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Expected and experienced Employee Value Proposition in a South African professional service firm

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Expected and experienced Employee Value Proposition in a South African professional service firm

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, 2015

ABSTRACT

Companies are under pressure to secure the best talent they can find in order to achieve and maintain competitor advantage. In competing to attract, recruit and retain the best graduates and professionals, professional service firms, including accounting firms, are dependent on their ability to package, articulate and effectively deliver an appealing Employee Value Proposition (EVP).

The aim of this research was to assess whether there was a gap between the expected and experienced EVP in a professional service firm in South Africa. The study relied upon a quantitative research approach using self-administered surveys as the research instrument. A total of 225 surveys were administered to a sample of first year trainee employees who were completing their accounting traineeship at a Big Four accounting firm. Data was analysed using the Distribution Fit Algorithm technique.

Of the 25 EVP attributes that were presented to the employees for consideration, there were only four attributes where employees reported a perfect alignment between what they expected, what was important to them, and what they experienced on the job. They were ‘client quality and reputation’, ‘ethics and integrity’, ‘co-worker quality’, and ‘senior leadership reputation’. Attributes which the firm appears to have delivered successfully, but was of little significance to employees included ‘diversity’, ‘values-based organisation’, ‘great employer recognition’, ‘company brand’, and ‘social responsibility’.

DECLARATION

I, Meera Vala, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Meera Vala

Signed at ……

On the …….. day of …… 20…..

DEDICATION

This report is dedicated to my husband Naynesh Vala who, over the last two years of my MBA studies, taught me the true meaning of unconditional love.

ACKNOWLEDGEMENTS

I would like to extend sincere thanks to my supervisor Conrad Viedge. His experience and calm approach was invaluable in keeping me on track and making me feel as if this project was perfectly achievable.

A special thanks also goes to Professor Anthony Stacey who introduced me to the Distribution Fitting Algorithm. Thank you for your genuine concern in ensuring that my research instrument and data collection process had integrity, for your assistance with the use of the DFA technique, and your willingness to answer my many questions.

This research would not be possible without the agreed support of the professional service firm where the research was conducted. Thank you to the HR Business Partner of the Assurance business unit for providing me with access to the sample population. My heartfelt thanks also goes out to the HR professionals and the trainee employees who participated in this study and took the time to complete the surveys.

To my two families, the Vallabhs and the Valas, thank you for your understanding, patience, encouragement, and belief in me. The impact of your generous and regular supply of meals over the last two years cannot be underestimated and I thank you for the countless ways in which you have been there for me.

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to assess whether there is a gap between the expected and experienced Employee Value Proposition (EVP) in a professional service firm in South Africa.

1.2 Context of the study

One of the major challenges that corporates need to contend with today is the identification and attraction of talent – individuals who can adapt to a rapidly changing, technology-driven and boundary-less competitive business environment (Chhabra & Sharma, 2014). This challenge is particularly relevant to professional service firms (PSFs) (Greenwood, Li, Prakash & Deephouse, 2005) which include accounting firms (Bundy & Norris, 1992). PSFs are considered to be knowledge-based organisations (Løwendahl, Revang & Fosstenløkken, 2001) where human capital is deemed to be their most important resource (Hitt, Bierman, Shimizu & Kochar, 2001). Competition to recruit and retain high quality knowledge workers is fierce (Chhabra & Sharma, 2014). Knowledge workers are highly mobile (Greenwood et al., 2005), and can command large remuneration packages in line with the global demand for their skills in the public and private sector (Stumpf, Doh & Clark, 2002).

Whilst accounting firms in South Africa are gradually contributing to the development of qualified accountants (up from 20 000 in 2007 to 30 000 in 2012), they are still faced with the challenge of developing and retaining registered auditors who are qualified to perform audits of companies under the Companies Act (Shevel, 2013). This illustrates why the attraction, recruitment and retention of the right calibre of candidates is so critical to the profession and to the South African economy.

One of the strategies currently being employed to attract and retain both current and potential employees is employer branding (Moroko & Uncles, 2008).

Employer branding refers to the practice where principles of marketing, the 'science of branding', is applied to HR principles (Edwards, 2010). Employer branding involves promoting a clear view of what it is that makes a firm's employment offerings or environment different from and more desirable than its competitors (Backhaus & Tikoo, 2004; Browne, 2012). It describes the firm's identity as an employer. Within the organisation, employer branding leads to an increase in loyalty and outside the organisation, it makes the organisation more attractive to potential employees (Minchington, 2007) and propels them to apply for jobs (Backhaus & Tikoo, 2004).

Backhaus and Tikoo (2004) are of the view that an organisation's image as an attractive employer is largely based on the employee value proposition (EVP) that it offers to prospective employees. By implication, effective employment branding is dependent on the organisation having first identified its EVP. The employee value proposition is also referred to as the 'employment deal' (Finney, 2010), the 'employer brand proposition' (Browne, 2012), and the 'employment offering' (Edwards, 2010). The EVP refers to the package of rewards, employment advantages and benefits that the organisation offers to its employees (Edwards, 2010), and lays out the reasons why an individual would choose to commit themselves to an organisation (Browne, 2012). It also refers to the employee's perception of the value or benefit that they derive through their association with the firm (Corporate Leadership Council, 2006; Heger, 2007). The EVP consists of both financial and non-financial elements (Bell, 2005) which is sometimes referred to as 'total-rewards' (Finney, 2010). Total-rewards include pay and benefits, as well as non-financial elements such as professional development opportunities, work environment, company culture, corporate social responsibility, company values and interpersonal relationships (Finney, 2010).

The EVP informs whether an individual will be attracted to the organisation and the extent to which they will be committed to the organisation (Corporate Leadership Council, 2006). Potential applicants will be attracted to the organisation based on the extent to which they believe the organisation possesses the desirable attributes they purport to, and the extent to which they

believe those attributes are important to them (Backhaus & Tikoo, 2004). If operationalised well, an effective EVP can make a positive contribution to the engagement (Pandita, 2011), motivation, and retention of employees (Heger, 2007). It is imperative that the EVP is based on a realistic assessment of what the firm can deliver (Lawler, 2005) and that it delivers what it promises (Brannick, 2001). Employees who perceive their EVPs to be less competitive than the EVP of other organisations, or perceive the EVP to have failed to have met their expectations are likely to disengage (Finney, 2010; Heger, 2007). This is linked to the disappointment associated with pre-entry expectations not being met and employees will either reduce their contribution to the organisation (Porter & Steers, 1973) or leave altogether (Edwards, 2010; Heger, 2007; Robinson & Rousseau, 1994; Rousseau, 1990).

In competing to attract, recruit and retain the best graduates and professionals, professional service firms, including accounting firms, are dependent on their ability to articulate an appealing EVP (Greenwood et al., 2005). It is within their best interest to ensure that they offer an attractive and realistic EVP and deliver against their EVP to counter the risk of turnover and a disengaged workforce which is a very real threat to them (Greenwood et al., 2005; Stumpf, Doh & Clark, 2002).

1.3 Problem statement

1.3.1 *Main problem*

The main problem is to evaluate whether there is a gap between the expected and experienced employee value proposition in a professional services firm in South Africa.

1.3.2 *Sub-problems*

The first sub-problem is to determine what the employees' pre-employment expectations were with regards to the firm's EVP.

The second sub-problem is to identify how important the firm's EVP attributes were to the employees when they chose to join the firm.

The third sub-problem is to determine whether the employees experienced the EVP attributes after they joined the firm.

1.4 Significance of the study

The study aims to provide guidance to South African professional services firms, and accounting firms in particular, by illustrating which value proposition attributes employees were attracted to when they decided to join the organisation. This would provide insight into whether the employment deal being offered by the firm correlates with what prospective employees deem to be of importance to them (Bundy & Norris, 1992). Minchington (2012) asserts that developing and communicating an EVP without any input from the target audience is dangerous as it is likely to lead to turnover and low levels of engagement. The study results would offer the firm an opportunity to re-assess whether their offerings are relevant and competitive in the eyes of their target population, especially in light of organisational changes that may have taken place during the recent financial crisis (Finney, 2010). In adapting to these environmental demands and challenges (e.g. employee layoffs, cost-cutting, pay-cuts and moratoriums on promotions), organisations often forget that these changes can have an impact on their EVP and the employees' expectations regarding the 'employment deal' they have offered (Finney, 2010). If the results indicate that there is indeed a gap between the expected and experienced EVP, it offers the organisation an opportunity to further examine why that may be so, and assess where the disconnect might be taking place. This would provide them with an opportunity to improve how their people experience them.

It is hoped that the results might offer insight into those EVP attributes that young graduates expect when joining the firm and the attributes they deem to be important so that the organisation can take the appropriate action to ensure that the EVP is truly being realised in the work environment. This will hopefully

lead to increased levels of engagement, loyalty (Moroko & Uncles, 2008), job satisfaction, and intent to stay with the firm (Porter & Steers, 1973).

Finally, the results could help the organisation ascertain whether their investment and efforts to promote themselves as a preferred and an attractive employer is delivering positive returns. If offers them an opportunity to reinforce and continue doing the things that they do well, and make changes where they are deemed to be necessary.

1.5 Delimitations of the study

- The study focused on one of the Big Four global accounting firms based in South Africa
- The target population included Audit Trainees who were in their first year of employment in the firm. This was to ensure a level of consistency in as far as work experience, demographic characteristics and career aspirations went
- All other categories of new recruits (e.g. experienced hire recruits, interns, contractors) were excluded
- Employees were professional staff (below manager), working across South Africa, from the Auditing/ Assurance business unit
- A quantitative design was employed. Electronic surveys with a forced-choice response style was utilised

1.6 Definition of terms

Employer Branding – An organisation's efforts to promote a clear view of what makes it different and desirable as an employer to current and potential employees. It is used to clarify the firm's unique organisational value proposition (Backhaus & Tikoo, 2004).

Employee Value Proposition (EVP) – The total package of rewards, employment advantages and benefits that the organisation offers to its employees (Edwards, 2010). It also refers to the employee's perception of the

value or benefit that they derive through their association with the firm (Corporate Leadership Council, 2006).

Professional Service Firms (PSFs) - Professional service firms are knowledge-based organisations (Løwendahl, Revang & Fosstenløkken, 2001) that offer services that are complex, intangible, customised and delivered by highly qualified individuals (Thakor & Kumar, 2000). Services tend to be project- and team-based, take place over varying periods of time (weeks/ months) and involve extensive investigation and problem solving (Stumpf, Doh & Clark, 2002). Examples include accounting, law and consulting firms.

1.7 Assumptions

- It was assumed that the firm's HR business partners and Graduate Recruitment team would be able to articulate the firm's key EVP attributes that was generally used to attract prospective and current employees. This was key to identifying those attributes that the employee would be asked to assess the firm against
- It was assumed that the respondents would be able to recall the organisation's EVP attributes that they found attractive and important when they chose to apply for a job or decided to join the firm
- It was assumed that the employees would be fair and objective in their assessment of the firm's performance against the firm's EVP attributes. Employees who had a very negative experience in the firm may have reflected an overly exaggerated negative experience in their responses. It was hoped that the impact of this would be minimised by ensuring a good survey response

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

Phrases like ‘the war for talent’ are often used to describe the challenge faced by firms in attracting, recruiting and retaining skilled and experienced employees (Agrawal & Swaroop, 2009; Barton, 2014; Chhabra & Sharma, 2014; Sutherland, Torricelli & Karg, 2002). The survival and success of many companies is dependent on their ability to attract and hire a workforce that has the competence and capability to operate in today’s unpredictable and fiercely competitive environment (Chhabra & Sharma, 2014). Companies find that they need to position themselves as an employer of choice in order to remain competitive and many are turning to employer branding techniques to attract and retain good employees (Sutherland, Torricelli & Karg, 2002). Employer branding techniques involve the application of marketing principles to a company’s recruitment and retention strategy (Sutherland, Torricelli & Karg, 2002), and usually includes the promotion of the firm’s employee value proposition or EVP in its messaging (Barton, 2014).

The EVP refers to the package of rewards, employment advantages and benefits that the organisation has to offer its employees (Edwards, 2010). Companies rely on their EVP to attract prospective employees, and to continue to be perceived as an attractive employer in the eyes of its current employees (Lawler, 2005).

There are many benefits associated with the effective implementation of an EVP (Corporate Leadership Council, 2006; Pune, 2011; Towers Watson, 2013) and there are also many companies who fail to deliver against their EVPs (CPA Practice Management Forum, 2014; Frauenheim, 2012). A failure to deliver against the EVP negates all the benefits associated with the use of EVPs and the reality is that most companies are not even aware of the extent to which they are failing to deliver their EVP (CPA Practice Management Forum, 2014). It is therefore the focus of this research project to assess whether the professional service firm in question is perceived by its employees to deliver against its EVP,

and to identify those EVP attributes that its employees found most important in their employer selection decision.

This literature review is presented in three sections. The first section provides insight into the concept of the EVP and the benefits associated with a well implemented EVP. It illustrates why companies invest in the development of an EVP and indicates how prospective employees are exposed to the EVP through the company's employer branding initiatives. The 'met expectations hypothesis' is introduced to describe how candidates form expectations of their potential employer, and describes the feelings that are experienced when their expectations are perceived to be met or unmet. The objective of the first section is to demonstrate how a perceived gap between the employees expectation of the firm's EVP and the actual experience of the EVP can have negative outcomes for the individual and organisation (Greenwood et al., 2005).

The second section focuses on the specific context in which this study was conducted. It describes the characteristics of professional service firms (PSFs) and accounting firms in particular. PSFs are dependent on the skills and experience of knowledge workers (Hitt et al., 2001) and the challenge of attracting, recruiting and retaining this category of worker is also discussed. An effective EVP is dependent upon the understanding of the needs of the target audience and ensuring that the EVP appeals to the audience in question (Barton, 2014). The objective of this section is to therefore explore which EVP attributes knowledge workers in PSFs are likely to regard as important when deciding to join an organisation.

The third section offers a summary of the EVP attributes that have been found to be important and attractive to employees when assessing potential employers. The aim of this section was to assist with the development of a list of EVP attributes that would be relevant to this study.

2.2 Section 1: Employee Value Proposition (EVP)

2.2.1 *The EVP defined*

Numerous definitions of the EVP have emerged over recent years with authors differing in their views on what constitutes an EVP.

The first view presents the EVP as a set of attractive offerings that the employer presents to a prospective employee. McKinsey & Company refer to the EVP as management's explanation of why an ambitious and smart candidate would want to work for that company rather than anyone else (Guthridge, Komm & Lawson, 2008). The EVP comprises the benefits and rewards that the employer offers the employee as part of their employment contract (Barton, 2014; Edwards, 2010). It characterises the company, differentiates it from its competitors (Minchington, 2007), and also answers the question of why the individual should join the company, why they should stay, why they should give their best, why they should recommend the organisation as an employer and business, and why they would re-join (Minchington, 2012). Laura Sejen, global rewards leader at the global professional service firm Towers Watson describes the EVP as a promise that employers make to employees (CPA Practice Management Forum, 2014).

The EVP includes financial (e.g. compensation and benefits) as well as non-financial components such as company attractiveness, corporate responsibility and ethics, respect, diversity and inclusion, work-life balance and opportunities for personal and professional growth (Bell, 2005; Finney, 2010; Nienaber, Bussin & Henn, 2011). This is sometimes also referred to as a 'total rewards' approach (Finney, 2010; Nienaber, Bussin & Henn, 2011).

The alternative view of the EVP refers to a mutually beneficial exchange of offerings between employer and employee. This is typically referred to as the 'employment deal' where the employer commits to provide specific offerings in exchange for the individual's skills, capability and experience (CPA Practice Management Forum, 2014; Frauenheim, 2012; Lawler, 2005; Minchington, 2012). It broadly defines what employees can expect from the company and

what the company expects from them (Finney, 2010; Towers Watson, 2013). Sibson Consulting, a Human Capital consulting group refer to their version as the 'Employee Value Exchange' (EVE) process and believe that there should be a balance between what the employer offers, and the expectations they set in exchange for the rewards offered (Kochanski & Elliott, 2010). An example of the exchange is illustrated in figure 1.

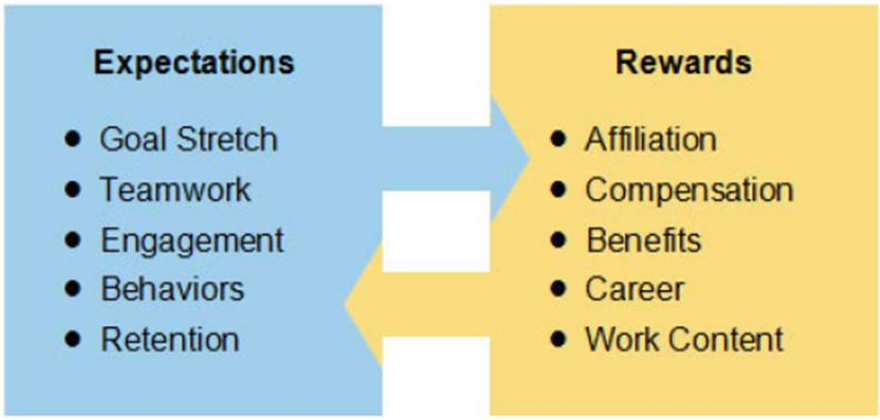


Figure 1: Sibson Consulting's value exchange process (Kochanski & Elliott, 2010, p.112)

This study will however rely on the definition presented by the Corporate Leadership Council (CLC). The CLC has continued to publish studies relating to employee value propositions since its definitive publication on EVPs in 2006. They refer to the EVP as "the set of attributes that the labor market and employees perceive as the value they gain through employment in an organisation" (Corporate Leadership Council, 2006, p.6). The EVP refers to tangible rewards such as compensation and benefits, development opportunities and experiences in the company, the nature of the work and the extent to which it is aligned with the employee's interests, the characteristics of the organisation such as market position and size, and the characteristics of the people employed by the organisation (Corporate Leadership Council, 2006).

2.2.2 *Benefits associated with a well-managed EVP*

According to the Corporate Leadership Council (2006), the EVP informs whether prospective employees are attracted to the organisation and the extent to which current employees will remain committed to the company. Individuals seek organisations that have characteristics and values that are similar to their own (Terjesen, Vinnicombe & Freeman, 2007). They are therefore likely to be attracted to a firm which they believe possesses their desired attributes, particularly the attributes that they believe are important to them (Backhaus & Tikoo, 2004). A comprehensive EVP is believed to assist with the attraction and retention of top talent, and to motivate employees to put in discretionary effort (Barton, 2014; Chambers, Foulon, Handfield-Jones, Hankin & Michaels, 1998; Towers Watson, 2012). A well-presented and attractive EVP can turn current employees into brand ambassadors both inside and outside the organisation where they proudly spread the word of their company's EVP (Barton, 2014). This is a powerful branding mechanism for the organisation.

Companies who delivered against their EVPs benefited in three main areas: attraction, commitment and compensation costs (Corporate Leadership Council, 2006). Companies with a well-managed EVP were able to source from 60% of the labour market, including 'passive' candidates who were content with their current employers and not actively seeking a new job (Corporate Leadership Council, 2006). A strong EVP resulted in much higher levels of commitment amongst new hires (38% of them) and amongst employees with a tenure of one year (31% of them). The higher levels of commitment translated into increased effort, performance, and retention (Corporate Leadership Council, 2006). Finally, the Corporate Leadership Council found that organisations were less reliant on the use of higher compensation levels to attract and recruit talent into the organisation. Candidates were already attracted to the company's EVP and did not require a premium salary offer to convince them to join. This resulted in a direct saving in compensation costs (Corporate Leadership Council, 2006).

In their 2013-2014 Annual Change and Communication ROI study which surveyed 651 organisations across a range of industry sectors and continents, Towers Watson found that organisations that used their EVP effectively were

five times more likely to report that their employees were highly engaged and twice as likely to report significantly improved financial performance, compared to companies who were less effective in using their EVP (Towers Watson, 2013). Too many organisations failed to utilise their EVP to its fullest extent (Kathryn Yates from Towers Watson in CPA Practice Management Forum, 2014).

Employees are constantly assessing the value of the experience they are gaining at their current employer and often question whether their company's EVP is still competitive (Heger, 2007). For employees, the EVP shapes the emotional connection and level of discretionary effort they put into the company (Towers Watson, 2012). When they are dissatisfied with their experience they are likely to disengage, either by reducing their personal contribution or by leaving the organisation (Corporate Leadership Council, 2006).

