to vary its global EVP across regional labor markets to maintain competitiveness in attracting and retains critical talent segments:

1. Difference in employment preferences across regions
2. Difference in the level of availability of critical talent segments across regions
3. Difference in the level of labor market competition across regions
4. Criticality of target talent segment to global strategy
5. Risk of undermining the organization's strategy, culture or global brand by customizing the EVP

Geography Matters Most to Segmentation

- [Geography](#) explains the majority of differences in employee EVP preferences, accounting for 72% of the variation.
- Level (position in the organization) accounts for a further 13% of variation, with age, function, gender, and ethnicity explaining progressively less variation.
- As a result, organizations must consider how to most effectively vary their EVP across geographies and levels. Segmentation strategies based on function, gender, or ethnicity is not likely to generate substantial returns.

Variation by Country

- Organizations operating in developed economies may focus their core EVP on a broader array of attributes compared to the core EVP, which are consistent across all major talent segments within these geographies.
- To attract employees in the developed economies, "location" and "work-life balance" enter the core EVP, while to commit employees "people management" enters the core EVP. "Meritocracy" and "ethics" are also added to the developed [economies' core EVP](#), driving both attraction and commitment.

Tuning the EVP to Meet Segmented Needs

- While the Core EVP is broadly applicable across talent segments, organizations should build their EVP to align with their target talent segment's preferences.
- A given talent segment may find even greater value in some core attributes than the labor market overall (e.g., compensation, stability, and work-life balance in the U.S.), requiring organizations to prioritize these attributes accordingly.

- Other attributes may be uniquely important to a particular talent segment, such as health and retirement benefits for U.S. employees. These attributes should also be considered when building a segment-specific EVP.

The Senior Executive Segment

- To determine the optimum [EVP for senior executives](#), organizations must add to the developed world core EVP attributes which are relatively more important for the senior executive labor market and which are unique to the senior executive labor market.
- Core attributes, which are relatively more important to senior executives, are compensation, organizational stability and work-life balance.
- Additionally, non-core attributes that are important to senior executives are job impact, senior leadership reputation, innovation, and market position.

Finding Senior Executive Talent

- [Proactive outreach](#) by someone connected to the organization is by far the most common channel through which executive talent learns about a potential employer.
- In fact, nearly one in every three senior executives used proactive, personal communication when learning about his/her current positions - nearly twice as many as used external search firms.

Differences Across Generations

- When evaluating organizations as employers, younger candidates place more value on “future career opportunities” and less value on “ethics” as compared to older employees.
- Contrary to common thought, younger candidates do not place a substantially higher value on attributes such as “camaraderie” or “social and environmental responsibility” when evaluating potential employers.
- How an organization delivers on those attributes however, will have greater impact on the commitment levels of younger employees after they have joined the organization.

EVP for Generation Y

- To determine the optimum [EVP for Generation Y](#) employees, organizations must add to the developed world core EVP attributes which are relatively more important for this age demographic and which are unique to this demographic.
- Core attributes, which are relatively more important to Generation Y, are future career opportunity, compensation, and ethics.
- Additional, non-core attributes that are important to Generation Y are environmental responsibility, social responsibility, and camaraderie.

EVP for Baby Boomers (ages 50-59)

- Though [generational differences](#) in EVP preferences are more subtle than popularly asserted, there are substantial generational differences in the information channels that they trust.
- Younger employees tend to place much more trust in consumable information sources, such as recruiting events, job advertisements, new media, and the organization's Web site than their older colleagues.
- Older employees on the other hand, place greater trust in the information they receive from their more developed personal networks of coworkers, clients, and professionals and academic relationships.

Other Segments

- The [table attached](#) displays the Top 10 most important attributes for attracting employees in key segments of interest.
- Public sector employees place more value on "work-life balance".

Key Findings About Segmentation

- **Segmentation can improve attraction and commitment outcomes:** While the core EVP is consistent across all segments, to achieve advantage in target labor markets, organizations will need to move beyond a "one size fits all" EVP strategy.
- **Geographic differences account for 72% of the variation in EVP preferences:** Organizations must first consider how they can vary their EVP across geographies and, secondly, consider differences in the EVP across levels. EVP segmentation based on function, gender, or ethnicity is unlikely to generate returns.

- **Senior executives want a great team and opportunity for impact:** Senior executives are attracted to high-impact jobs in competitively advantaged organizations led by well-respected leadership teams, but their ongoing commitment is driven by “stability” and “work-life balance”.
- **Generation Y is attracted to career opportunities but their ongoing commitment is driven by “social responsibility” and “camaraderie”:** “Career opportunities” attract younger employees but, once employed, the organization’s “ethics”, “environmental responsibility” and “social networks” keep them committed.
- **Segmented EVP strategies require active management:** Successful implementation of segmented EVPs requires a brand management infrastructure that can guide trade-offs between global consistency and regional/segment-specific customization. The most successful EVP strategies “cascade up” from segment needs to form a universal brand, which is then communicated through the best channel for each segment.

Please see the links below for detailed segment information.

- [Most Important EVP Attributes: United States](#)
- [Most Important EVP Attributes: Midwest](#)
- [Most Important EVP Attributes: Northeast](#)
- [Most Important EVP Attributes: West](#)
- [Most Important EVP Attributes: South](#)
- [Most Important EVP Attributes: 23-29 Year Olds](#)
- [Most Important EVP Attributes: 50-59 Year Olds](#)
- [Most Important EVP Attributes: Sales](#)
- [Most Important EVP Attributes: Finance](#)
- [Most Important EVP Attributes: Managers](#)
- [Most Important EVP Attributes: R&D](#)
- [Most Important EVP Attributes: HR, Education, and Training](#)
- [Most Important EVP Attributes: IT](#)

- [Most Important EVP Attributes: Engineering](#)
- [Most Important EVP Attributes: Call Center Employees](#)
- [Most Important EVP Attributes: Male](#)
- [Most Important EVP Attributes: Female](#)
- [Most Important EVP Attributes: Senior Executives.](#)