

A Study On The Factors Of Employee Value Proposition (EVP) Of Insurance Companies In Batticaloa District

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Abstract:

The objective of this study was to investigate the factors of Employee Value Proposition (EVP) of Insurance companies in Batticaloa district. EVP is essential package for employee to make them satisfy and attach within the organization. Employee Value Proposition (EVP) is the compensation of reward, work practices, opportunities received by an employee on behalf of their work and it differ that particular organization form any other organization in competitive world. (Hill & Tande, 2006). EVP consists of five factors, namely reward, work, people, opportunity and organization. Attractive EVP can provide plenty of benefits like lower absenteeism, high retention and high motivation to employees and that will lead to higher revenue, higher reputation and high share in market for that organization. However, limited number of focus on EVP of insurance companies in Batticaloa district induces the researcher to conduct this study. Finding of the study shows, there is a high level of EVP is offered by insurance companies. Among the five factors People was highly influenced on EVP and Reward has least influence on EVP when compare to other factors.

Keywords: Employee Value Proposition (EVP), Reward, Work, People, Opportunity, Organization

1. Introduction

Human resources (HR) are the livelihood of any organizations. While, that a large portion of the organizations are discovered to be innovation driven, yet HR are obliged to run the innovation. So the organizations want to treat HR as precious resource. Positive perception of employees regarding organization can create by offerings which are made by that particular organization for their employees' contribution. This is directly relates to employees' retention within the organization. Therefore, the organization wants to provide a package which has both intrinsic and extrinsic benefits. Based on Morton (2004), in order to successfully recruit and retain scarce employees, organization 'needs to create and continuously improve an Employee Value Proposition' (EVP).

At the same time, research of Corporate Executive Board (2006) also revealed that, every organization's EVP should have the interesting blend of "reward, opportunity, work, people and organization", and it must be important to the employees, instead of concentrated on the boss. A unique and separated EVP guarantees that you pull in and hold individuals that you would unavoidably lose to different organization. On other hand, Private sectors especially insurance companies face higher employee turnover than other sectors in Sri Lanka.

This information reveals that, there is an essential to study the level of Employee Value Proposition of Insurance companies in Manmunai north of Batticaloa district and factors which includes in EVP. There are no studies found by researcher in respect of Employee Value Proposition in selected area. Hence, there is a need to understand the level of Employee Value Proposition and factors of EVP of Insurance companies. This paper focuses on addressing mainly two research questions as follows,

1. What is the level of Employee Value Proposition in Insurance companies in Manmunai north of Batticaloa district?

2. What is the level of factors (Reward, Opportunity, People, Work and Organization) of Employee Value Proposition in Insurance companies in Manmunai north of Batticaloa district?

2. LITERATURE REVIEW

Employee Value Proposition (EVP) is described as what you expect from your employees and what you offer to them back. The EVP will outline the different prizes and opportunities the employers provide for their employees. Corporate Executive Board (2006) states that, EVP is the set of attributes that the labor market and employees perceive as the value they gain through employment in the organization.

EVP has become one of the best offers made by the employer for talent retention. For business in general, an EVP has a positive rate of profitability at all phases of worker life cycle. Organization can

achieve an appearance on their attention about improved HR and business outcome by just creating completely developed EVP and comprehensive prizes methodology.

2.1. FACTORS OF EMPLOYEE VALUE PROPOSITION (EVP)

Corporate Executive Board (2006) in that survey found out main 5 factors which are included in EVP.

Reward: This consists of the tangible rewards that an employee will benefit from the organization such as compensation, health benefits, retirement benefits and vacation.

Opportunity: This is the job opportunities that an organization offers to an employee, and it includes the development and career growth opportunities in a company and the possibility to move up and climb the organization hierarchy after joining the company, organization growth rate, organizational stability and meritocracy.

Work: It describes the actual nature of the job; and elements that take the necessary steps to fulfill the employees to do the day to day work. It includes business travel, innovation, job impact, job-interests alignment, location, recognition, and work-life balance.

People: The culture of the organization, it includes camaraderie, collegial work environment, coworker quality, manager quality, people management, senior leadership reputation.

Organization: The characteristics of the organization, which means in what type of organization that, you are joining. It consists of customer prestige, diversity, empowerment, environmental responsibility, ethics, “great employer” recognition, industry, informal environment, market position, well-known brand, product/service quality, respect, risk taking, organization size, social responsibility and technology level.