2.2.3 *Success criteria for well-delivered EVPs*

It is clear that the positive outcomes associated with EVPs are dependent upon the company actually delivering against its promises (Brannick, 2001). Companies who have successfully leveraged their EVPs have ascribed their success to a number of factors. In their 2013-2014 Change and Communication ROI study, Towers Watson (2013) found that highly effective companies categorised employees into meaningful segments to better understand and address their specific needs. This allowed them to offer a more tailored package of reward offerings (Barton, 2014) in recognition of the fact that workers are a diverse group of people who have different life circumstances and therefore prioritise different kinds of rewards and benefits (Frauenheim, 2012; Sutherland, Torricelli & Karg, 2002). The emerging trend is for organisations to develop subsets of their global EVP to be relevant to and address the needs of specific employee segments in the business (Minchington, 2012).

Towers Watson found that effective companies built a differentiated EVP that allowed them to cultivate behaviours and drive a culture that would deliver on their strategic objectives (Bell, 2005). Companies that have effectively utilised their EVPs have ensured that the EVP could realistically be delivered to their

target audience (Corporate Leadership Council, 2006; Lawler, 2005; Minchington, 2012; Pandita, 2011). The Corporate Leadership Council reported that overselling and misrepresenting the organisation, and inflating candidate expectations can reduce employee commitment from the first day of employment (Corporate Leadership Council, 2006).

Successful companies have managed to deliver on their EVP promise through the actions and behaviour of their managers (Towers Watson, 2013), which is only possible when managers understand the pivotal role they play in the employee's experience of the EVP on a day-to-day basis. Ultimately, the EVP must be reflected in the actual employment experience of the employee or the organisation might not as well have developed one (Minchington, 2012).

2.2.4 *Branding and marketing the EVP*

Creating an EVP is an important first step in attracting talented candidates. Employer branding is the next logical step (Backhaus & Tikoo, 2004; Lawler, 2005) and it is the mechanism through which job seekers are exposed to the firm's EVP. Employer branding involves the application of marketing principles to HR activities, usually targeting current and potential employees (Edwards, 2010). Recently, the EVP has become very closely associated with the employer branding concept (Browne, 2012). Companies use employer branding to market their EVP in an effort to improve their recruitment and retention efforts (Backhaus & Tikoo, 2004; Chhabra & Sharma, 2014). Branding creates a strong and unique image of the company that distinguishes it from its competitors (Backhaus & Tikoo, 2004). Branding the EVP crystallises the value proposition so that the target audience will have no doubt about what they will gain by working for the organisation (Lawler, 2005). Firms embrace employer branding to create meaning and relevance for existing and future employees (Minchington, 2007) and to gain a competitive edge (Moroko & Uncles, 2008).

External marketing of the EVP is used to establish the company as an employer of choice (Backhaus & Tikoo, 2004) but as with the EVP, companies must ensure that the employer brand message is realistic. Prospective employees are usually the primary recipients of the employer brand message and they are

exposed to it through a variety of marketing media such as brochures, career fairs, internship opportunities, company websites (Lawler, 2005), and informal sources like friends and employees who work at the organisation (Miles & Mangold, 2004).

Inexperienced job seekers tend to rely on employer brand image for guidance in their decision-making because many of the actual job attributes are still unknown to them (Agrawal & Swaroop, 2009). Candidates evaluate their understanding of the organisation and what it claims to offer, and make a decision to apply or not to apply (Miles & Mangold, 2004; Terjesen, Vinnicombe & Freeman, 2007). The branding message must present an offer that the firm can realistically deliver so as to avoid the risk of misleading or misguiding candidates (Moroko & Uncles, 2008). If the new employee feels like their employer failed to deliver their employer brand promise, or that the employer brand message was unbalanced in its content, then it is likely that their work performance will be negatively affected and that staff turnover could increase (Backhaus & Tikoo, 2004).

2.2.5 *Met expectations theory*

During the recruitment phase of the talent acquisition process, candidates are bombarded with statements from the company about their vision and purpose, and the myriad benefits and opportunities they offer. If their interest is sufficiently sparked, candidates may choose to deepen their knowledge of the company and the job by conducting internet searches, browsing social media sites and discussion boards, as well as engaging in conversation with their social network which could include previous or current employees of the firm. At the end of the exercise, the individual would have developed an impression of the organisation and what it has to offer. They would have developed expectations of what they are likely to receive from the employer, and what they are expected to give the firm in turn (Kotter, 1973). Backhaus and Tikoo (2004) go so far as to say that formal brand messaging, whilst designed to attract appropriate candidates, can also be interpreted as promises made by the firm. It is therefore believed that recruitment messages received during the recruitment

process could prompt the formation of expectations (Miles & Mangold, 2004). In 1973, Porter and Steers published a seminal piece of work which described the negative consequences experienced by organisations when they failed to meet employee expectations. Their 'met expectations theory' is deemed to be most appropriately applied to new joiners (Irving & Montes, 2009) and was an attempt to explain why turnover amongst new employees was sometimes high.

Porter and Steers (1973) were concerned with the impact that 'met expectations' could have on the withdrawal behaviour of newcomers, that is, on absenteeism and turnover in particular. It is generally accepted that employees enter their organisations with a high level of optimism (Meyer & Allen, 1988) and with a unique set of expectations of what they are likely to encounter (Porter & Steers, 1973). These expectations are commonly referred to in the literature as 'pre-entry expectations'. Pre-entry expectations are formed prior to entering the company and represent all the newcomer's expectations of what the organisation and the job will be like (Sutton & Griffin, 2004; Wanous in Wanous & Collella, 1989; Wanous, Poland, Premack & Davis, 1992).'Post-entry experiences' describe the experience or perception of work after having worked in the organisation for a specific period (Sutton & Griffin, 2004). When employees begin a new job, they compare many of their experiences in relation to what they expected the job to be like (Sutton & Griffin, 2004) and unfortunately, many early experiences often fail to live up to expectations (Meyer & Allen, 1988). The concept of 'met expectations' is viewed as the discrepancy between what a person experienced on the job (both positive and negative) and what they expected to encounter (Porter & Steers, 1973). The met expectations theory holds that if the employee's expectation is not substantially met, the likelihood of them withdrawing from the company increases (Porter & Steers, 1973).

The decision to withdraw or remain is heavily influenced by the individual's overall level of job satisfaction (Porter & Steers, 1973). Porter and Steers (1973) define job satisfaction as the sum total of the individual's met expectations on the job. Therefore, the more the individual's expectations are met on the job, the more satisfied they will be. Conversely, the greater the gap between

expectations and experience, the higher the likelihood of withdrawal. Unmet job expectations causes low job satisfaction and it is the low job satisfaction that causes new joiners to leave (Paul, Niehoff & Turnley, 2000). Porter and Steers (1973) also recognised that whilst individuals have expectations regarding particular areas of work, they also attach varying levels of importance to these attributes or factors. They emphasised that regardless of the composition of the individual's set of expectations, one must ensure that the 'important' factors are substantially met if the individual is to feel motivated to remain with the organisation.

Sometimes, pre-entry expectations are unrealistically high because employees have been exposed to unrealistic job preview information from company brochures, interviews, or other informal sources (Paul, Niehoff & Turnley, 2000). Realistic job previews are therefore one way of creating met expectations (Wanous et al., 1992). Realistic job previews serve to lower employee expectations by providing a realistic overview of what the job entails, thereby reducing the chance of 'reality shock' amongst new employees. It has an overall impact of reduced dissatisfaction and reduced intent to leave (Irving & Meyer, 1994; Irving & Montes, 2009).

Another circumstance under which employee expectations may not be met is when the organisation changes its EVP, or when the employee's needs change (Minchington, 2012). Due to the time and costs involved, companies fail to survey their target audience to assess whether their EVP is still relevant and appealing. They assume that the needs of past employees will be the same as future employees (Frauenheim, 2012; Minchington, 2012) and end up offering a set of total rewards that are no longer relevant to its target group. During the economic downturn, many companies had to retrench workers, cut salaries, reduce benefits, slash training budgets and apply a host of other cost-cutting measures. All of these changes significantly altered the EVP and employees became sceptical and distrustful when they experienced these changes (Finney, 2010). After surveying 5 million employees in 328 companies, Towers Watson (2010) found that most employers were reluctant to acknowledge that the changes had significantly altered the employment deal, yet employees felt

that the deal had been altered quite significantly. It was concerning that only 14% of the companies communicated the changes to staff and this exposed the firms to the risk of decreased employee engagement and a loss of their high performers (Towers Watson, 2010).

Wanous et al. (1992) conducted a meta-analysis of 31 studies on the effects of met expectations on newcomers' attitudes and behaviours. On the basis of this study, they confirmed that met expectations were related to positive work attitudes and a reduction in intent to leave. In their study of the link between met expectations and realistic job previews, Hom, Griffeth, Palich and Bracker (1999) stated that the disconfirmation of met expectations theory remained limited. Whilst a number of similar studies found strong support for met expectations theory, the validity of many of these studies was questioned (Irving & Montes, 2009).

Whilst met expectations theory offers a seemingly credible explanation for why newcomers leave organisations early in their careers, many studies in this field have failed to validate the theory (Irving & Montes, 2009). Many studies, including those assessed in meta-analytical studies by Wanous et al. (1992) and Hom et al. (1999) have been criticised for being methodologically flawed and also critiqued for the measures that were used to assess unmet expectations (Irving & Meyer, 1994, 1999; Irving & Montes, 2009; Sutton & Griffin, 2004). Other challenges include definitional problems and the lack of crossover with related bodies of literature (Sutton & Griffin, 2004). In his critical review of the concept of the psychological contract, Guest (1998) argues that theorists are left in a 'conceptual muddle' as to what constitutes a psychological contract because of the myriad definitions and descriptions that exist. He points out the somewhat loose and casual use of 'met' and 'unmet expectations' in reference to psychological contract theory and argues that the use of these terms create further confusion in distinguishing between psychological contract theory, met expectation theory, and job dissatisfaction.

Even though a number of studies have disproved the met expectations hypothesis (Hom et al., 1999; Irving & Meyer, 1994; Irving & Montes, 2009; Sutton & Griffin, 2004), the resulting research findings have offered insight into

the importance of other factors that have proven to be successful in predicting job satisfaction, organisational commitment, and intent to stay. In testing several predictive models, Irving and Meyer (1994) found that meeting employees' expectations concerning various aspects of the job was less important than providing a positive work experience, regardless of the expectation. Similarly, Hom et al. (1999) found that pre-entry expectations did not predict met expectations outcomes, but post-entry experiences did. The emphasis was being placed on post-entry experience, rather than on pre-entry expectations. Irving and Montes (2009) found that the extent to which an expectation was met had an impact on levels of satisfaction. For example, exceeding expectations on 'support' increased satisfaction, but exceeding expectations on 'skill development' decreased satisfaction. Their results indicated that in many instances, it was better to meet expectations than to exceed expectations, and that meeting low expectations did not necessarily lead to positive outcomes. Finally, they conclude that experienced inducements contributed more to the prediction of employee satisfaction than expected inducements (Irving & Montes, 2009). These findings offer suggestions to the areas in which met expectations research may be expanded and enhanced.

2.3 Professional service firms (PSFs)

2.3.1 *PSFs defined*

Organisational theorists tend to find PSFs interesting because they are distinct from other types of firms (Von Nordenflycht, 2010). They differ from general services organisations in that the business is built and dependent upon the knowledge of its human capital (Morris & Empson, 1998). The work done by PSFs tends to be project-oriented where professional staff (frontline and management) serves the needs of an external organisation or client (Stumpf, Doh & Clark, 2002). The work is usually project-oriented, tends to run over varying periods of time ranging from weeks to years, and involves considerable investigation and problem solving (Stumpf, Doh & Clark, 2002). Typical

examples of classic PSF firms include law, accounting and architecture firms (Von Nordenflycht, 2010).

PSFs are considered to be typical examples of knowledge-based firms (Løwendahl, Revang & Fosstenløkken, 2001; Morris & Empson, 1998) and it therefore follows that their key strategic resource is knowledge. The firm relies on a workforce that is highly educated, with the relevant skills to perform work that is complex (Von Nordenflycht, 2010), often interdisciplinary in nature, and highly team-based (Stumpf, Doh & Clark, 2002).

PSFs tend to operate in two markets – the market for clients and the market for human capital talent which they need in order to serve their clients (Stumpf, Doh & Clark, 2002). The growth of a PSF is directly linked to its ability to attract, recruit and develop young professional talent (Greenwood et al., 2005; Stumpf, Doh & Clark, 2002). This dependence on professional staff can be valuable but it also makes PSFs vulnerable (Morris & Empson, 1998). When individuals leave the firm, they take their knowledge and experience, both tangible and intangible, to other organisations including their competitors (Kinnear & Sutherland, 2000). It can also cost two times their annual salary to replace the individual (Brannick, 2001). PSFs need to mitigate their people risk by ensuring that they attract and recruit the correct calibre of employee and that they offer an attractive EVP and employment experience that encourages their people to stay and add value. Some of the challenges and pressures faced by PSFs are illustrated in figure 2.

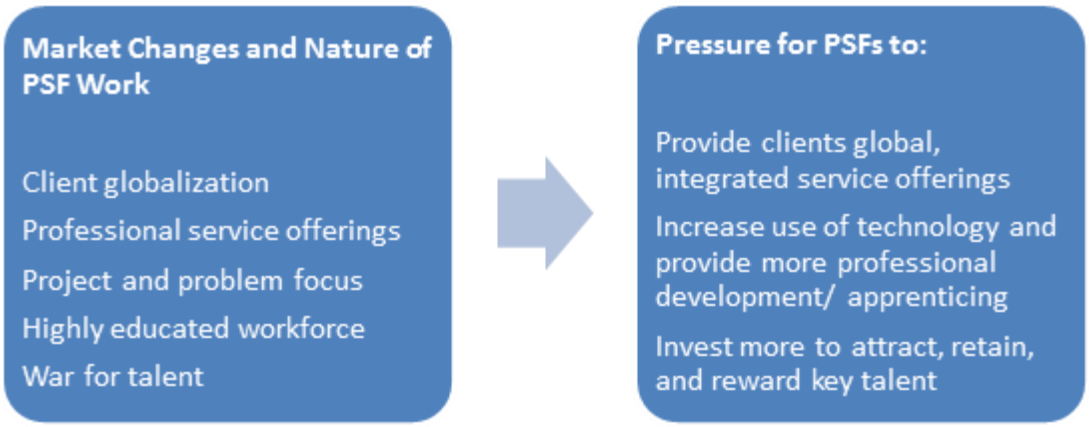


Figure 2: Market changes and pressures faced by PSFs (Stumpf, Doh & Clark, 2002, p.263)

2.3.2 *Managing talent in accounting firms*

This study will focus specifically on a PSF in the accounting and auditing field. Like most PSFs, one of the most difficult challenges facing the accounting profession is the recruitment and retention of quality staff (Bundy & Norris, 1992; Chan & Ho, 2000; Lindquist, 2008). Competition to find the brightest graduates is intense amongst the large accounting firms and the challenge is compounded by the reality of knowing that once they have gained sufficient work experience and have completed their training contracts or apprenticeships, they are likely to move on to better paying and less stressful positions in the private sector (Brierley & Gwilliam, 2003; Bundy & Norris, 1992). Each year, South African accounting firms recruit large numbers of graduates to serve a 3-year traineeship where they develop the competencies required to qualify as a registered chartered accountant. The trainee is dependent on the firm to provide them with the best training, work experience, feedback and coaching so that they attain the requisite level of competence defined by their professional body, the South African Institute of Chartered Accountants. It is ironic that whilst the firms are desperate to retain the best and brightest of them, most trainees do not expect to continue working in their training organisations after they qualify (Brierley & Gwilliam, 2003).

South African-trained accountants are highly rated in the world and therefore very mobile. Like their global counterparts, South African accounting professionals want to be part of a firm that is growing and creating opportunities (Shevel, 2013). Accounting trainees are however acutely aware that in time, only a small number of them will be invited to join the highest ranks in the firm, the partnership (Brierley & Gwilliam, 2003). The pyramid-shaped hierarchical structure is typical of accounting firms and the disadvantage of knowing that only a few make it to the top means that accountants keep themselves open to alternative career options (Brierley & Gwilliam, 2003). This has an implication for their levels of organisational commitment and the strategies that firms need to employ to convince them to stay.

Whilst talent development, succession planning and creating clear paths to leadership are very real challenges in the accounting profession (Greenkey

Resources, 2013), the reality is that formal career development and guidance initiatives tend to take a back seat to day-to-day operational concerns like staff availability and productivity (Brierley & Gwilliam, 2003). Accounting firms have an intense focus on achieving short-term performance targets that will increase revenue and partner income (Brierley & Gwilliam, 2003). With such an intent focus on achieving performance targets, one has to question whether the delivery of the EVP is prioritised and operationalised with the same level of intensity.

Accounting firms are facing many complex and conflicting dilemmas. There is a natural tension that emerges when one is driving productivity and billability very hard, and at the same time, trying to ensure that the firm's employees and its processes are geared toward delivering the EVP.

2.3.3 *Knowledge workers in PSFs*

The world renowned management consultant Peter Drucker is credited with coining the term 'knowledge worker' as far back as 1968 and forty years on, there are still no standard definitions or measures for it (Brinkley, Fauth, Mahdon & Theodoropoulou, 2009). Davenport (2013) describes knowledge workers as people who think for a living. They have high degrees of expertise, education or experience, and the core of their job involves the creation, distribution or application of knowledge. Professionals who work in PSFs are typical examples of knowledge workers.

Drucker (1999) identified a number of work context factors that determine knowledge worker productivity. Drucker (1999) states that knowledge workers need to manage themselves and have autonomy. Their work needs to involve innovation and they need to be involved in continuous learning. Knowledge worker productivity is enhanced when they are seen and treated as an 'asset' rather than a 'cost'. There is a perception that knowledge-intensive companies need knowledge workers more than the workers need the company (Flood et al., 2001). Drucker (1999) refutes this by stating that the relationship is more symbiotic in nature, where each needs the other in equal proportion.

Knowledge workers are the fastest growing talent pool in most organisations. They stand out because they generate up to three times more profit than other employees (Guthridge, Komm & Lawson, 2008) and create the most value (Flood et al., 2001). In a world where there is an increasing shortage of skilled workers, knowledge workers are usually in a position to choose who to sell their services to and whom to share their knowledge with (Flood et al., 2001; Sutherland, Torricelli & Karg, 2002). In order to get the best from them, they must want to work for the organisation and no one else (Drucker, 1999).

There is an inherent dilemma in employing knowledge workers. When companies invest in training and developing them, they become more marketable and mobile. Should companies choose to limit or reduce this investment, workers will simply leave (Sutherland, Torricelli & Karg, 2002). In reviewing the literature, it becomes evident that it is within the company's best interest to understand what knowledge workers are looking for in a prospective employer (Sutherland, Torricelli & Karg, 2002) in order to gain their commitment to stay (Kinnear & Sutherland, 2000).

With knowledge workers, the perceived fairness of the company's reward and recognition practices plays a critical role in them choosing to part with their value-creating knowledge, which essentially benefits the company (Flood et al., 2001). Kinnear and Sutherland (2000) surveyed 104 knowledge workers in South Africa to identify the determinants of organisational commitment. The four most important retention factors were freedom to act independently, financial reward and recognition, developmental opportunities, and access to leading edge technologies. The broader needs of knowledge workers in the same research findings included individualism, independence and personal achievement (Kinnear & Sutherland, 2000). In their study of 274 South African knowledge workers, Sutherland, Torricelli and Karg (2002) found that career growth opportunities and challenging work environments were the most important 'employer of choice' factors. This was closely followed by personal training and development opportunities.

2.4 Compiling a list of EVP attributes

The literature on EVPs and knowledge workers include several studies where researchers have attempted to assess which EVP attributes were generally valued by employees (e.g. the Corporate Leadership Council and Sibson Consulting), or amongst specific categories of employees (Agrawal & Swaroop, 2009; Bhoola, 2013; Rajha, 2012; Sutherland, Torricelli & Karg, 2002). These studies will be relied upon to generate a list of EVP attributes that might be of relevance to employees in professional service accounting firms which is the focus of this study.

The most comprehensive list of EVP attributes is provided by the Corporate Leadership Council (2006) who developed a list of 38 attributes from an original list of 200 characteristics. The data was gathered from over 58 000 employees spread across 90 diverse organisations, 20 industries, and 34 countries. The 38 attributes are categorised into 5 categories: rewards, opportunity, organization, work and people. An overview of the five categories and 38 attributes are provided in figure 3 below. The Corporate Leadership Council found that within the 38 attributes, there are seven that are universally important in driving attraction and commitment. They are compensation, future career opportunities, a collegial work environment, organisational stability, culture of respect, development opportunities, and manager quality. These seven attributes are fundamentally important regardless of geography, age, or gender (Corporate Leadership Council, 2006).