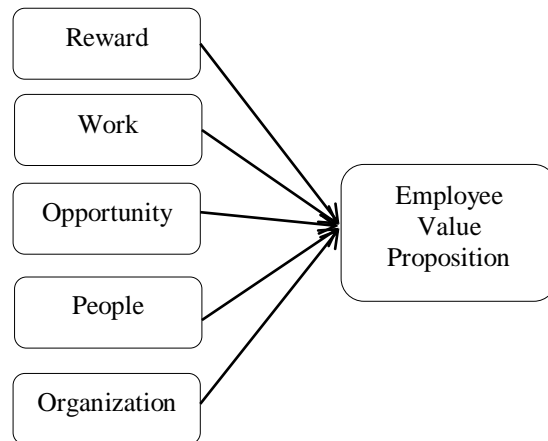


Figure 1: Conceptual Framework
Source: Corporate Executive Board (2006)

3. METHODOLOGY

3.1. SAMPLE DESIGN

Study population of the study was the employees of insurance companies in Batticaloa town. The data were collected through closed ended questionnaire which were distributed to 200 employees of insurance companies. Simple Random Sampling technique was used to select the employees for the study. Based on percentage of the total number of employees in 14 Insurance Companies in Manmunai North Divisions, 200 individuals were randomly selected for data collection.

3.2. MEASUREMENT OF VARIABLES

To measure the Employee Value Proposition, 37 statements were rated on a 5 point Likert scale. Among that, 04 questions are related to Reward, 05 questions are related to Opportunity, 16 questions are related to Organization, 07 questions are related to Work and 06 questions are related to People.

3.3. RELIABILITY TEST OF DATA

Reliability test has been carried out with Cronbach’s alpha reliability method. Based on that, Employee value proposition’s value of Cronbach’s alpha is 0.969. Each dimension of EVP like Reward’s value is 0.745, Opportunity’s value is 0.920, Organization’s value is 0.935, Work’s value 0.842 and People’s value is 0.917. Therefore it reveals that variables used in this study were highly reliable.

3.4. STATISTICAL TOOLS

To identify the level of Employee Value Proposition and each factor, mean and standard deviations were used.

4. ANALYSIS AND INTERPRETATION

4.1. RESPONDENT PROFILE

A total of 175 questionnaires were collected out of 200 questionnaire distributed among 14 insurance companies in Manmunai north of Batticaloa district. Out of 175 42.9% of respondents were from insurance agent, 18.9% were from team leaders, 13.7% were from underwriters, 8.6% were from sales executives, 5.1% were from junior sales executive, 3.4% were from assistant manager and managers, 2.3% were from office assistant and only 1.7% were from assessors. With respect to the gender, 55.4% were from male and 44.6% were from female. With respect to age 45.7% of employees belong to 20-27 years, 21.7% of employees belong to 28-35 years, 14.9% of employees belong to 36-43 years, and 10.9% of employees belong to 44-51 years, only 6.9% of employees belong to 52 years and above. With respect to experience, 36.6% were have less than 1 year of experience, 25.1% were have 1-3 years of experience, 21.1% were have more than 6 years of experience and only 17.1% were have 3-6 years.

4.2. RESEARCH INFORMATION

Under the research information Employee Value Proposition is examined on the basis of its five factors namely Reward, Opportunity, Work, People and Organization.

4.2.1 Level of Employee value proposition (EVP) in Insurance Companies

Employee value proposition is a variable which was used to study “the level of Employee value proposition in Insurance companies in Batticaloa town”.

Table 1 Overall values of EVP

Description	EVP
Mean	4.209
Std.Deviation	.62394
Minimum	2.26
Maximum	5

(Source: Survey Data)

Employee value proposition has high level of individual characteristic as an independent variable (Mean X = 4.209). In addition, most of the respondents expressed the general view regarding the variable of Employee value proposition (SD = 0.62394). Out of 175 respondents, 93.1% of respondents revealed that EVP is in high level. However only 5.1% were about low level and 1.7% was about moderate level, respectively.