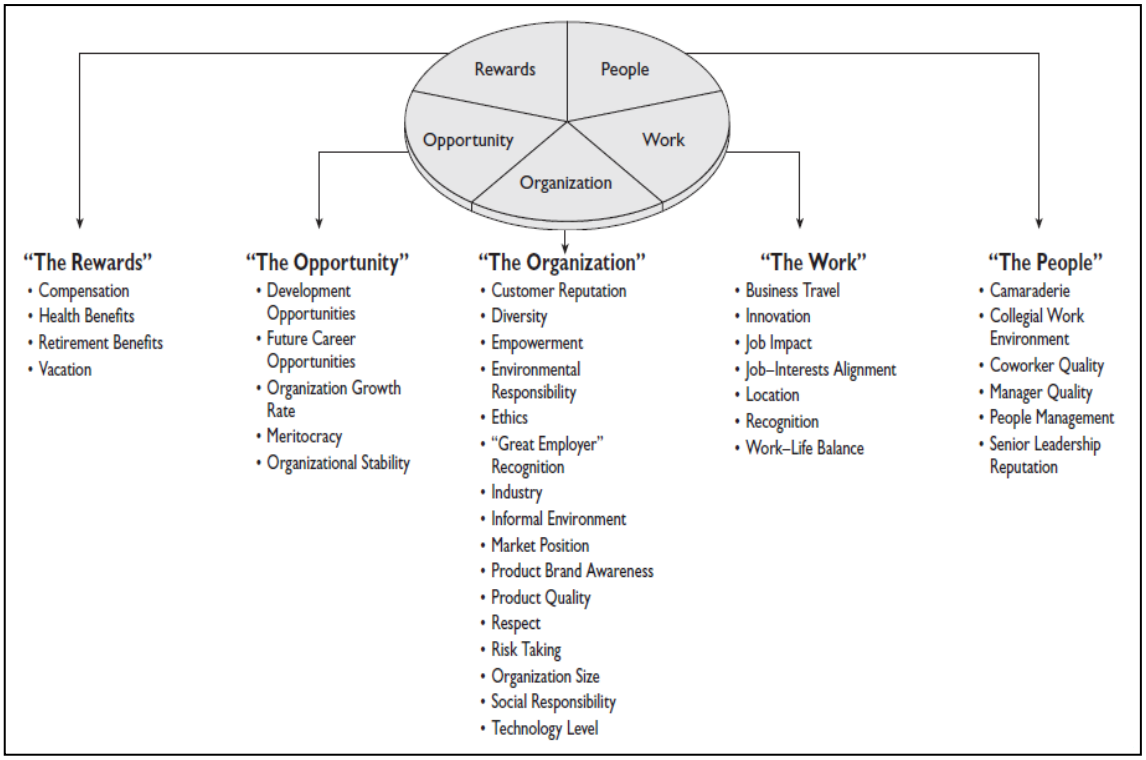


Figure 3: Corporate Leadership Council's 38 EVP attributes (2006, p. 27)

Sibson Consulting, a Human Capital consultancy, has also developed an EVP framework which is based on an Employee Value Exchange philosophy. Sibson's EVP model forms the basis of their Rewards of Work (ROW) study which is conducted annually on a sample of the American working population. The Sibson EVP framework consists of 30 attributes which are categorised into five factors: compensation, benefits, work content, career and affiliation (Kochanski & Elliott, 2010). Each factor affects the decisions of current and future employees in whether they remain in their current jobs or move elsewhere (Kochanski & Elliott, 2010). Sibson use this framework of 30 attributes to help their clients understand their value proposition, the preferences of their staff, and the cause of any gaps that might exist between the employees' and organisation's aspirations, and the actual EVP (Kochanski & Elliott, 2010). Their EVP framework is presented in figure 4.



Figure 4: Sibson Consulting's EVP framework (Kochanski & Elliott, 2010, p. 111)

In 2012, MBA student Rajha set out to determine the EVP attributes of MBA students in South Africa. Rajha (2012) relied upon the Corporate Leadership Council framework, the Sibson EVP model, and other relevant literature to develop an EVP framework that could be used to assess the EVP preferences of MBA students. After validating her proposed list of attributes with HR professionals and line managers, she ended up with a list of 22 attributes for her research instrument. Attributes that were included outside of the Corporate Leadership Council and Sibson EVP models included 'job meaning, purpose and impact' and 'person-organisation fit including culture and values'. Rajha's (2012) list of EVP attributes are provided in figure 5.

Bhoola (2013), also an MBA student, conducted a similar research project but was more interested in determining the EVP preferences of Generation Y employees in management consulting firms. He also utilised the Corporate Leadership Council and Sibson models, and included the work of professional services firm Towers Perrin and Edgar Schein's Career Anchors model. Bhoola's (2013) research instrument contained a consolidated list of 39 attributes. His list consisted predominantly of a combination of attributes from the Corporate Leadership Council and Sibson Consulting. His full list of attributes may be viewed in figure 5.

Brian Heger (2007) conducted an EVP study at AT&T to assess its impact on employee engagement and business outcomes. After reviewing the EVP literature related to his research topic, he opted to use a list of 52 attributes and asked 936 employees to indicate their most important attributes and to also rate their employer's effectiveness in fulfilling them. The attributes that are most closely aligned with the CLC framework are reflected in figure 5.

It is clear that the Corporate Leadership Council's EVP framework provides a very comprehensive and largely generalisable list of attributes. Where researchers have included or excluded attributes, it was largely due to context-specific reasons, for example, attributes that were unique to MBA students, Generation Y employees, or to AT&T employees. The Corporate Leadership Council framework will therefore be used as the main contributor of EVP attributes for this study. The Corporate Leadership Council attributes will be compared to those used in the research studies discussed in this section, as well as key findings from research covered in the literature review. This includes Agrawal and Swaroop's (2009) study on employer characteristics of relevance to graduates, and Sutherland, Torricelli and Karg's (2002) work on knowledge workers and the attributes which they found to be important. The suggested list of attributes will be validated by HR professionals in the company being studied and the list will be adapted in accordance with the feedback received.

Category	EVP Attributes	CLC (2006)	Bhoola (2013)	Rajha (2012)	Heger (2007)	Kochanski & Elliott (2010)	Agrawal & Swaroop (2009)	Sutherland, Torricelli & Karg (2002)
Rewards	Compensation	✓	✓	✓	✓	✓	✓	✓
	Health benefits	✓	✓		✓	✓		
	Retirement benefits	✓	✓		✓	✓		
	Vacation	✓	✓		✓	✓		
	Incentives/ Bonuses					✓		✓
Opportunity	Development opportunities	✓	✓	✓	✓	✓	✓	✓
	Future career opportunities	✓	✓	✓	✓	✓	✓	✓
	Organization growth rate	✓	✓	✓				
	Meritocracy	✓	✓	✓	✓			
	Job security					✓	✓	
	Organizational stability	✓	✓	✓				
Organisation	Customer reputation	✓	✓					
	Diversity	✓	✓					✓
	Empowerment	✓	✓	✓			✓	
	Environmental responsibility	✓	✓					
	Ethics	✓	✓	✓				
	Values			✓		✓		✓
	"Great employer" recognition	✓	✓					✓
	Industry	✓		✓				
	Informal environment	✓						
	Market position	✓	✓	✓		✓		
	Product brand awareness	✓	✓					
	Product quality	✓	✓	✓				✓
	Respect	✓	✓	✓				
	Risk taking	✓	✓					
	Organization size	✓	✓					
	Social responsibility	✓	✓			✓		✓
	Technology level	✓	✓	✓				
Work	Business travel	✓	✓					
	Innovation	✓	✓	✓				✓
	Job impact	✓	✓	✓				
	Job-Interests alignment	✓	✓	✓		✓		
	Location	✓	✓				✓	
	Recognition	✓	✓	✓	✓	✓		
	Work-Life balance	✓	✓	✓	✓	✓		
	Variety		✓		✓	✓		
	Challenging work		✓			✓	✓	✓
	Autonomy		✓		✓	✓		
People	Camaraderie	✓	✓					✓
	Collegial work environment	✓	✓			✓	✓	✓
	Coworker quality	✓	✓		✓			
	Manager quality	✓	✓	✓				
	People management	✓	✓	✓	✓	✓		
	Senior leadership reputation	✓	✓	✓	✓			

Figure 5: List of EVPs derived from the literature

2.5 Conclusion of Literature Review

Companies are under pressure to secure the best talent they can find in order to achieve and maintain competitor advantage. Operating in a global economy means that companies across the globe are experiencing very similar challenges in as far as the attraction, recruitment, development and retention of

talent goes. They are searching for strategies and mechanisms that will make them more appealing to skilled talent. Companies have realised that they need to do more than just offer a great suite of benefits. They need to be able to package, articulate and deliver it effectively to prospective and current employees.

The employee value proposition is an attempt to achieve this. It is the company's package of rewards, employment advantages and benefits that the organisation offers to its employees (Edwards, 2010) and provides reasons as to why an individual would choose to commit themselves to an organisation (Browne, 2012). It is not enough for a company to simply develop an EVP. They need to ensure that it is a realistic representation of what they offer, that it is relevant to the preferences and needs of its recipients, and that they are actually able to deliver it. The EVP is communicated to the target audience via employer brand messaging and it is critical that the message conveys an accurate and balanced view of the organisation. Failure to do so will cause new employees to develop inaccurate expectations of the firm, leading to feelings of betrayal. A failure to deliver the EVP is linked to reduced commitment and increased employee turnover (Corporate Leadership Council, 2006).

When individuals are exposed to the EVP through employer branding and other sources of information, they develop a view of the organisation and an expectation of what the company has to offer. Employees are constantly assessing whether their experiences are in line with their expectations and whether they are benefiting from the firm's EVP. If they feel that their company has failed to meet their expectations, particularly on the attributes that are important to them, they will begin to disengage or leave the firm (Irving & Montes, 2009).

Companies need to be aware of what they are offering – overtly or subtly. They need to ensure that they actually deliver their EVP in order to derive the benefits associated with EVPs. The literature indicates that many companies have failed to deliver their EVPs due to a misalignment with employee preferences, poor differentiation from other companies, and a general failure to track their delivery of their EVP attributes (Corporate Leadership Council, 2006).

The second part of the literature review focused on the context in which the current study was conducted. The characteristics of professional service firms, and accounting firms in particular were discussed. This provided some insight into the unique circumstances in which their employees operate as well as the challenges experienced by employers in the accounting profession and PSFs in general. The dynamic of employing knowledge workers was also discussed. Knowledge workers are motivated by specific needs and their employers need to understand what these are in order to get the best out of them (Sutherland, Torricelli & Karg, 2002).

The literature review concluded with an overview of previous research that will be used to develop a research instrument that is relevant to this study. The Corporate Leadership Council framework will form the basis of the list of attributes to be used, and will be fine-tuned by referring to other relevant literature of relevance to this study.

2.5.1 *Research Question 1:*

Which EVP attributes did the PSF employees expect to find in the organisation?

2.5.2 *Research Question 2:*

Which EVP attributes did the PSF employees regard as important when they joined the organisation?

2.5.3 *Research Question 3:*

Which EVP attributes did the PSF employees actually experience in their jobs once they had joined the organisation?

CHAPTER 3. RESEARCH METHODOLOGY

This section describes the methodology that was followed to address the research questions of this study. The study relied upon a quantitative research approach using self-administered online surveys as the research instruments. The reason for the use of a quantitative approach is discussed, followed by an overview of the research design. This chapter also includes a description of the research instrument that was used, the data collection procedure that was followed, and the data analysis methodology that was relied upon. The section concludes with some noted limitations to this study, as well as relevant reliability and validity considerations.

3.1 Research methodology /paradigm

This study employed a quantitative research design. Quantitative methods emphasise quantification in the collection and analysis of the data and is preoccupied with the measurement of a concept (Bryman, 2012). Methods of analysis involve the manipulation of numeric data, rather than the analysis of text (Browne & Green, 2005). The quantitative methodology appears to be a popular research approach in the assessment of EVPs. This is evident in the EVP-related research conducted by the Corporate Leadership Council (2006), Heger (2007), Rajha (2012), Bhoola (2013), and Towers Watson (2012, 2013). A quantitative methodology is appropriate when the researcher is interested in testing theories, rather than generating theories (Bryman, 2012). This was aligned with the objectives of this study as the study was not concerned with generating additional theories.

The cross-sectional method involves the observation of a sample, or a cross-section of a population at a point in time (Babbie, 2010). The aim is to examine a situation by describing important factors associated with the situation, such as behaviours and attitudes (Kelley, Clark, Brown & Sitzia, 2003). The cross-sectional approach was appropriate to this study as it aimed to assess the attitudes toward and experience of the firm's EVP at a point in time. It did not

seek to measure the constructs over an extended period of time or to assess causal processes (Babbie, 2010).

3.2 Research Design

Quantitative researchers often use data from surveys (Kalof, Dan & Dietz, 2008). Surveying refers to the selection of a sample of people from a pre-determined population and then collecting a relatively small amount of data from them. The researcher uses this information to make inferences about the wider population (Kelley et al., 2003). Data is usually collected in a standardised form by means of a questionnaire or an interview. There is no attempt to control conditions or manipulate the variables being studied (Kelley et al., 2003). Surveys are useful for their ability to assess the prevalence of attitudes and behaviours (Babbie, 2010) and examining the relationship between variables (Kalof, Dan & Dietz, 2008), which is what made them suitable for use in this study.

This study utilised self-administered surveys as the data collection instrument. Self-administered surveys are highly favoured in social research (Bryman, 2012) for a number of reasons. Respondents receive the survey and complete it at a time that is suitable to them (Bryman, 2012). There is no reliance on the presence of an interviewer or administrator. Surveys are cost-effective, quick to administer, are not subject to interviewer effects or variability, are convenient (Bryman, 2012), and are generally familiar and non-threatening to most people (Browne, 2005a). Surveys also allow one to collect large amounts of data in a short period of time, which is a benefit when the researcher has a finite time frame in which to complete the project (Kelley et al., 2003). All of the advantages discussed here were highly applicable to the current study and therefore deemed to be appropriate for use.

Some of the drawbacks of survey research that needed to be mitigated in this study involved the lack of control of response rates and incorrect or partially completed surveys (Browne, 2005a; Kelley et al., 2003). The researcher did so by closely monitoring response rates and sending reminders to respondents at

regular intervals. Instructions for completing the survey were clear and simple and the relevant technical terms were defined. Finally, the researcher also ensured that the list of EVP attributes to be used in the survey was a comprehensive and relevant set of attributes as there would be no further opportunity to ask the respondents additional questions.

The overall research design process is illustrated in figure 6 below.

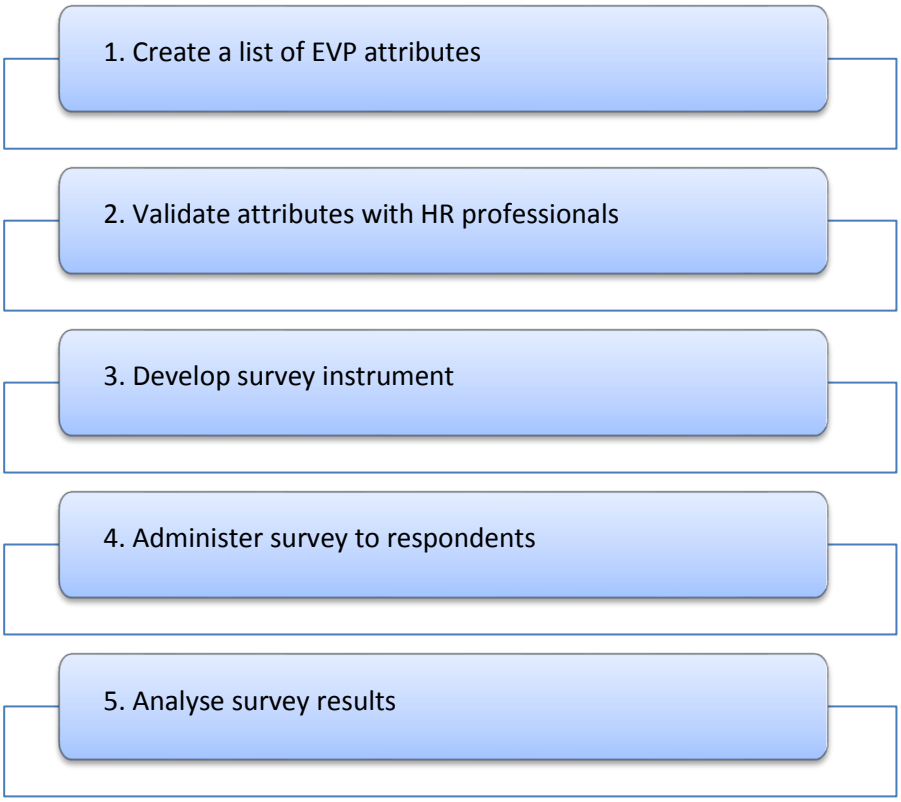


Figure 6: Research design process that was followed

1. **Create a list of EVP attributes**

   A first draft of the EVP attributes used in this study was developed by relying on the literature reviewed in Chapter 2. This was supplemented by a review of the firm's recruitment brochures and other media that contained related employer branding messaging. The objective was to develop a comprehensive list of attributes that would assist with an accurate representation of the professional service firm's EVP, which was the focus of this study.

2. **Validate attributes with HR professionals**

   The list of EVP attributes was sent to a group of nine HR professionals. The individuals were selected by the researcher based on their involvement in the recruitment and on-boarding of new hires. The HR respondents were asked to review the list of attributes and assist with the process of reducing the long and potentially cumbersome list to one that only contained attributes that were most relevant to the firm.

3. **Develop survey instrument**

   The survey responses from the HR professionals were used to develop the second survey instrument. Bhoola (2013) acknowledged that his use of 39 attributes may have been too long and difficult for his participants to work through. Whilst his study entailed a partial ranking of attributes (selecting and then ranking the top 10 attributes), this study asked participants to provide a response to each item/ attribute. It was therefore important for the list to be of reasonable length whilst also being sufficiently comprehensive.

4. **Administer survey to participants**

   The survey was loaded onto the online Qualtrics Survey Software tool and was distributed to the sample population of first year trainees. A deadline for completion was provided and response rates were closely monitored. Regular reminders were sent to encourage completion.

5. **Analyse survey results**

   The survey results were analysed using the distribution fitting algorithm (DFA). This methodology allows researchers to make inferences about ordinal level data that is reliable and valid, without treating the data as if it were interval (Stacey, 2005). When the DFA analysis is complete, each attribute can be analysed to determine which items are significantly different to the overall mean of the population (Stacey, 2005). This was done for the attributes rated as, ‘expected’, ‘important’ and ‘experienced’.

3.3 Population and sample

3.3.1 *Population*

This study focussed its attention on a global professional service firm in South Africa. The firm in question falls into the broad category of accounting firms, even though it offers its clients a wide range of professional services in addition to the accounting competency. The firm has been in operation in South Africa for over a hundred years, and operates as a globally integrated business in terms of the services offered, their people philosophy and practices, and the manner in which they engage their clients.

Two specific populations were targeted in this study. The first was a group of HR professionals who provided an informed opinion on the list of attributes that constituted the firm's EVP.

The second population was represented by a specific group of employees, the Audit trainees. The study narrowed its focus to only consider individuals who joined the firm as first-year trainees in January 2014.

3.3.2 *Sample and sampling method*

A non-probability, purposive sampling method was utilised in this study. This involves identifying a specific population, and then only including its members in the survey (Kelley et al., 2003). It usually involves the deliberate choice of respondents to reflect a specific feature of interest (Browne, 2005b). Whilst recognising the superior representativeness and generalisability of a probability sample (Krosnick, 1999), the population of employees being considered in this study was small enough to include everyone in the survey. The risk of sampling bias (i.e. some members standing little chance of being included) (Baryman, 2012) and sampling error where the sample is not sufficiently representative of the population (Kelley et al., 2003) was also minimised by including everyone in the population that met the selection criteria.

In the first sample, the HR professionals were selected based on their level of experience with the firm's recruitment and talent management processes. The HR professional group included Senior HR Managers (HR business partners), and Graduate Recruitment Managers. The Graduate Recruitment Managers were responsible for attracting and recruiting the largest group of new hires in the business. They had intimate knowledge of the firm's EVP as it was their responsibility to market the EVP to prospective employees. The Senior HR Managers were selected for their depth of knowledge and experience of the firm's total rewards offerings and its delivery. An overview of the HR group is provided in table 1.

Table 1: Profile of HR respondents

Description of respondents	Number sampled
Senior HR Manager	4
Graduate Recruitment Manager	5

The second sample was drawn from the firm's permanent employee population. The selection criteria required that the employee be employed as an 'Audit trainee' in South Africa, commencing employment on 02 January 2014. The first-year trainees represent the largest proportion of new joiners to enter the business each year. At the time of data collection, they were employed in the firm for eleven months. The key reason for only including the first-year trainees is that they were 'new' enough to recall the employer attributes that attracted them to the firm, and had also been in the firm long enough to have had an opportunity to experience the delivery of the firm's various rewards and benefits. It was assumed that this group was best placed to answer questions relating to the 'importance' and 'experience' of the firm's EVP attributes.

This group shared a number of characteristics, making them a relatively homogenous sample. They all had a minimum of two university degrees, little or no corporate work experience, and were all completing the same 3-year training curriculum as part of their employment contract. This study targeted the entire 2014 cohort of first-year trainees. The 225 trainees are categorised by geographical location in table 2.

Table 2: First year trainees in 2014 by geographical location

Office location	Number of trainees to be sampled
Cape Town	40
Bloemfontein	11
Durban	15
Johannesburg and Pretoria	151
Port Elizabeth	8
Total	**225**

3.4 The research instrument

Two research instruments were developed for use in this study. Both instruments took the form of online surveys. The first survey was developed in order to determine which EVP attributes were most relevant and characteristic of the firm's EVP. This initial step was required due to the firm not having a formally stated EVP. The first instrument included a comprehensive list of attributes derived from the literature (generic EVP attributes, attributes that were known to appeal to knowledge workers and Generation Y candidates) as well as company-specific EVP attributes. A list of 42 EVP attributes was presented in a closed-ended format to facilitate direct comparison between respondents' answers (Kalof, Dan & Dietz, 2008). The online survey was distributed to a sample of nine HR respondents via email. They were asked to review the list of 42 attributes and to indicate whether each attribute was relevant or irrelevant to what the firm offered and what their employees expected. The objective was to narrow down the long list of possible items to a set that was a unique representation of the firm's offering. A free-text commentary question was included so that respondents could add any attributes which they believed were relevant to the company but missing from the list. A copy of this survey is included as Appendix A.

The second survey was developed to address the three research questions presented in this study and was sent to the employee sample. The survey items were designed to determine which EVP attributes the employees expected before they joined, which attributes they deemed to be important before they joined, and which of the attributes they experienced as employees of the firm. The questionnaire was developed based on the responses from the HR professionals. Analysis of the responses from the HR professionals allowed the researcher to reduce the list of EVP attributes from 42 to 25, which appeared to be more manageable for respondents to work through.

This employee survey included four sections. Section A requested basic demographic information to assess the homogeneity of the group and to determine if any differences existed at a group level. Section 2 related to the 'expected' attributes, Section 3 related to the 'important' attributes and Section 4 related to the 'experienced' attributes. In each section, respondents were asked to review the list of 25 items and indicate using the five point Likert scale, the extent to which the attribute was 'important', 'expected' and 'experienced'.

Whilst the responses to both surveys were not anonymous, participants were assured that their identities would not be disclosed in the reporting of the research results.

3.5 Procedure for data collection

The two surveys were created in the online Qualtrics Survey Software tool. For the first survey, the researcher contacted the HR managers personally to explain the purpose of the survey and to describe what was expected of them. The aim of the personal contact was to encourage completion and improve the reliability and quality of the output. An email with a link to the survey was sent to the respondents. It included instructions as well as a deadline for completion. Response rates were closely monitored and reminders were sent as needed.

The second survey was also distributed electronically using the Qualtrics tool. The launch email to the employees explained the purpose of the study, the research questions being investigated, and emphasised that the intention of the

research was to use the results to assist the firm in improving the communication and delivery of their EVP. Clear instructions on how to complete the survey were included, along with an indication of the average completion time.

Prior to launching the survey to the employee sample, the survey was sent to a group of five employees who were not from the sample population. They were asked to complete the survey to assess the accuracy of the instructions, the clarity of the question items and response scale, the functionality of the tool, and to determine the average completion time. After making slight adjustments to the layout of the questionnaire (for example, including a 'back' button on each page of the survey and highlighting the words 'Expect', 'Important' and 'Experienced' in Questions 7, 8 and 9) , the survey was launched to the employee sample. Response rates were monitored and reminders were sent to incomplete survey respondents at regular intervals to encourage them to participate in the study.

3.6 Data analysis and interpretation

The HR expert responses were analysed using basic descriptive statistics. The researcher analysed the frequency with which each attribute was rated as relevant and irrelevant by the group of respondents. The researcher relied on her judgement to determine a cut-off score for those attributes that were regarded as relevant.

The employee responses were analysed using quantitative analytical techniques. The survey generated ordinal level data through its use of the Likert-type response format. In order for the inferred findings to be regarded as reliable and valid, the data analysis methodology that was employed had to be able to support ordinal data and it was believed that the use of the distribution fitting algorithm (DFA) technique would achieve this.

The DFA technique makes it possible to draw inferences from ordinal level survey data that is accurate and valid (Stacey, 2005). It does so by not treating the ordinal level data as if it were interval (Stacey, 2012). Stacey (2005) tested

the DFA approach against two other methods that was often used to analyse ordinal data, and found the DFA approach to have the most superior accuracy and validity when analysing ordinal level survey data.

The methodology creates a simulated model of the cognitive processes that survey participants would follow whilst completing the survey (Stacey, 2005, 2012). The simulation model is then fitted to the actual observed data and assessed for its goodness-of-fit. The closer the fit between the two, the more reliable the inferences drawn from the survey data will be (Stacey, 2005). It also makes it possible to calculate item means and standard deviations of the sample as a whole, rather than at the respondent level (Stacey, 2005). This was in line with aim of this study, which was to calculate the mean of the level of expectation and importance, and the degree to which each EVP attribute was experienced by the sample at large and not by each respondent.

The DFA methodology eliminates *discretisation error,* which can result in unreliable estimates of population parameters (e.g. means, standard deviations, and correlation coefficients) (Stacey, 2012). Utilisation of the *asymptotic analogy* process eliminates the risk of *discretisation error* by not treating the ordinal level data as if it were interval (Stacey, 2012). The asymptotic analogy process is illustrated in figure 7.

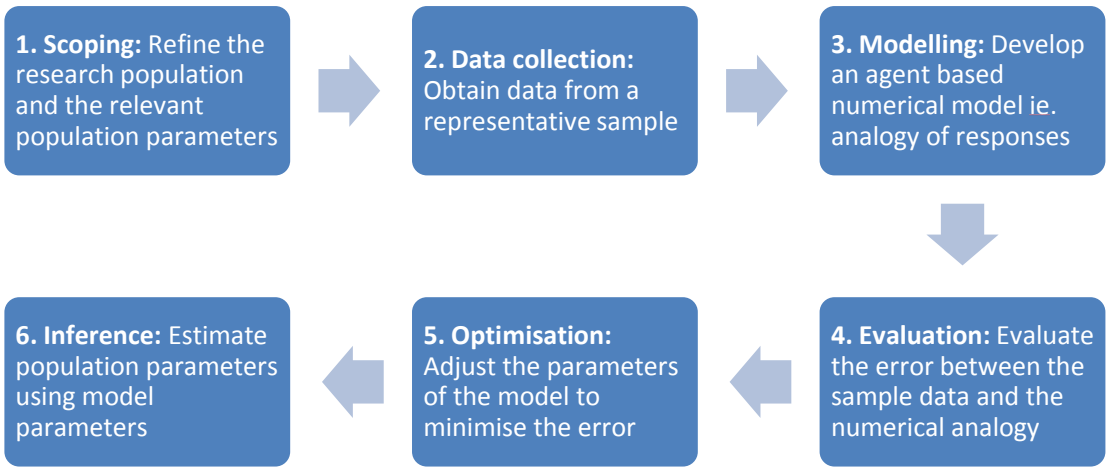


Figure 7: The asymptotic analogy process (Stacey, 2012, p. 383)

Steps one and two follow a typical research process. Step three entails the development of a model that simulates the cognitive process that participants follow when responding to survey questions with ordinal rating scales. The model makes certain assumptions about the population (assigning arbitrary population parameters) such that it represents an *analogy* of the population (Stacey, 2012).

Stacey (2005) describes the process as follows. The process begins with initial estimates/ guesses of the parameters of the distributions of responses, that is, estimates about the means, standard deviations, and the threshold values between the response categories. These distributions and threshold values are used to calculate the expected response frequencies for each ordinal response category for each survey item. A special formula is used to determine the expected frequencies for underlying distributions that are assumed to be normal (Stacey, 2005).

Once the observed and expected frequency tables are developed, the chi-square value is calculated (Stacey, 2005). If the value of chi-square is not significant, then the model, its distributions and thresholds, can be deemed to adequately fit the survey data (Stacey, 2005).

The objective of step five is to optimise the goodness-of-fit by minimising the error statistic (Stacey, 2012). This is achieved through the use of an algorithm that varies the simulated population parameters. This results in a numeric model that becomes an accurate analogy of the cognitive process that participants followed when responding to the survey (Stacey, 2012). The final step is to assess whether the goodness-of-fit between the sample data and the numerical model is sufficient. If so, then it may be assumed that the simulated population parameters are reliable estimates of the true population parameters (Stacey, 2012), and further inferences of the data can reliably be made. An example of the output is presented in figure 8.

Threshold values

τ1	τ2	τ3	τ4
1.511	0.110	0.656	1.059

Distribution parameters

	A	B	C	D	E	F	G
$\hat{\mu}_K$	0.47	0.18	0.01	0.09	0.09	0.14	0.31
$\hat{\sigma}_k^2$	0.30	0.29	2.61	1.22	0.28	0.64	1.28

$\sigma^2_{\hat{\mu}}$	0.05
μ_{σ^2}	0.95
	1.00

Expected frequencies

I	2.85	0.67	17.31	7.34	0.12	1.96	5.35
II	71.47	54.21	29.68	35.49	35.02	35.60	30.14
III	23.68	38.98	18.51	26.83	50.74	36.29	26.55
IV	1.74	5.03	8.64	11.38	10.83	13.44	12.58
V	0.27	1.10	25.86	18.96	3.30	12.72	25.38

χ^2 contributions

0.25	0.67	0.03	0.38	0.12	0.00	0.02
0.17	0.06	0.10	0.85	0.00	0.01	0.02
0.57	.10	0.01	0.37	0.03	0.38	0.01
0.91	0.19	0.64	0.60	0.31	1.47	0.20
0.27	0.01	0.03	0.20	0.15	0.13	0.02

χ^2 =	9.28
χ^2_{Crit} =	33.20
p-value	1.00

Figure 8: Application of the distribution fitting approach (Stacey, 2005, p. 7)

Once the DFA analysis is complete, the survey items can be analysed to determine which items are significantly different from the overall mean. Of importance is the fact that the methodology is suitable for analysing data from small samples (Stacey, 2012). This helped to mitigate the potential risk of achieving a low response rate.

Luiz and Charalambous (2009) also used the DFA methodology to assess the importance of a list of factors in influencing foreign direct investment of South African financial service firms. Their simple guideline on how the results of the DFA methodology should be interpreted is presented below, using the assessment of *importance* as an example:

- If the mean for the factor was appreciably greater than zero ($\mu \gg 0$), then that factor or attribute is more important than the overall average importance of all the factors and can therefore be interpreted as being *very important* relative to the other factors.
- If the mean for the factor response was very close to zero ($\mu \sim 0$), then that factor is no more and no less important than the overall average importance of all the factors and can therefore be interpreted as being *important* (the average) relative to other factors.

- If the mean for the factor was appreciably less than zero ($\mu \ll 0$), then that factor is less important than the overall average importance of all the factors and can be regarded as being *less important* relative to other factors.

This guideline was followed when assessing the 'expected', 'important', and 'experienced' EVP results of the employee survey.

3.7 Limitations of the study

- There was a risk that participants would have difficulty remembering the factors that influenced their decision to join the organisation. This would have had an impact on the validity and honesty of their responses
- The exclusion of attributes that candidates may have found to be important, but did not feature in the list of attributes they were presented with. For example, joining the organisation because their friends were going to join, or being attracted to the prospect of working in an ultra-modern, newly built office block in Sandton
- Having to respond to a long list of items in the questionnaire and having to do so three times. This was managed by keeping the questionnaire relatively short without compromising the validity of the survey
- Respondents not completing the survey due to potential 'survey exhaustion'. The company was in the habit of conducting climate surveys and other online assessments every few months which could have led to participants' reluctance to complete yet another survey. This was mitigated by sending personalised reminders informing respondents of the researcher's genuine interest in their unique experience, and explaining that they could make a contribution to the improved experience of future trainees
- The cross-sectional nature of the study, along with the use of purposive sampling limits the generalisability of the results

3.8 Validity and reliability

The validity consideration relates to whether the research design is scientifically sound and appropriately conducted (Struwig & Stead, 2001), and reliability is concerned with the extent to which the test measures are accurate, consistent or stable (Bryman, 2012; Struwig & Stead, 2001). Discussing the threats to internal and external validity allows the reader to place the researcher's findings into the proper context, and provides direction for future research (Onwuegbuzie, 2000).

3.8.1 *External validity*

External validity refers to the extent to which the research findings can be generalised to other populations (Struwig & Stead, 2001). Struwig and Stead (2001) caution the researcher against generalising data beyond the sample. It therefore needs to be acknowledged that the findings of this study will have some limitations to its generalisability as a result of utilising a purposive sampling method, and limiting the scope of the research to only one company. The results may however be of interest and use to other accounting firms and potentially to other professional service firms too. The findings will be particularly useful in understanding what young, highly educated but relatively inexperienced knowledge workers find attractive and important in their prospective employers.

3.8.2 *Internal validity*

Internal validity refers to aspects of the research that could threaten the researcher's ability to draw the correct inferences from the data. This could relate to the procedures, the treatments, or the experiences of the participants (Creswell, 2003). Face validity was maintained by assessing the EVP attributes in their existing form as referred to in the literature. The attribute was presented as a survey item by using its full definition rather than just the name of the attribute. This left the respondent in no doubt as to what was being assessed. Content validity was achieved in two ways. First, by relying on previous

literature on EVPs to generate a list of attributes for this study, and second, by relying on the HR managers to ensure that a comprehensive list of the firm's EVPs was represented in the survey. The items were therefore a direct reflection of the theoretical 'content domain' of the EVP concept (Struwig & Stead, 2001). Finally, construct validity was ensured by using a measure of EVPs that had been used in many other published studies (Corporate Leadership Council, 2006; Heger, 2007; Kochanski & Elliott, 2010), thereby assuming that the survey was indeed measuring the construct that it intended to measure (Struwig & Stead, 2001).

3.8.3 *Reliability*

The reliability of a study is assessed in terms of the consistency with which a concept is measured, the stability of the measure, and the accuracy with which the concept is measured (Bryman, 2012; Struwig & Stead, 2001). The stability of the measure of EVPs was always going to be a challenge. When participants complete a survey, they are impacted by how they feel on the day, their frame of mind, and their experiences of the company to that point in time. If they were asked to re-take the survey some weeks later, their views and attitudes could be different. Internal reliability was not an area of concern as each attribute was considered on its own, and the attribute scores were not aggregated into one overall score. Other considerations designed to facilitate greater reliability was to provide clear instructions to the sample populations, and to define concepts so that there was minimal misinterpretation of what was being assessed.

3.9 Demographic profile of respondents

A demographic overview of the two groups of survey respondents is provided below.

3.9.1 *HR respondents*

A group of nine experienced HR professionals were selected to participate in the first survey in order to identify the firm's most relevant and applicable EVP attributes which was to be used in the second phase of the study. The nine respondents included four Senior HR Managers and five Graduate Recruitment Managers. The strategy to contact each HR respondent in person prior to sending the survey appeared to have been a successful one as a response rate of 100% was achieved. All surveys were completed in full. Their gender, location and tenure information is presented in figures 9 and 10. The average tenure for this group was 6.8 years indicating that the group of respondents, particularly the Senior Managers had a fair amount of experience in HR and in graduate recruitment in the firm.

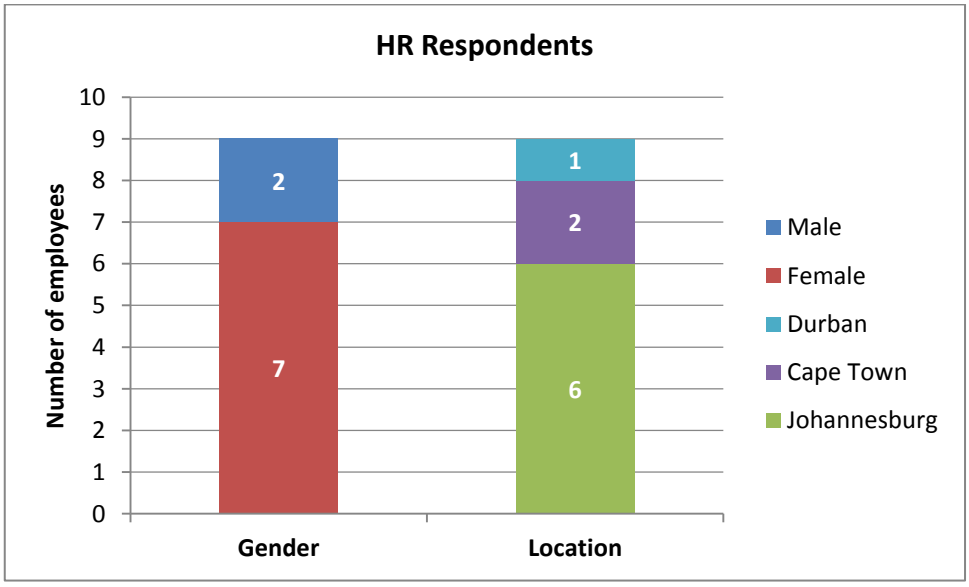


Figure 9: Gender and location of HR respondents

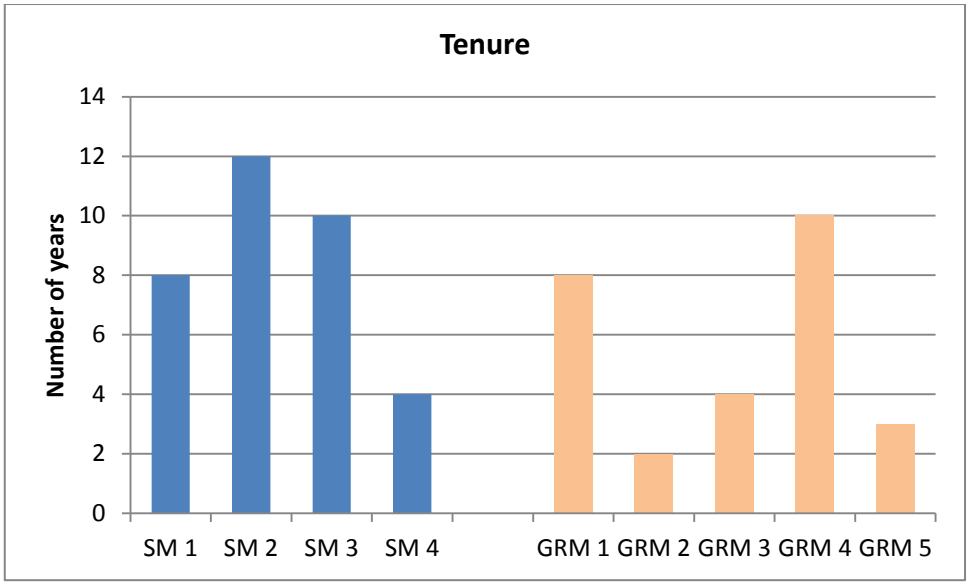


Figure 10: Tenure of Senior Managers (SM) and Graduate Recruitment Managers (GRM)

3.9.2 *Employee respondents*

Of all the trainee employees working at the PSF, 225 met the selection criteria defined for participation in this study. These employees were all in the first year of their training contracts, had been working in the firm for 11 months, and were spread across the firm's various locations in South Africa. The second survey was sent to all 225 employees using the Qualtrics survey tool. The survey remained open for three weeks and after sending regular reminders to the group, a total of 142 useable responses were received. This translated into a response rate of 63% which is higher than expected. This was in light of the potential risk of 'survey exhaustion' amongst the respondents, as well as the timing of the data collection which coincided with the business' rush to conclude client projects before the PSF's offices closed at the end of the year. Figure 11 provides an overview of the overall response rate.