Table 2 Overall levels in EVP

Level	Frequency	Percentage
Low level	9	5.1
Moderate level	3	1.7
High level	163	93.1
Total	175	100.0

(Source: Survey Data)

4.2.2 Level of factors of Employee Value Proposition in Insurance companies

4.2.2.1. Reward

Table 3 overall value of Reward

Description	Reward
Mean	4.02
Std.Deviation	.739
Minimum	2
Maximum	5

(Source: Survey Data)

The dimension “Reward” has certain level of its individual quality in affecting the Employee value proposition (Mean X = 4.02). In addition, most of the respondents expressed the general feeling with respect to Reward (SD = 0.739). And out of 175 respondents 86.3% were indicated that reward is in high level, while only about 7.4% and 6.3% were declared that as low and moderate, respectively.

Table 4 Overall levels in Reward

Level	Frequency	Percentage
Low level	13	7.4
Moderate level	11	6.3
High level	151	86.3
Total	175	100.0

(Source: Survey Data)

4.2.2.2. Opportunity

Table 5 Overall values of Opportunity

Description	Opportunity
Mean	4.33
Std.Deviation	.765
Minimum	2
Maximum	5

(Source: Survey Data)

The dimension “Opportunity” has certain level of its individual quality in influencing the Employee value proposition (Mean X = 4.33). In addition, most of the

respondents expressed the common feeling regarding the Opportunity (SD = 0.765).

And out of 175 respondents 90.9% were revealed that Opportunity is in high level, while only about 7.4% and 1.7% were indicated that as low and moderate, respectively. These are similar to Reward.

Table 6 Overall levels in Opportunity

Level	Frequency	Percentage
Low level	13	7.4
Moderate level	3	1.7
High level	159	90.9
Total	175	100.0

(Source: Survey Data)

4.2.2.3. Organization

Table 7 Overall values of Organization

Description	Organization
Mean	4.22
Std.Deviation	.687
Minimum	2
Maximum	5

(Source: Survey Data)

The dimension “Organization” also has certain level of its individual characteristic in affecting the Employee value proposition (Mean X = 4.22). In addition, most of the respondents revealed the general view regarding the Organization (SD = 0.687). Out of 175 respondents 92% of respondents stated that Organization is in high level, while only about 7.4% and 1% declared that as low and moderate, respectively. These are similar to Reward and Opportunity.

Table 8 Overall levels in Organization

Level	Frequency	Percentage
Low level	13	7.4
Moderate level	1	0.6
High level	161	92.0
Total	175	100.0

(Source: Survey Data)

4.2.2.4. Work

Table 9 Overall value of Work

Description	Work
Mean	4.14
Std.Deviation	.659
Minimum	2
Maximum	5

(Source: Survey Data)

The dimension “Work” has certain level of its individual quality in influencing the Employee value proposition (Mean X = 4.14). In addition, most of the respondents expressed the common feeling respect to the Work (SD = 0.659). Out of 175 respondents 92.0% of respondents expressed that work is in high level, while only about 6.9% and 1.1% revealed that as low and moderate, respectively. These are similar to Reward, Opportunity and Organization.

Table 10 Overall levels in Work

Level	Frequency	Percentage
Low level	12	6.9
Moderate level	2	1.1
High level	161	92.0
Total	175	100.0

(Source: Survey Data)

4.2.2.5. People

Table 11 Overall values of People

Description	People
Mean	4.34
Std.Deviation	.734
Minimum	2
Maximum	5

(Source: Survey Data)

The dimension “People” also has certain level of its individual quality in influencing the Employee value proposition (Mean X = 4.34). In addition, most of the respondents expressed the common opinion respect to People (SD = 0.743).

Table 12 Overall levels in People

Level	Frequency	Percentage
Low level	13	7.4
Moderate level	2	1.1
High level	160	91.4
Total	175	100.0

(Source: Survey Data)

Out of 175 respondents, 91.4% of respondents indicated that People is in high level, while only about 7.4% and 1.1% revealed that as low and moderate, respectively. These are similar like other dimension of EVP.

5. Conclusion

This study was conducted to identify the level of EVP and factors of EVP in Insurance Companies.



According to the findings, insurance companies have high level of EVP for their employees in terms of contribution of service. Among five factors of EVP, dimension People were highly influencing in overall EVP. However, Reward system in insurance companies was low, compared with other dimension. Based on the findings, top ten attributes were identified as being most contributions to the total EVP in Insurance companies in Manmunai North of Batticaloa district. Those are senior leadership reputation, Market position, Location, Recognition, Meritocracy, Organization stability, Service quality, Manager's quality, Organization growth and Well-known brand.

6. References

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