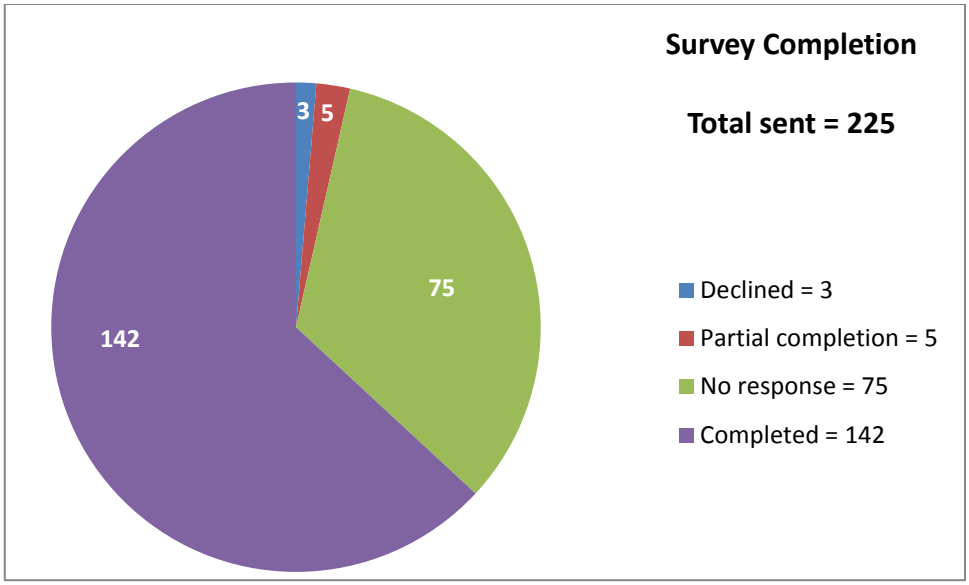


Figure 11: Employee survey completion rate

Deeper analysis of the 142 fully completed and useable surveys indicate that the responses came from a diverse group of employees and were a fair representation of the larger sample population. The gender split was very representative of the original sample population (45% male: 55% female) with 42% of the responses coming from males, and 57% from females. As expected, the majority of respondents (88%) were in the youngest age bracket of 21-25 years, and 10% were slightly older at 26-30 years which is very typical of the trainee population. The racial breakdown of the 142 respondents offered further support for the accurate representivity of the group. The racial breakdown of the 142 responses is almost a mirror image of the racial breakdown of the trainee population in the firm, with a maximum of a two percentage point difference in a category. Almost half of the responses came from the White candidates (45%), and the remaining 55% from Black (African, Coloured and Indian) and non-South African employees.

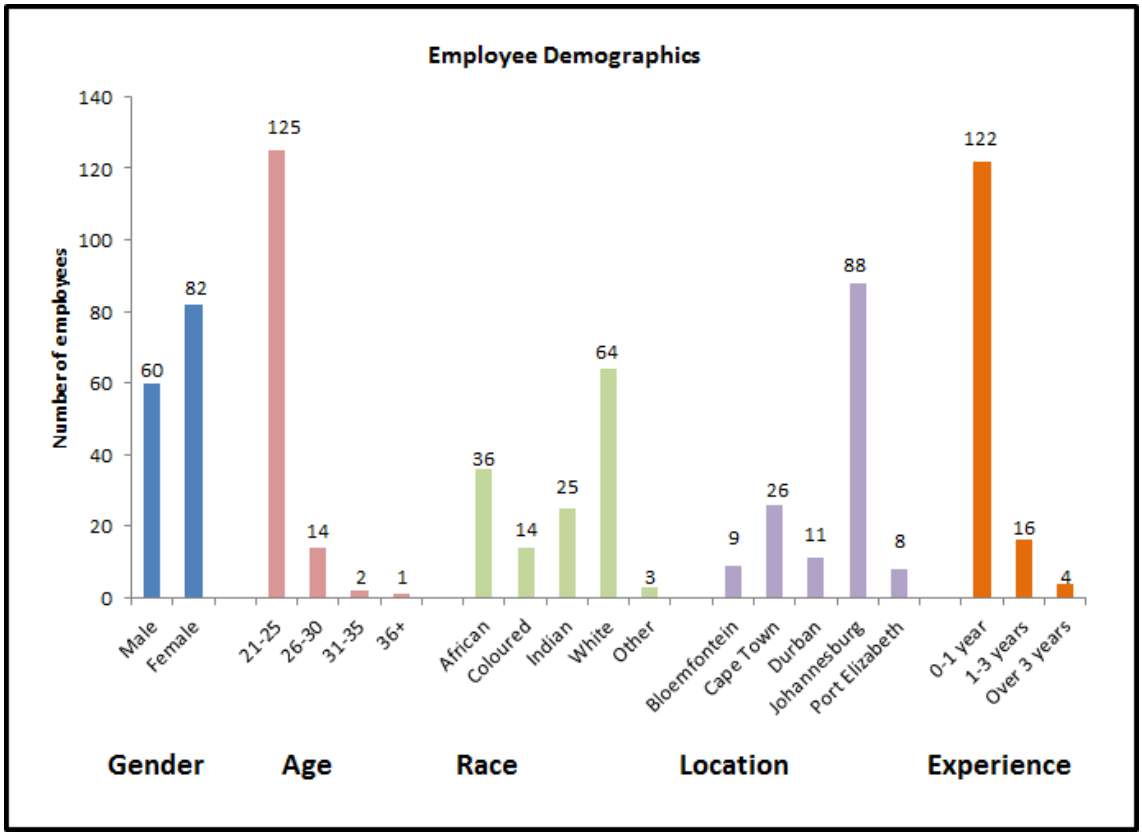


Figure 12: Demographic breakdown of the employee respondents (N=142)

The number of responses by office location is perfectly proportionate to the size of the respective offices. The Johannesburg, Cape Town and Durban offices are the largest offices in South Africa, in that order. Finally, it is unsurprising that 85% of the 142 respondents had no prior corporate work experience and were in their first corporate jobs. In summary, it was encouraging to note that the group of 142 respondents were an accurate reflection of the original sample population of 225 first year trainees. This allowed the researcher to generalise the findings of the study to the trainee population with greater confidence, and also allowed the researcher to offer the company a meaningful set of results to analyse and consider.

CHAPTER 4. PRESENTATION AND DISCUSSION OF THE RESULTS

4.1 Introduction

This chapter includes a presentation of the results from the two surveys that were conducted. The first set of results relates to the responses received from the HR professionals and the second set of results refers to the responses received from the employee sample. These results highlight the EVP attributes that employees expected and regarded as important prior to joining, and the attributes they experienced once they had joined the firm.

The results are accompanied by an interpretation and discussion of the findings in relation to the existing literature. The results are also discussed in light of what they might mean for the PSF under examination.

The results are presented in a manner that maintains the anonymity of all the respondents as they were assured that their names would not be published in the research report.

4.2 Results pertaining to the EVP attributes identified by the HR professionals

The sample of nine HR professionals received the first survey which consisted of 42 EVP items, and one commentary/ free text question. In the first question, respondents were asked to review the comprehensive list of 42 EVP attributes and to indicate using the 2-point response scale, whether they believed the attribute was ‘relevant’ or ‘not relevant’ to what the firm offered and what prospective employees expected from the firm. Each attribute was accompanied by a description of what was being referred to so as to limit the risk of ambiguity or misinterpretation of what the word meant. The forced-choice format meant that respondents had to express an opinion on each item, and the free-text question at the end of the survey allowed them to add other important

attributes which they felt was overlooked by the researcher. All nine respondents completed the survey and their results were analysed by calculating the number of 'not relevant' responses for each attribute. This was the simplest way of determining which EVP attributes to exclude in order to shorten the original list of 42 attributes to a more manageable length.

The researcher used her judgement in determining the cut-off score to be used to exclude attributes that were regarded as being less relevant. A cut-off score of three and higher was decided upon. Utilising a score lower than three would have defeated the purpose of the exercise as many of the attributes would have had to remain in the final list. After applying the cut-off criteria, the list of 42 attributes was reduced to 26 EVP attributes, and then to 25. The number of 'not relevant' responses for each EVP attribute is presented in Table 3.

The list of 26 'relevant' attributes was examined to assess if any attributes were similar in nature and potentially repetitive. Two attributes, 'development opportunities' and 'future career opportunities' were combined into one attribute as they were considered to be very similar. This is supported by Rajha's (2012) view that future career opportunities and development opportunities are complementary attributes. The encapsulating attribute was called 'development opportunities'. Examination of the results of the free-text question in the HR survey indicated that none of the respondents had any further attributes to add to the list. This offered some assurance to the researcher that the list of 42 attributes was quite comprehensive and representative of what the firm offered. The final outcome of this phase of the research project was a list of 25 EVP attributes which is reflected in Table 3. This list was incorporated into the development of the second research instrument which was to be used to survey the employee sample.

There were a number of attributes where the HR sample was in close agreement regarding its representativeness of the firm's EVP. This is indicated in instances where the attribute received a high number of 'relevant' responses, that is, 89% or 100% agreement that the attribute was relevant to the firm. Strong agreement was indicated for the following attributes:

- Development opportunities
- Future career opportunities
- Ethics and integrity
- Values-based organisation
- Respect
- Recognition
- Feedback and coaching
- Challenging work
- Teaming and collaboration
- People management

The high level of agreement amongst the HR professionals led the researcher to expect the employee respondents to report a similar level of agreement that these attributes were indeed experienced by employees in the firm. The employee responses to whether they experienced these attributes are discussed in more detail in the sections below.

Table 3: Count of 'Not Relevant' responses for each EVP attribute

No.	Category	Original list of 42 attributes	Count of 'Not Relevant' responses	Final list of 25 attributes
1	REWARD	Compensation	2	Compensation
2		Health benefits	3	
3		Retirement benefits	5	
4		Vacation days	4	
5		Incentive bonuses	2	Incentive bonuses
6	DEVELOPMENT	Development opportunities	0	Development opportunities
7		Future career opportunities	0	
8		Organisation growth rate	4	
9		Meritocracy	3	
10		Organisational stability	3	
11	ORGANISATION	Client quality and reputation	2	Client quality and reputation
12		Diversity	2	Diversity
13		Empowerment of employees	2	Empowerment of employees
14		Environmental responsibility	7	
15		Ethics and integrity	0	Ethics and integrity
16		Values-based organisation	1	Values-based organisation
17		'Great employer' recognition	2	'Great employer' recognition
18		Informal environment	2	Informal environment
19		Market position	2	Market position
20		Company brand	2	Company brand
21		Service quality	4	
22		Respect	1	Respect
23		Organisation size	3	
24		Social responsibility	3	Social responsibility
25		Technology level	5	
26	WORK	Business travel	5	
27		Innovation	4	
28		Job impact	4	
29		Job-interests alignment	3	
30		Location	2	Location
31		Recognition	1	Recognition
32		Feedback and coaching	1	Feedback and coaching
33		Work-life balance	2	Work-life balance
34		Variety	2	Variety
35		Challenging work	0	Challenging work
36		Autonomy	3	
37	PEOPLE	Camaraderie	2	Camaraderie
38		Teaming and collaboration	1	Teaming and collaboration
39		Co-worker quality	2	Co-worker quality
40		Manager quality	3	
41		People management	1	People management
42		Senior leadership reputation	2	Senior leadership reputation

4.3 Results pertaining to the expected EVP attributes

One of the three pivotal questions presented in the employee survey assessed the extent to which employees expected each of the 25 EVP attributes prior to joining the firm. This enquiry related directly to Research Question one. Respondents used a five-point rating scale to indicate the extent to which they expected the attribute from the firm in question. The 142 responses were analysed using the distribution fitting algorithm (Stacey, 2005) and the results of the analysis are discussed below.

Examination of the statistical output of the DFA analysis for the expected EVP attributes provided an indication of the attributes that were above and below the overall group average (the mean scores), and also indicated whether these differences were significantly different from the group average (the p-values). A significance level of 5% was used in the analysis of the p-values in determining which of the attribute mean scores were significantly different from the group mean scores. Of the 25 attributes analysed, 10 attributes were deemed to represent the average level of expectation in the group and 15 attributes were found to be significantly different from the group average. The 10 attributes with an average level of expectation are represented in figure 13.

The 10 attributes with an average level of expectation highlight what the employees generally associated with the firm's EVP and it was not surprising when one considers the reputation and stature associated with the Big Four accounting firms in South Africa and indeed, the world. The general expectation that the firm was competitive in the market, had a widely recognised brand, and was regarded as an employer of choice amongst accounting graduates is quite characteristic of Big Four firms. The expectation that working for the organisation would include a varied range of assignments, offer challenging work, good people management and recognition practices is also typical of what a traineeship experience would include (Eraut et al., 2003). These expectations therefore appeared to be aligned with what the Big Four tend to promote as part of their corporate brand.

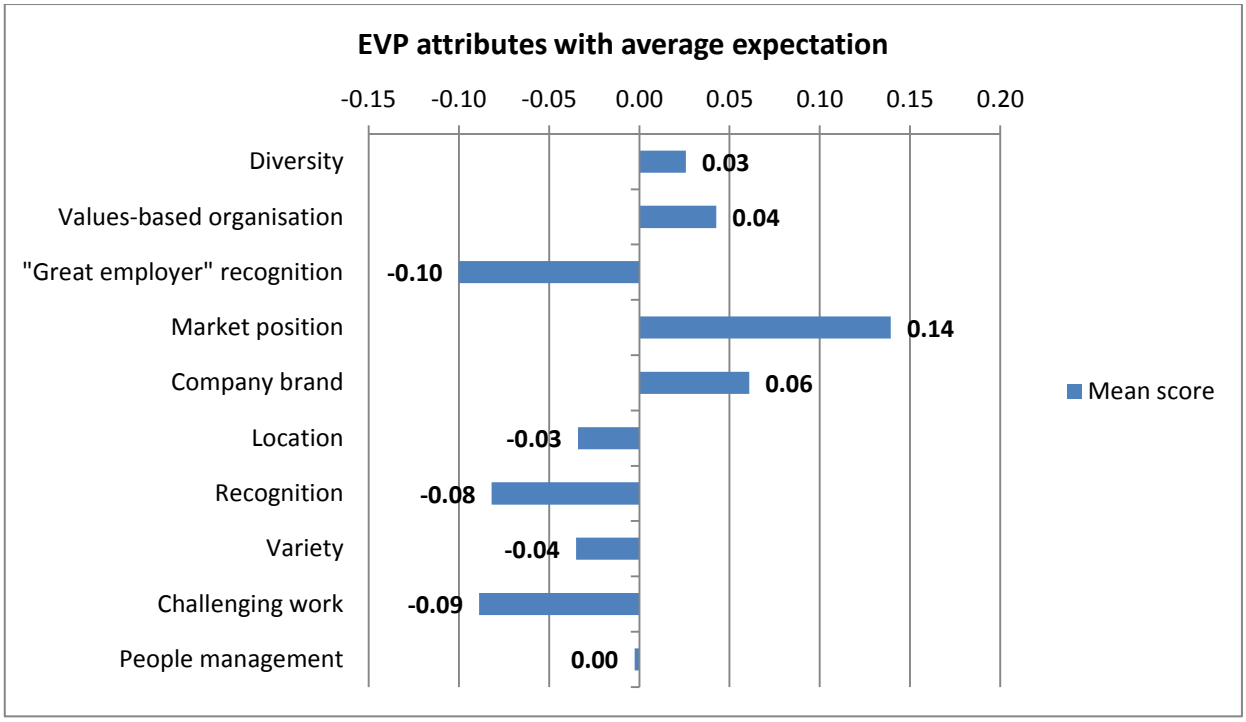


Figure 13: EVP attributes with an average level of expectation

The 15 attributes that were significantly different from the group average is presented in figure 14. Seven of the 15 attributes were below the group average (negative mean values) and therefore indicative of a low level of expectation. The attributes with the lowest level of expectation included incentive bonuses (-0.89), informal environment (-0.68), feedback and coaching (-0.46), compensation (-0.41), and work-life balance (-0.26). Attributes with the highest level of expectation included client quality and reputation (0.63), ethics and integrity (0.53), teaming and collaboration (0.39), development opportunities (0.33), co-worker quality (0.32) and respect (0.30).

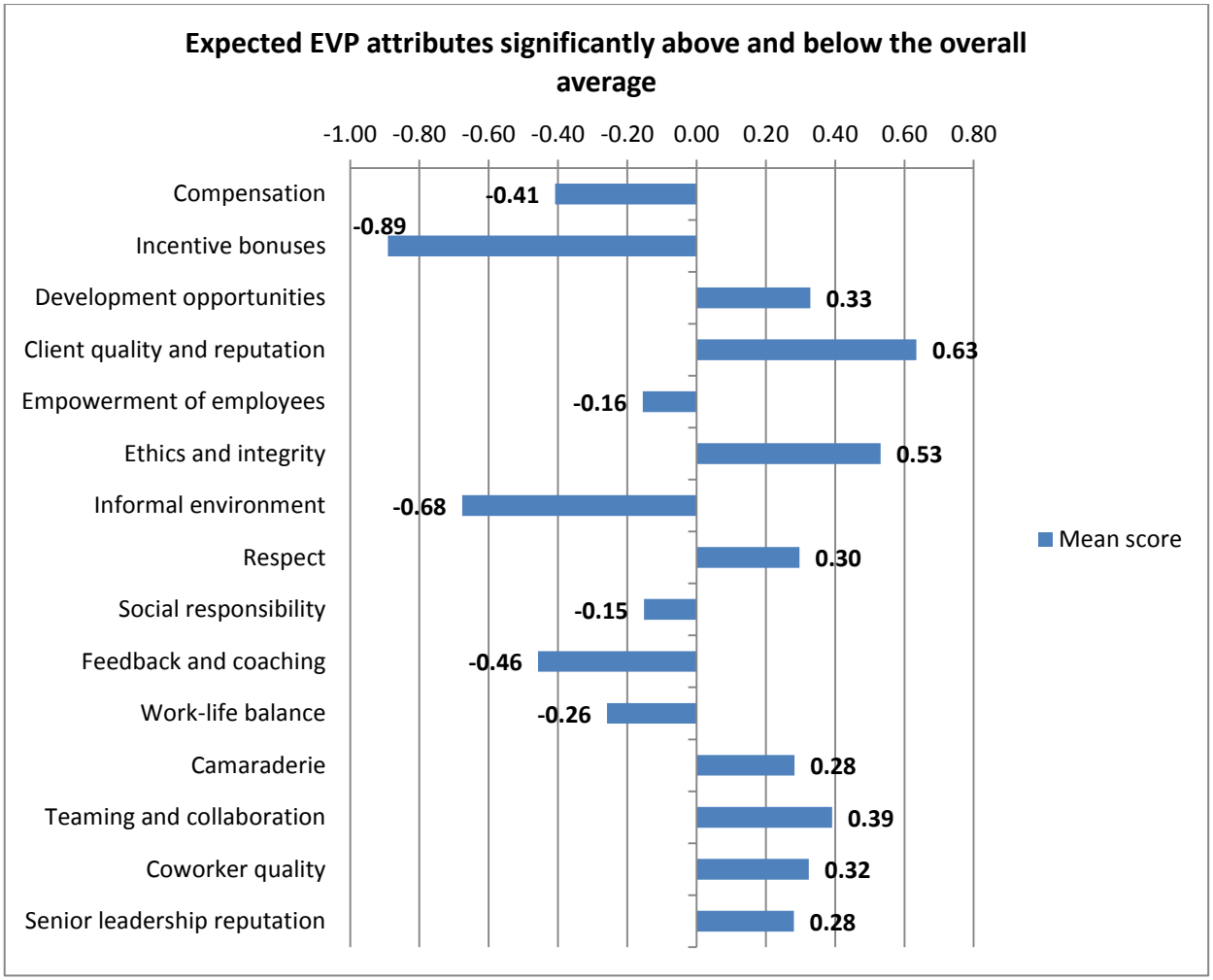


Figure 14: Expected EVP attributes that were significantly above and below the group's average expectation

The respondents had very high expectation of the firm's commitment to ethics and integrity as well as the calibre of clients they serviced. These characteristics are often associated with large accounting firms. There was also a clear and high expectation concerning the people-oriented EVP attributes. Before joining the organisation, respondents had high expectations that there would be opportunities for personal and career development, that they would work in teams with co-workers who were smart and talented, and that they would work together in a spirit of camaraderie. There was a high expectation of working for senior leaders who were well regarded inside and outside the organisation. These high expectations are contrasted with the areas where the employees had very low expectations.

It was interesting to note that employees had very low expectations regarding the reward-oriented EVP attributes like compensation and incentive bonuses. Employees did not have much of an expectation regarding the type of office environment they would work in, nor were they too concerned about the firm's commitment to social responsibility. They did however report that they had very little expectation regarding work-life balance, and they did not expect to receive day-to-day feedback and coaching. What was very surprising was their low expectation of receiving ongoing feedback and coaching, which ought to be daily experience in their work life as a trainee.

4.3.1 *Summary of results pertaining to Research Question 1*

The EVP attributes where employees reported a very high level of expectation were:

- Client quality and reputation
- Ethics and integrity
- Teaming and collaboration
- Development opportunities
- Co-worker quality
- Respect

The EVP attributes where employees reported a very low level of expectation were:

- Incentive bonus
- Informal environment
- Feedback and coaching
- Compensation
- Work-life balance

4.4 Results pertaining to the important EVP attributes

The results presented below are related to Research Question two which is concerned with determining which EVP attributes the employees regarded as

being important to them prior to joining the firm. Fifteen attributes were significantly above and below the overall group average and ten were regarded as being of average importance to the group. The 10 attributes that were of average importance to the group are presented in figure 15.

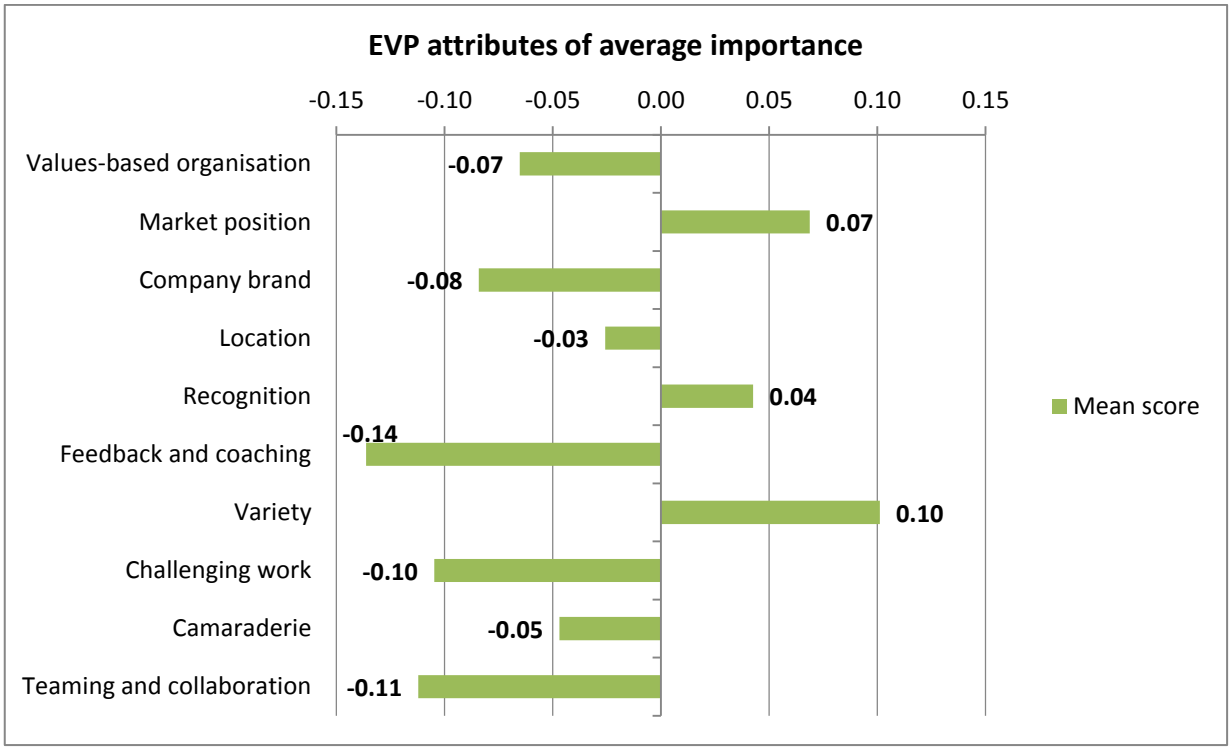


Figure 15: EVP attributes with an average level of importance

The EVP attributes of average importance provides a general view of what most employees regarded as being important to them in their prospective employer. On average, it was important that the company had a strong brand and was competitive in the market, that they were located in favourable geographical areas and that their actions and behaviour was guided by a set of values. In terms of the nature of the work, it was important that employees engaged in varied and challenging work, and from a people-orientation, that they had the opportunity to work in teams where they received feedback and coaching to help them succeed, and be recognised for their achievements when they had excelled.

The attributes that were significantly different from the group average are highlighted in figure 16.

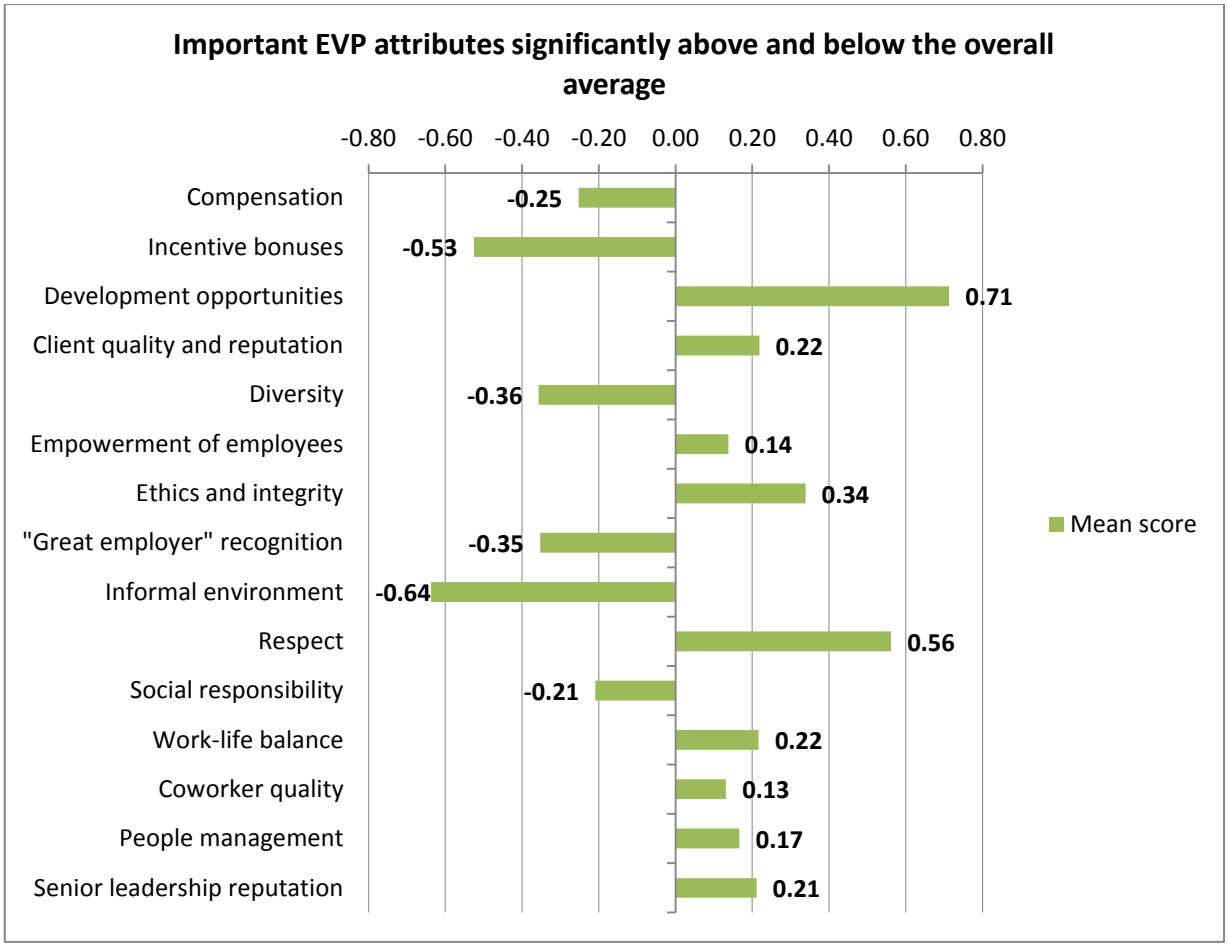


Figure 16: Important EVP attributes that were significantly above and below the group average

The attributes which respondents regarded as being very important were development opportunities (0.71), respect (0.56), and ethics and integrity (0.34). The relatively higher mean scores for development opportunities and respect implied that employees wanted to be assured of an opportunity to develop into competent chartered accountants, and to also be respected as individuals. The respondents felt that it was very important to work for a firm that valued ethics and integrity and a firm that serviced a prestigious portfolio of clients who also had a good reputation. It was also very important for them to enjoy a good work-life balance too. Other areas of high importance included the application of good people management practices and senior leadership reputation. Whilst the empowerment of employees was regarded as being very important, the mean score was relatively low compared to some of the other attributes in figure 16.

Attributes that were significantly less important to respondents were informal environment (-0.64), incentive bonuses (-0.53), diversity (-0.36), 'great employer' recognition (-0.35) and compensation (-0.25). Similar to the expected attributes, it was again evident that employees found the rewards-oriented EVP attributes less important than other characteristics such as the organisational and work-oriented ones. It was also interesting to note that this group of young graduates did not find diversity, an informal work environment, 'great employer' recognition and social responsibility of importance to them and this finding is discussed in greater detail in the sections below.

4.4.1 *Summary of results pertaining to Research Question 2*

The EVP attributes that were most important to employees prior to joining the firm were:

- Development opportunities
- Respect
- Ethics and integrity
- Client quality and reputation
- Work-life balance
- Senior leadership reputation

The EVP attributes that were least important to employees prior to joining the firm were:

- Informal environment
- Incentive bonus
- Diversity
- 'Great employer' recognition
- Social responsibility

4.5 Results pertaining to the experienced EVP attributes

The third set of results pertains to Research Question three. Respondents were asked to indicate the extent to which they had actually experienced the various EVP attributes as employees of the firm. The seven attributes that were typically experienced by all respondents are reflected in figure 17. The results indicate that on average, respondents did not experience many development opportunities nor did they find the work environment to be particularly informal. On the positive side, they did experience the firm as being competitive in the market and based in favourable locations. They also felt that employees were respected and that their work was challenging. People management appeared to be an area where the respondents had very mixed experiences because the overall average for the group on this attribute was zero.

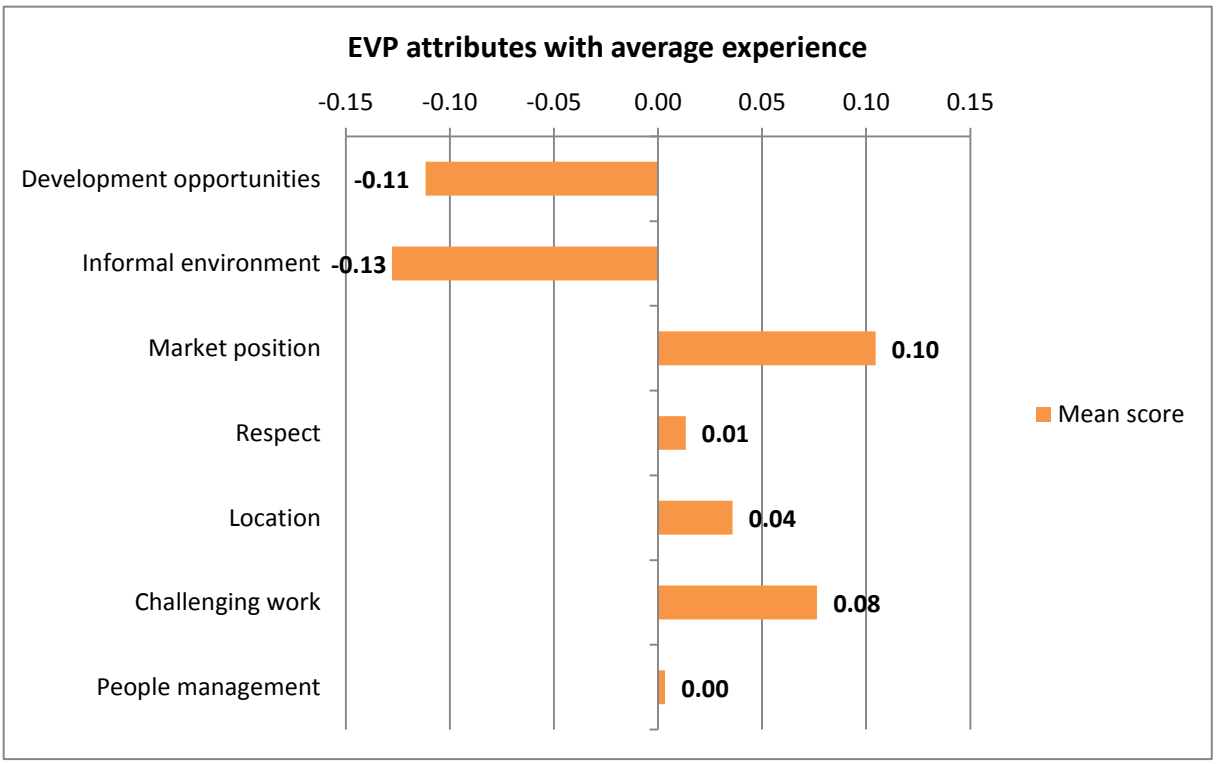


Figure 17: EVP attributes with an average level of experience

There were 18 attributes that were significantly above and below the average level of experience and they are presented in figure 18. Areas in which respondents reported a significantly higher level of experience included ethics and integrity (0.55), teaming and collaboration (0.50), diversity (0.38), 'great

employer' recognition (0.34), and co-worker quality (0.33). The two attributes that scored the highest on the experience scale were well aligned with the fundamental operating principles of the PSF in question. The firm is built on the core value of doing the right thing (ethics and integrity) and their operating model is built on a process of delivering client work through multidisciplinary project teams and through collaboration. The respondents acknowledged the firm's efforts to employ a diverse workforce through their reports of having experienced diversity at work, and they also reported an awareness of the firm's reputation of being rated as an employer of choice by third-party organisations. The employees provided very positive responses in relation to their experience of working with high calibre co-workers and clients, in a climate of comradeship.

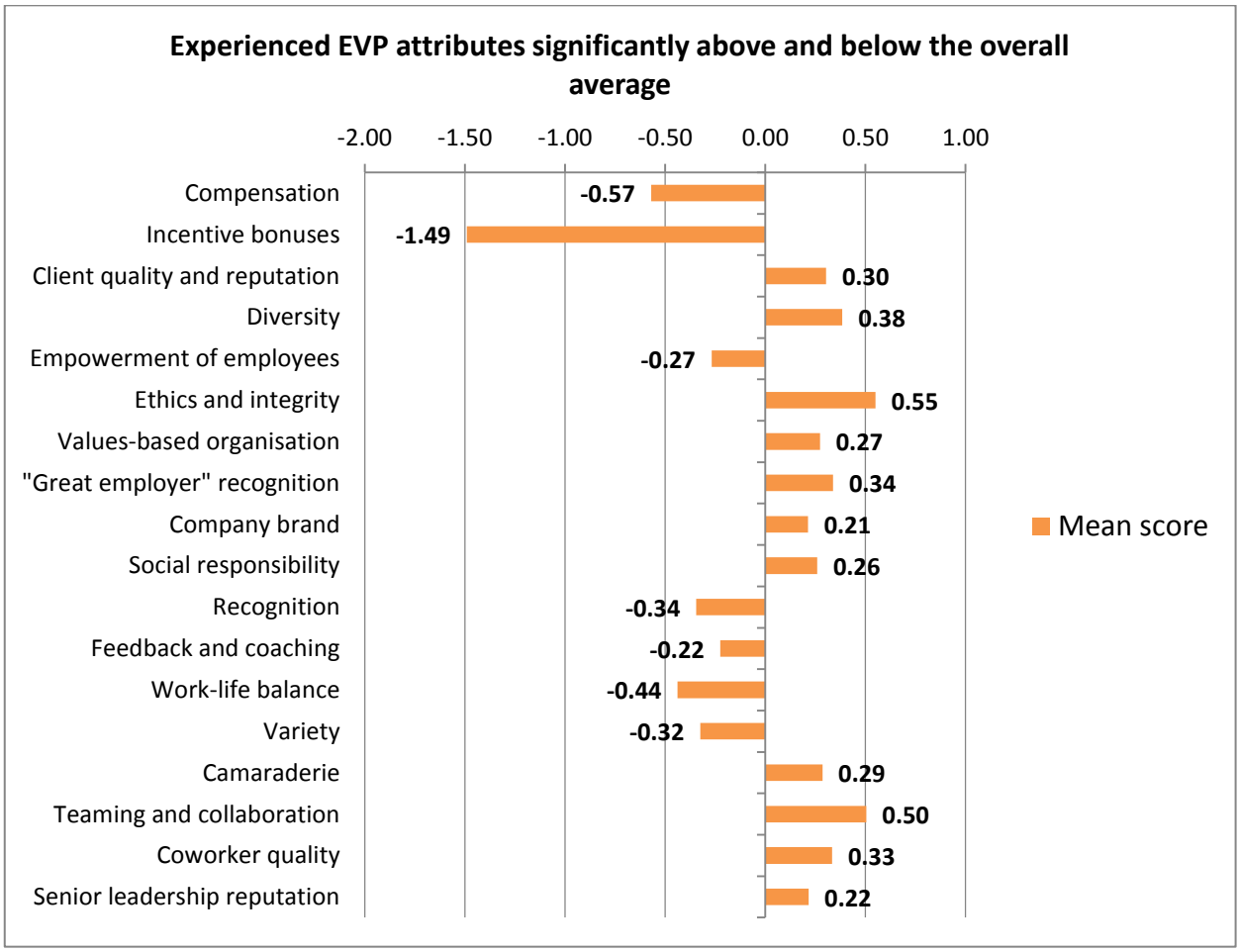


Figure 18: Experienced EVP attributes that were significantly above and below the group average

Seven attributes scored significantly lower on the experience scale and they included incentive bonuses (-1.49), compensation (-0.57), work-life balance (-0.44), recognition (-0.34), and variety (-0.32). The respondents gave a clear indication that their experience of the two reward-oriented attributes was very poor. They had not received any incentive bonuses whilst working for the firm and did not experience their compensation packages as being competitive. Work-life balance also received very low scores on the experience scale, which appears to support the stereotypical assumption that a trainee's work schedule will be characterised by long hours over extended periods of time whilst working on their deadline-driven projects. The employees felt that there was insufficient recognition for their efforts, and did not experience a sense of empowerment in their roles.

4.5.1 *Summary of results pertaining to Research Question 3*

The EVP attributes that employees experienced the most after joining the firm were:

- Ethics and integrity
- Teaming and collaboration
- Diversity
- 'Great employer' recognition
- Co-worker quality
- Client quality and reputation
- Camaraderie
- Values-based organisation

The EVP attributes that employees experienced the least after joining the firm were:

- Incentive bonus
- Compensation
- Work-life balance
- Recognition
- Variety

- Empowerment of employees
- Feedback and coaching

4.6 Results and discussion pertaining to the comparison between expected, important and experienced EVP attributes

4.6.1 *EVP attributes: HR professionals' and employees' expectations*

Closer examination of the HR professionals' results revealed unanimous agreement that six of the 25 attributes were highly representative of the firm's EVP. It was therefore assumed that the firm's corporate brand messaging would probably include the same attributes in their communication to prospective employees. The employee survey results provided some evidence to show that the assumption was quite likely a fair one. The employee results for the expected attributes indicated that there was a significantly high level of expectation for all six attributes, as shown in table 4. This is important feedback for the firm as it provides evidence of their successful attempt to communicate the presence of these six EVP attributes to potential employees, and demonstrates some alignment between the internal perceptions of the firm's EVP, as well as the external perceptions of the firm.

Table 4: Six highest scoring attributes by HR professionals

HR Professionals	Employees' results	
	High expectation	High experience
1. Client quality and reputation	Yes	Yes
2. Ethics and integrity	Yes	Yes
3. Development opportunities	Yes	No
4. Co-worker quality	Yes	Yes
5. Respect	Yes	No
6. Senior leadership reputation	Yes	Yes

What might be of concern to the firm however would be the finding that employees experienced four of the six attributes, but did not consistently experience a high degree of development opportunities or respect. For an organisation that is a training ground for chartered accountants, the expectation would have been for employees to have reported very high scores on development opportunities. With the firm considering itself to be a values-based organisation, the average score on respect would also be somewhat worrying. This unexpected finding may need to be explored further by the firm.

4.6.2 *Expected and important EVP attributes*

The expected and important mean values for the twenty five attributes were plotted on a graph in order to illustrate the relationship between them. This is depicted in figure 19 below.

As shown in the top right quadrant of figure 19, there were six attributes that employees rated as high expectation and high importance. They were development opportunities, client quality and reputation, ethics and integrity, respect, co-worker quality and senior leadership reputation. Together, these attributes reflect the employees' ideal employment deal. The fact that the attributes were both highly expected and important leads one to believe that employees would have been very attached to the outcome of whether the attributes were delivered in reality (Sutton & Griffin, 2004).

Attributes that were rated as high importance with low to average expectation in the bottom right quadrant include work-life balance, empowerment, people management and values-based organisation. Work-life balance and empowerment had the lowest levels of expectation relative to the other two attributes and are discussed in greater detail in section 4.6.3. The trainees may have accepted that they were not likely to experience work-life balance and empowerment, yet still chose to join the organisation in the expectation that they would reap the benefits in other areas.

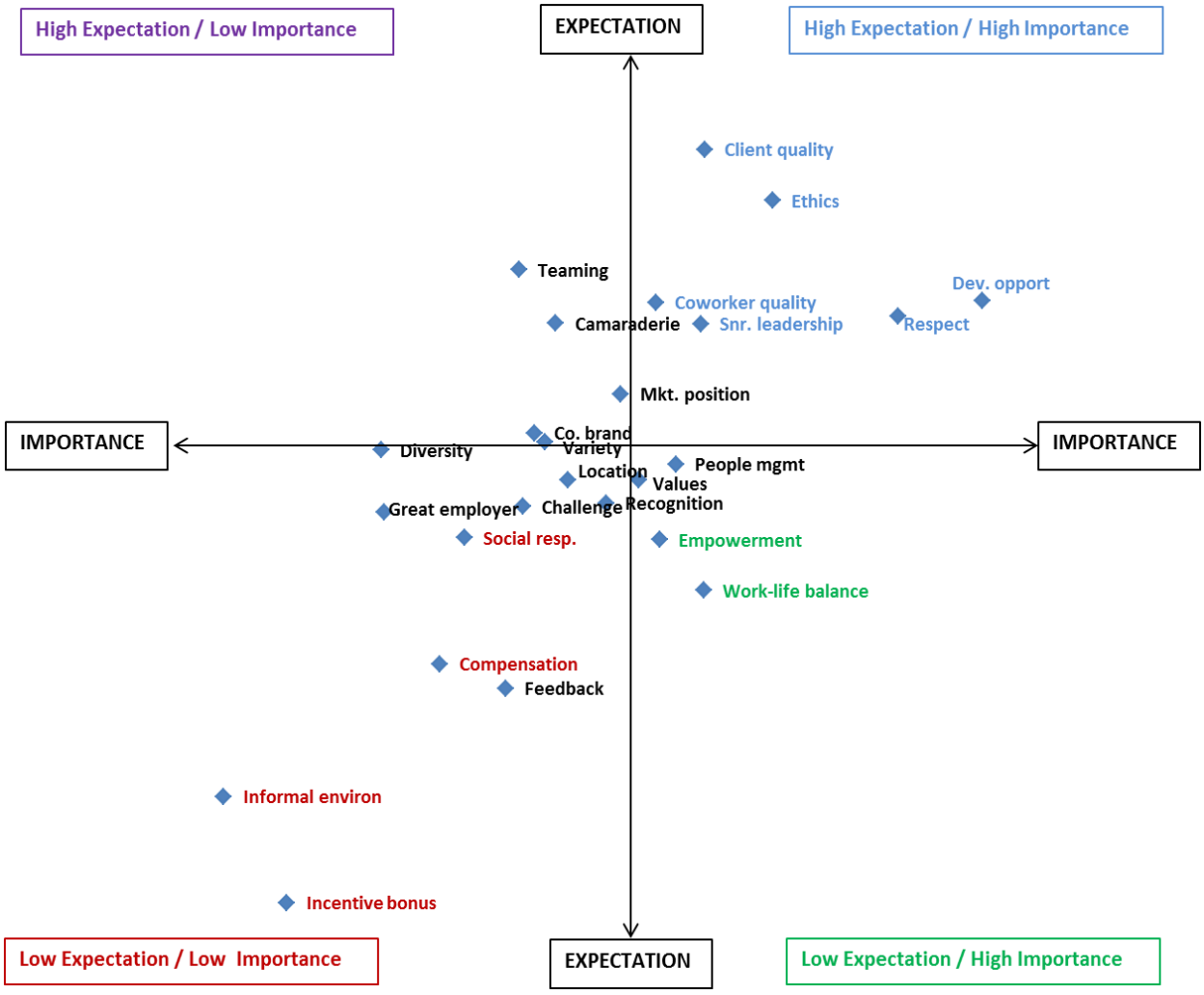


Figure 19: Expectation and importance of the 25 EVP attributes

There were nine attributes which employees rated as low expectation and low importance as seen in the bottom left quadrant of figure 19. Included in this group of attributes are diversity, 'great employer' recognition and social responsibility. The lowest expectation and importance scores were for informal environment and incentive bonuses indicating that as graduates, they were probably not too concerned with the level of formality of their workplace nor were they expecting much by way of bonuses.

What may be of concern to the firm is the fact that feedback and coaching was rated as low expectation and of average importance and this is explored in greater detail in section 4.6.3.

The attributes that were found to have both high expectation and importance, and low expectation and importance are discussed in greater detail below.

a. Development opportunities

The development opportunities attribute stands out in figure 19 due to its significantly high score on expectation (0.33) and for having the highest importance score (0.71). This result correlates quite highly with other findings in the literature which state that career growth opportunities are still solid recruiting factors that rate highly amongst university students (Bundy & Norris, 1992; Lindquist, 2008).

The Corporate Leadership Council (2006) stated that development opportunities and future career opportunities was a critical driver of attraction and commitment amongst employees, and career opportunities was the second most desired attribute among the sample of 58 000 employees they surveyed. In his study of EVP attributes that were desirable amongst South African Generation Y management consultants, Bhoola (2013) found that development opportunities was ranked as the second highest EVP attribute, and career opportunities as the third highest attribute. Career growth opportunities and a challenging work environment were found to be the most important attributes in selecting an employer amongst South African knowledge workers (Sutherland, Torricelli & Karg, 2002). The knowledge workers wanted to be assured that they would be kept challenged, and that their skill set would be broadened so that they became more marketable.

Terjesen, Vinnicombe and Freeman (2007) conducted a study on university students to determine the five most important attributes that attracted them to an organisation and their top five included ‘invest heavily in the training and development of their employees’ and ‘clear opportunities for long-term career progression’ (p. 504). Similarly, the international consulting company Employer Brand International published a global study to determine which EVP attributes candidates looked for in employment packages and what attracted them to join their current companies. After surveying employees in sixteen countries, they found career development (32%) and an opportunity to grow in the business

(24%) amongst their top 5 commonly desired attributes (Minchington, 2012). Other studies found that in the early stages of a career, it was the quality of training and work experience opportunities that was most important to employees, and was regarded to be more important than money (Violette & Chene, 2008).

The Center for Creative Leadership conducted two studies in Europe and North America over a 10 year period to examine the myths and realities of generational differences. They re-affirmed that Millennials or Generation Y individuals sought employers that had a strong commitment to learning and development, and wanted the organisation to provide clear career paths of the opportunities that were available in the firm and directions on how to get there (Eckert & Deal, 2012). Development opportunities are very important to Millennials because they are concerned about their long-term careers, realise that they need to be proactive, and therefore try to access all the development they can get so that they continue to progress. Eckert and Deal (2012) are very strongly of the opinion that Millennials are likely to prefer to work for organisations that provide them with the development they need. As young Millennials and knowledge workers, it is therefore not surprising that the trainee employees would also seek the development opportunities that would make them more valuable to their current employer and marketable to any future employer.

The development opportunity finding is quite notable for the PSF in question because employees have indicated that whilst they expect and value development opportunities, their experience of it in their first year of employment was very low (-0.11). In their defence, accounting firms generally provide a substantial amount of technical training to their trainees and this is no different for the PSF at the centre of this study. Technical training is fundamental to up-skilling the inexperienced graduate so that they learn how to complete an audit without exposing the firm and client to risk, and to also ensure that they can apply the same knowledge when writing their professional qualification exams (Eraut et al., 2003). The low experience score might be reflective of a number of things. For one, it is quite possible that the young and

inexperienced trainees failed to realise that their on-the-job experiences formed part of the development opportunities that they were given. The failure to label on-the-job experience as ‘training’ or ‘development’ might contribute to their lack of appreciation of how on-the-job experiences form part of one’s development at the technical and behavioural level. Receiving guidance from the experienced partners and senior managers, and receiving coaching from the more experienced second- and third-year trainees are all fundamental contributors to the trainee’s development. This is something that the firm may need to point out to the trainees in a more direct fashion so that they understand the multi-faceted approach that is being utilised to grow and develop them, that is, through formal learning, feedback and coaching, and on-the-job experiences.

The low experience of development opportunity might also be indicative of the trainees feeling that they have not received much development beyond being taught how to perform an audit. This might leave them feeling as if their current skill set is too narrow and too restricted to the field of auditing. This is further supported by the low experience score they reported on the ‘variety’ attribute, indicating a level of frustration in having to perform very similar tasks on the various client projects. It is worth bearing in mind that the respondents were only in the first of their three year training programme where the focus would have been on getting them to a level of technical proficiency as quickly as possible. There is probably still time and opportunity for them to be exposed to new areas of work in the remaining two years of their three-year training programme. This includes the opportunity to be exposed to clients from different sectors rather than being limited to the one or two sectors that they are exposed to in their first year of work.

b. Respect

Respect is the second area where employees indicated significantly high expectation (0.30) and importance (0.56), but average experience (0.01). Prior to joining, the employees may have been very conscious of being the most junior staff members in the department. They may have been concerned about being taken advantage of or being abused by more senior staff members. When

viewed in this context, the high importance score and the hope that they would be treated with respect can be better understood.

The need for respect is an attribute that has long been associated with audit trainees. In 1985, Kochanek and Norgaard (1985b) surveyed 393 top accounting students in the USA in order to determine students' perceptions of what they believed they would encounter in industry, and in small and large accounting firms. The majority of their respondents (61%) felt that respect for entry level personnel was not an attribute to be expected in large firms. The results in the present study indicate that this concern continues to persist.

The Corporate Leadership Council (2006) also found respect to be one of the top seven attributes that influenced attraction and regarded it as a critical driver of both attraction and commitment amongst employees. Respect was listed alongside other key attributes such as compensation, future career opportunities, organisational stability, work-life balance and development opportunities (Corporate Leadership Council, 2006). The Corporate Leadership Council study further highlighted that only 47% of the surveyed employees reported strong delivery of this attribute. This is in line with the findings of this study where the mean experience score for respect was a very low 0.01.

In this study, the dynamic of a relatively high level of expectation and a low level of experience is an interesting one. If the stereotype that audit trainees will be taken advantage of by more senior staff is true, then one is left with the question of why this group had particularly high expectations for being treated with respect to begin with. The HR professional group were in unanimous agreement (89%) that respect was an important part of the firm's EVP (table 4). It is therefore quite likely that respect is promoted as part of the firm's EVP in employer branding initiatives on university campuses. The reality however is that respect is not experienced in the workplace by the first year trainees and is a potential area of disappointment for them.

c. Compensation and incentive bonuses

The employees reported very low expectation and importance for both reward-oriented EVP attributes in this study. The expectation score was -0.41 for

compensation and -0.89 for incentive bonuses, and the importance score for compensation was -0.25 and -0.53 for incentive bonuses. This finding was surprising when analysed in light of previous studies, including research on the Millennial generation (Generation Y) which is applicable to 99% of the employee respondents in this study.

Financial attributes have emerged in the literature as very influential factors in aligning what employees desire and what organisations want to achieve in the context of their own strategic goals (Miles & Mangold, 2004). It is therefore imperative that organisations are very clear regarding the expectations they create concerning rewards in the form of compensation and promotions (Miles & Mangold, 2004). The Corporate Leadership Council (2006) provided further support for the influential nature of compensation when they found that rewards and opportunities, the two broad EVP categories, had the greatest impact on candidate attraction. They were the primary drivers of attraction and carried the most weight when individuals had to make a decision to join an organisation. Compensation was by far the most important driver of attraction (Corporate Leadership Council, 2006).

Rajha (2012) and Bhoola (2013) both found strong support for the desirability of compensation amongst their South African samples of respondents. Compensation was the most desirable EVP attribute for attraction for Generation X (Rajha, 2012) and Generation Y employees (Bhoola, 2013; Rajha, 2012). Minchington (2012) reported that salary package ranked third in terms of EVP attributes that candidates sought and found attractive, and this was true of employees across 16 regions and countries.

Whilst the low expectation and importance scores of the rewards attributes in this study stand out in stark contrast to the studies referenced above, there are some researchers who believe that these results should not be surprising, nor cause for alarm. Eckert and Deal (2012) published the findings of a 10-year study examining the myths and realities of generational differences and found that Millennials cared just as much about compensation as the other generations, and were not necessarily expectant of unrealistically high salaries as other researchers (e.g. Lindquist, 2008) have noted. They, like all the other

generations want to be paid well and want to work in a supportive environment (Eckert & Deal, 2012).

In the context of accounting trainees, Bundy and Norris (1992) explain that accounting is traditionally a high-paying profession. They referenced many studies which showed that accounting students did not view salary as their most important consideration when choosing their first jobs. In their own study, 'starting salary' was listed as number 22 on a list of 35 important job attributes (Bundy & Norris, 1992). They were surprised at how low the ranking was, even though many studies conducted in the 1970s found that accounting students valued other job attributes more highly than salary. Cable and Turban (2003) found that their student respondents were willing to overlook jobs that were paying premium wages in favour of joining firms that had positive reputations. This finding is likely to apply to the employees in this study too. The employees in this study rated 'client quality and reputation' as being very important to them. When accounting graduates choose a firm where they can complete their traineeship, the Big Four firms tend to stand out as highly attractive contenders because of the number, size, quality and reputation of their clients. The prospect of working on projects for international and high calibre clients presents the trainee with a variety of growth opportunities. It also allows them to build an impressive network of contacts which may prove to be very useful to them later in their careers. The Big Four lose many of their chartered accountants to the private sector (Chan & Ho, 2000) and in the case of the PSF in this study, many of them leave to join their client organisations.

The employees who participated in this study would have been exposed to the recruitment efforts of all the Big Four firms and may have realised that the Big Four offer very similar salary packages to their graduates. Recruitment consultants from the PSF in question have provided anecdotal feedback stating that the Big Four firms refrain from competing for graduates on the basis of compensation and make a concerted effort to offer equitable and market-related salaries to their trainees. The employees may have managed their expectations regarding compensation and incentive bonuses in line with this to avoid being disappointed once they had joined. They are also aware, as Bundy and Norris

(1992) have pointed out, that once qualified, their earning potential would increase quite substantially and they would be highly sought after by professional service firms as well as corporates in the private sector (Chan & Ho, 2000; Violette & Chene, 2008). It would appear that the employees are aware that their apprenticeship is different from other professions, and that there might be a need to sacrifice attractive reward packages in their trainee years in order to benefit from the lucrative packages they are likely to be offered when they are qualified.

The low importance scores on the rewards attributes might also be indicative of the trainees having other needs which take priority over money, for example, passing their professional exams, receiving a practical, work-based introduction into the profession, and receiving coaching from experienced senior managers (Eraut et al., 2003). The scores are probably indicative of their decision to delay gratification in the short-term in order to benefit from the long-term financial gain they will enjoy as certified chartered accountants.

d. Social responsibility

As a values-based organisation, the PSF at the centre of this study has always invested in efforts that have contributed to the achievement of its strategic goal of being a socially responsible corporate citizen. Their Corporate Social Investments (CSI) have always been aligned with their core purpose of building a better working world and has never been driven by the need to be viewed as an attractive employer. For this firm, CSI is at the heart of making a difference in the communities in which they and their clients operate. Social responsibility is not a contrived EVP attribute designed to attract prospective employees.

In this study, social responsibility was another attribute that scored significantly low on expectation (-0.15) and importance (-0.21). This was a surprising finding in terms of what the literature on Millennials tells us about their views on social responsibility and community involvement. Generational theory states that Millennials have a strong sense of social responsibility and their involvement in community service and volunteerism is higher than previous generations (Lindquist, 2008). Lindquist (2008) conducted research among accounting

students to understand the important factors that influenced their decision in selecting a large accounting firm to work for. Many of his respondents indicated that they would prefer to work for companies that sponsored community service events (Lindquist, 2008).

The results in this study paint a rather different picture. Social responsibility does not appear to be of particular importance to the employees and they do not appear to care if their employer has a social conscience. Bhoola (2013) found a similar trend in his study of the EVP attributes that Generation Y management consultants found desirable in an employer. Social citizenship had one of the lowest rankings and did not feature as a significant finding in his study (Bhoola, 2013).

This is a very interesting finding as it has many implications for the firm in question. It is quite possible that generational theory is correct when it states that Millennials were raised to put themselves and their own dreams first and as a result are quite self-absorbed (Lindquist, 2008). The firm in question has always been a socially responsible citizen but in recent years, has made a special effort to invest in programmes that would be appealing and interesting to young employees. This was done in an effort to motivate employees to participate in the firm's CSI programmes and to make a contribution to society. In line with generational theory, the firm also believes that its employees would feel proud to work for a firm that invests in initiatives that contribute to building a better world for the future. The firm would need to carefully analyse the implication of the 'social responsibility' finding in this study. They need to consider how they can encourage more young employees to make a difference, particularly if the firm's CSI legacy is to be continued by the next generation of leaders. As it currently stands, the firm's achievements in this area does not contribute much to its attractiveness or appeal in the eyes of young accounting graduates.

4.6.3 *Expected and experienced EVP attributes*

The relationship between the expected and experienced EVPs is illustrated in figure 20. There are six attributes where employees reported high expectation

and high experience, with ethics and integrity, teaming and coaching, client quality and reputation standing out very prominently in figure 20. The diagonal trend line which cuts through the plotting of the means indicates where employee expectation equaled employee experience and provides an additional perspective when analysing the results. Ethics, co-worker quality, camaraderie, and people management are all positioned on the trend line indicating that the expectation and experience of those attributes are almost perfectly aligned. Other attributes which are in close proximity to the trend line where the expectation and experience scores are very close include senior leadership reputation, market position, and location.

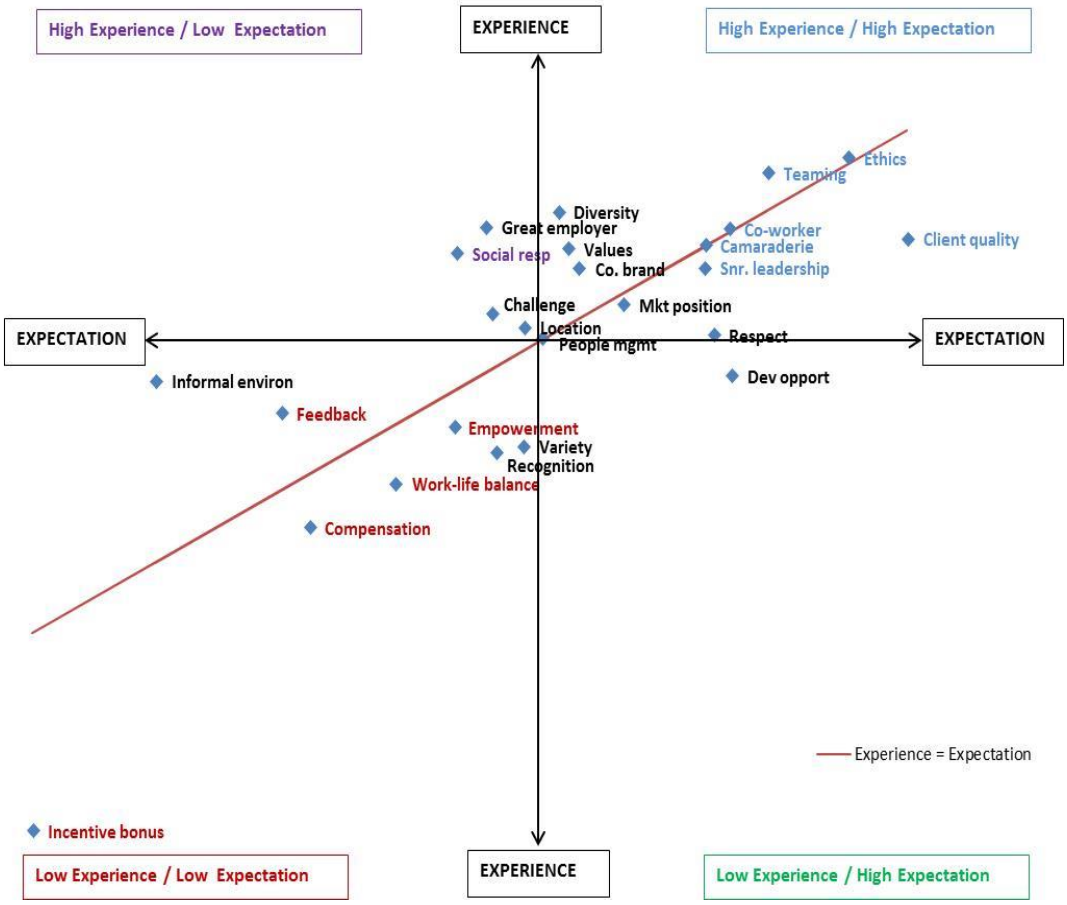


Figure 20: Expectation and experience of the 25 EVP attributes

The firm appears to have exceeded employees' expectations with regards to diversity, being a values-based organisation, the company brand, its status of being a great employer, and social responsibility. These attributes are located above the trend line where the experience of the attribute surpassed the

expectation. Interestingly, all of these attributes relate to the 'organisational' category of EVP attributes, implying that the attributes are characteristic of the organisation at large, and are not necessarily provided to the trainee employees as a special employee group. This finding offers support to the assertion that very few companies adapt their EVP to the unique needs of specific employee groups (Minchington, 2012).

Scores below the trend line highlight all the areas in which employee experiences were below their expectations. These include client quality and reputation, respect, development opportunities, empowerment, variety, recognition, work-life balance, compensation and incentive bonus. If the attributes such as respect, development opportunities, empowerment, variety, recognition and compensation are representative of the trainee population's expectation of its employer, then their poor experience of these attributes might be indicative of the firm's failure to truly understand the needs and expectations of their trainees, and the failure to make a concerted effort to realise these expectations.

The attributes that were found to have both high expectation and experience, and low expectation and experience are discussed in greater detail below.

a. Teaming and collaboration

Teaming and collaboration received significantly high scores on expectation (0.39) and experience (0.50) indicating clear alignment between the firm's EVP and actual delivery of the attribute. As noted previously, the firm's operating model is based on teamwork and collaboration and it is therefore not surprising that employees have experienced it as strongly as they have. According to Tempone et al. (2012), the three most frequently cited desirable attributes that employers seek in accounting graduates are communication skills, teamwork, and self-management. Teamwork is needed to foster client relationships and trust, and leadership and management skills too. Partners in large accounting firms valued teamwork a great deal (Tempone et al., 2012). When deadlines were looming, they were reliant on their team's ability to step-up, and commit to helping each other complete the job. Teamwork included the capacity to work

with people who were vastly different from themselves (Tempone et al., 2012). This is particularly important when working with a diverse group of people, as is the case with the firm in question.

In their observation of accounting trainees in their first jobs, Eraut et al. (2003) learnt that teamwork was regarded as one of the most important attributes that contributed to an accountant graduate's success in their jobs. Respondents acknowledged that whilst training manuals were available, the most effective learning was derived from other team members. The interviewed trainees described the sense of belonging they experienced when the team had to work together under difficult circumstances to deliver to the client on time (Eraut et al., 2003).

The results in this study therefore provide very positive feedback of a vitally important attribute that is being delivered quite effectively in the firm.

b. Camaraderie

Camaraderie was another area where employees experienced perfect alignment between their high expectations (0.28) and experiences (0.29). Research indicates that accounting employees value work environments where there is a feeling of collegiality, friendliness and togetherness (Chan & Ho, 2000; Lindquist, 2008). The climate of the work environment was found to have a real impact on commitment and attraction (Corporate Leadership Council, 2006). The Corporate Leadership Council later reported that the impact of collegial work environment, co-worker quality, and camaraderie on attraction improved from 2006 to 2009, and again from 2009 to 2012, with the expectation that this trend would continue into the future (Corporate Leadership Council, 2012).

Kochanek and Norgaard (1985b) found that there was a serious perception that large accounting firms were highly competitive and found to be lacking in warm, supportive, and friendly work environments. The results of this study indicate otherwise, and provide positive feedback to the firm regarding its efforts to promote a work and management style that fosters a sense of teaming, collaboration, and camaraderie.

c. Diversity

Employees reported very high experience scores on diversity (0.39) where the firm's efforts to employ a diverse mix of people was quite evident. This is an area of strategic importance to the global organisation and it has implemented many initiatives to continuously improve the diversity mix of its workforce. Diversity is embraced in its broadest definition, with a global focus on improving the numbers and promotional prospects of female employees. Considering the effort that is placed on achieving its diversity goals, the PSF in question would find it surprising and might even be somewhat shocked to learn that diversity was significantly unimportant to its trainee population. Having grown up in a world that is characterised by diversity, and having attended schools and universities that are more inclusive of people from different backgrounds, it is quite likely that this group of employees see diversity as a part of their normal life and not something that one has to strive to achieve. It is also possible that they expect their workplace to reflect the same diversity they experienced in their university classrooms which is unfortunately not the case in South African corporate firms. The PSF in question would need to assess whether the inclusion of diversity in its EVP is having the attraction effect it thought it might on university graduates. A more long-term concern would be to consider whether these trainees, as managers of the future, will continue to promote and operationalise diversity and inclusiveness in their teams.

d. Values

Values emerged as an attribute with a high experience score (0.27), but average expectation and importance. After surveying employees in sixteen regions and countries to determine which EVP attributes candidates desired in an employment package and what attracted them to join their companies, Employer Brand International found that the third highest attribute that was sought was alignment with personal values (Minchington, 2012). The same cannot be said for the sample in this study. The firm regards itself as a truly values-based organisation and is something that it promotes very strongly at every step of the recruitment process. It is therefore no surprise that it is included in the firm's EVP, though the impact of having it appears to be

somewhat lost on this young group of employees. It is quite possible that the values attribute becomes more important as one matures and gains depth of experience in his or her work life.

e. 'Great employer' recognition

The firm has won many employer recognition awards in recent years in South Africa and the rest of Africa, and has gone to great lengths to communicate this achievement both internally and externally. Their branding and communication efforts have clearly been successful as employees have recognised this achievement by reporting very high experience scores (0.34). They also indicated that they did not expect it and stated that it was not important to them. The Corporate Leadership Council (2006) reported that having a great place to work did not drive attraction and actually had very little impact on attracting employees to the organisation. This attribute might be more important and valuable to current employees because it serves as an affirmation to them that they are working for a good employer and that their intent to stay was the right decision. This might be an area where the firm may want to make a distinction between EVP attributes that attract young, inexperienced employees, and those that would attract older and more experienced employees as it does not appear to have much relevance for the graduates.

f. Company brand

The firm at the centre of this study is a global public accounting firm with an immediately recognisable brand. The employees' high experience score indicates as such (0.21) but this attribute did not feature as an area of high expectation or importance. This finding contrasts with the literature on the impact of employer brand and reputation on job selection decisions. Chan and Ho (2000) found that accounting graduates rated it as the third most important factor in selecting the public accounting firm to work for. Agrawal and Swaroop (2009) found that it was common for prospective employees with little or no work experience to rely on employer brand image to guide them in their decision-making. Cable and Turban (2003) found that employer reputation and brand image mattered to the job seeker because they used firm reputation as a

sign of the job attributes they could expect and it also affected the sense of pride that they would like to have felt as a member of the company. The researchers also take the view that the firm's reputation is equivalent to a brand (Cable & Turban, 2003).

It is quite possible that the respondents in this study felt that it was sufficient to join a well-known brand in the accounting profession, and did not particularly care about how well the brand was known in the wider marketplace. Considering that many of these graduates would have been wooed by all the large accounting firms (Chan & Ho, 2000), their luxury of choice of firms may have made them indifferent to the particular brand they chose to sign a contract with.

g. Empowerment of employees

Employees reported low levels of expectation and low levels of experience on empowerment. Agrawal and Swaroop (2009) found that students showed more interest in applying at companies that provided them with challenging work and a level of empowerment to take on strategic responsibilities much earlier in their careers. Knowledge workers in South Africa also reported a desire for more freedom to act independently in their jobs (Kinnear & Sutherland, 2000). The low level of empowerment experienced by the trainees is however understandable when one considers that they would have had less than a year's worth of work experience. The focus in their first year would have been on learning how to conduct audits using the firm's methodology, being trained on the use of the relevant auditing software, and learning how to engage with clients in a professional manner. Empowerment on the job is likely to come with greater experience. It is therefore something the employees will have to wait for with patience and is perhaps not an attribute that should be marketed to them on campus. This is probably more applicable to more experienced recruits.

h. Work-life balance

Similar to the findings regarding empowerment, work-life balance was not something that the employees expected (-0.26) or experienced (-0.44). It was however regarded as being very important to them (0.22). The literature

supports the belief that work-life balance is important and desired by most employees. The Corporate Leadership Council (2006) rated work-life balance as the fourth most desirable attribute that drove attraction. This finding was supported in Rajha's (2012) study where it was also listed as the fourth most desirable attribute amongst South African MBA students.

In relation to accounting students, Kochanek and Norgaard's study (1985a) found that almost half (48%) of the 393 top accounting students they surveyed felt that leisure time was more important than increased earnings. Lindquist (2008), in trying to better understand what Millennial accounting students wanted from their employers learnt that Millennials wanted to strike a balance between what they had to do and what they wanted to do. Millennials rated flexible work schedules as one of their top 10 factors, reflecting their desire to have more balance in their work and personal life (Lindquist, 2008).

The work life of a trainee is characterised by hard work and long hours (Brierley & Gwilliam, 2003; Eraut et al., 2003) and it is perhaps not surprising that they did not expect to experience a level of work-life balance. For trainees, it might be an aspirational attribute and something to strive for as they grow in their careers. It also serves to caution the firm in terms of the expectation it creates in promoting work-life balance in its EVP. Trainees need to be given a realistic view of what they can expect in terms of work schedules and hours, especially if the firm's expectation of them is different to that of other employees. This again points to the problem associated with having an EVP that is applied to all categories of employees, and not tailored to special employee groups like the trainees.

The finding in this area also presents the firm with an opportunity to make a positive contribution to the quality of life and coping strategies of its trainees. Whilst it might be the norm to work long hours over extended periods of time and not something that the firm could easily change, the firm could provide the trainees with information on how best to manage the conflict they experience in managing the obligations in their personal and work lives. They could be taught techniques that would show them how to use their time and energy in a way that would allow them to honour the requirements and obligations in the various

roles they play in their lives (ten Brummelhuis & van der Lippe, 2010). As a group of largely inexperienced employees, they are probably unaware of strategies such as ‘work-life separation’ and ‘work-life integration’ as a way of achieving work-life balance (Goodman, Mazerolle & Pitney, 2015). This knowledge, if imparted and practiced early enough, could positively impact how they achieve this ‘balance’ over the course of their working lives.

i. Feedback and coaching

The significantly low scores on expectation (-0.46) and experience (-0.22) for this attribute was of great surprise. As trainees with little to no work experience, it was difficult to imagine why the employees did not have any expectations regarding the feedback and coaching they would receive on the job. The trainee programme is a tightly structured apprenticeship where the trainee is allocated real work which gradually increases in size and complexity (Eraut et al., 2003). For them to progress effectively, they would need regular and honest feedback and coaching from their more experienced peers and supervisors.

One reason for the expectation of feedback to be that low was if trainees were unaware of or failed to understand the inextricable link between feedback and development. It is quite possible that the young graduates failed to realise that in order for them to learn from their experiences on the job, they would require effective feedback and coaching from the people who were more knowledgeable and experienced than they were. As graduates, the respondents may not have been aware of the extent to which their professional body, the South African Institute of Chartered Accountants, were reliant on the feedback provided by their line managers in the assessment of the trainees’ level of competence as trainee accountants. The trainees may have increased their appreciation for feedback and coaching once they had experienced it on the job.

A more concerning scenario to explain the reason for the low expectation score is if the trainees had heard from their network (existing employees and/or previous trainees) that the quality of feedback and coaching in the firm was either of poor quality or not present at all. Miles and Mangold (2004) stated that

the information that is acquired through co-workers may sometimes reflect a more realistic view of life in the company than any formal source of information ever could. If the employee's experience is contrary to the formal communication received, they are likely to call into question the integrity of the communication messages or even that of the organisation at large (Miles & Mangold, 2004). Their lack of a positive experience on this front offers some support to the proposition that this a critical EVP delivery gap for the firm and an area that requires further investigation.

4.6.4 *Alignment between expected, important and experienced attributes*

There were only four attributes where employees reported a significantly high positive score on all three areas of enquiry, that is, on expectation, importance and experience. The four attributes were:

- Client quality and reputation
- Ethics and integrity
- Co-worker quality
- Senior leadership reputation

These are the areas where employees experienced perfect alignment between their expectation of the firm, and what it delivered. The likelihood of experiencing a sense of betrayal and disappointment is lessened by the alignment between what they expected and what was experienced.

a. Client quality and reputation

As one of the largest global accounting firms, the organisation in question has a client portfolio that contains thousands of clients that are spread across most business sectors, including multinational conglomerates, government departments and agencies, entrepreneurs, and non-governmental bodies. The expectation that the firm would have an impressive and reputable portfolio of clients was an obvious one and something that firm was able to offer its employees as a matter of course.

b. Ethics and integrity

Auditing and accounting firms are built on the foundation of upholding ethical standards and conducting their relationships and business with integrity. If they were ever unable to offer their clients and prospective employees this level of assurance, they would not survive. It is therefore within the firm's best interest to communicate its healthy track record of few to no ethical or regulatory transgressions, and provide its recruits with the comfort of knowing that they can be proud of who they work for, and that they will not be asked to do anything that is against the law, regulations or professional and ethical standards.

c. Co-worker quality

The high expectation, importance and experience score on co-worker quality highlights how important this attribute is to prospective employees and the firm. The Corporate Leadership Council published a major finding in 2012 which stated that peers, not managers, were playing a greater role in the attraction and retention of managers, and was linked directly to the increased importance of collegial work environment, co-worker quality, and camaraderie (Corporate Leadership Council, 2012). It is questionable if this would be at all possible if the co-workers were not deemed to be of high quality.

Kochanek and Norgaard (1985a) reported that accounting students rated firm personnel as the most important and significant employment selection factor. First year audit trainees are dependent on their second- and third-year trainee colleagues for much of their on-the-job education. In fact, they stated that their most effective learning came from second- and third- year trainees (Eraut et al., 2003). For this reason, it is not surprising that they would want to work with and learn from high calibre colleagues.

It is also within the firm's best interest to hire the 'best and brightest' (Chan & Ho, 2000) as their prestigious clients who pay huge sums of money in fees want to be assured of working with the best people. For the large accounting firm to justify their high fees, they need to be able to promise the best quality staff and outputs to their clients and then maintain the standard. Hiring the best also

means that they spend less time training them and explaining things to them. The process of getting them ‘client ready’ will be much faster.

d. Senior leadership reputation

The Corporate Leadership Council (2006) noted that people management, including manager quality, and senior leadership reputation were critical for commitment. The results of this study support the assumption that good quality senior leadership matters to prospective employees and to the firm too. For the employee, it is probably important to know that they are being led and being managed by a group of leaders who have a good reputation and credibility in the market. If provides a sense of comfort in knowing that it is a strong leadership team that is steering the company, particularly in times of chaos, change, and economic instability. For the leaders, it is within their interest to ensure that the external perception of them is a good one. Any damage to their personal reputation would automatically be transferred to the firm, with negative consequences for both parties. Also, their loss of credibility with their clients will lead to a loss in business and potentially, a loss of trust with the firm at large. Clients purchase their services from the senior leaders, not from the company brand. It is therefore perfectly understandable that the employees did not just expect to be led by a reputable team of senior leaders, but that they experience them to be so in the workplace.

4.7 Summary of the results

The results provided sufficient information to answer the three research questions of this study. The results were also analysed in terms the relationship between expected and important attributes and the dynamic between expected and experienced attributes.

Figure 21 provides a summary of this dynamic. The three circles include the attributes that were regarded as significantly high and positive on expectation, importance, and experience. The circles overlap in four areas and they indicate where there was an overlap in terms of expectation, importance and/or

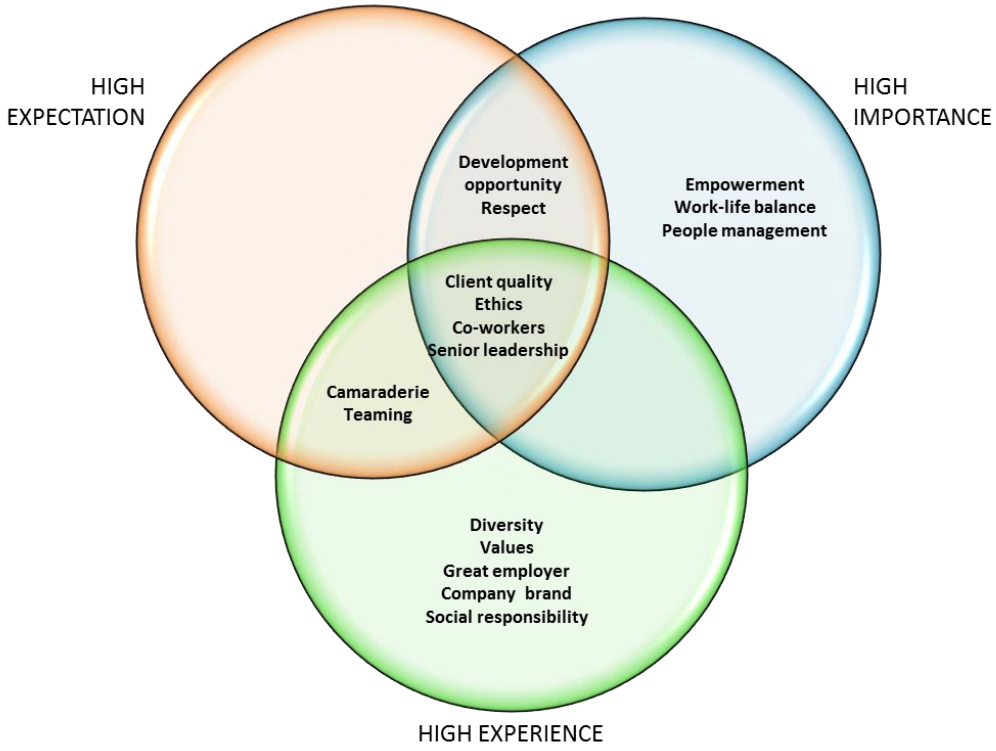


Figure 21: EVP attributes with significantly high scores

experience. For example, ‘development opportunity’ and ‘respect’ were high expectation and high importance (where the circles intersect), but not high experience. By looking at the area where all three circles intersect in the centre, it becomes clear that there were only four attributes where expectation, importance and experience were all aligned.

Figure 22 provides a summary of the attributes with significantly low scores on expectation, importance and experience. Compensation and incentive bonus were the two areas where there was complete alignment in terms of the lack of expectation, importance and experience.

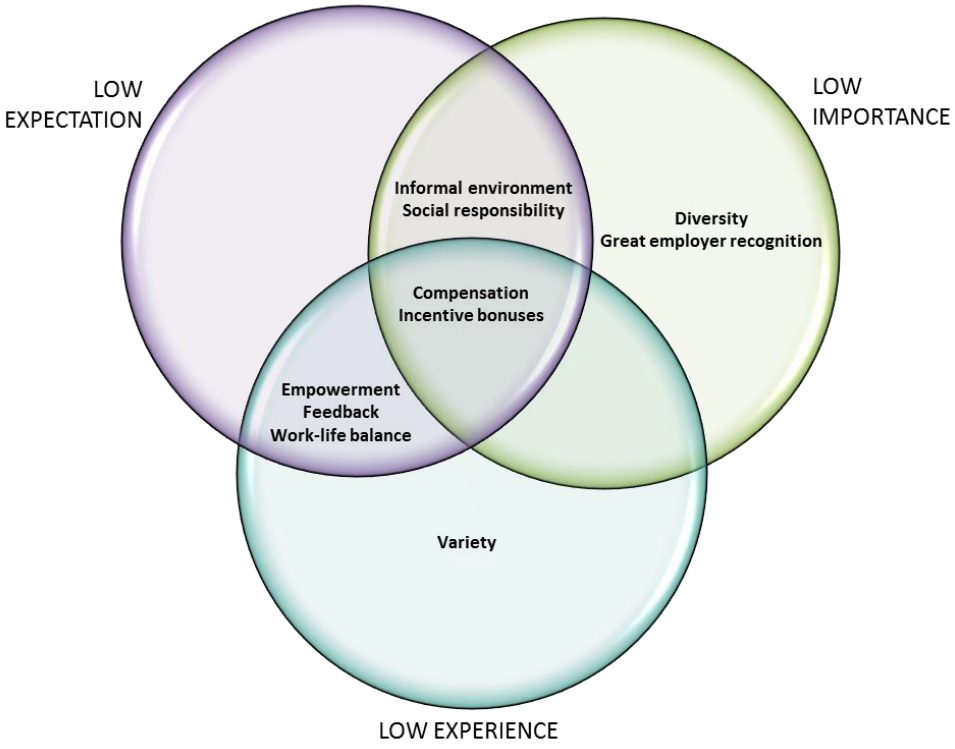


Figure 22: EVP attributes with significantly low scores

4.8 Conclusion

In this chapter, the survey results were presented, analysed and discussed so as to provide answers to the three research questions that were presented.

The findings of the research are presented against each of the research questions as follows:

4.8.1 *Research Question 1*

Which EVP attributes did the PSF employees expect to find in the organisation?

The EVP attributes where employees reported a very high level of expectation, beginning with the highest level of expectation were:

- Client quality and reputation
- Ethics and integrity
- Teaming and collaboration

- Development opportunities
- Co-worker quality
- Respect

The EVP attributes where employees reported a very low level of expectation, beginning with the lowest level of expectation were:

- Incentive bonus
- Informal environment
- Feedback and coaching
- Compensation
- Work-life balance

4.8.2 *Research Question 2*

Which EVP attributes did the PSF employees regard as important when they joined the organisation?

The EVP attributes that were most important to employees prior to joining the firm, beginning with the highest level of importance were:

- Development opportunities
- Respect
- Ethics and integrity
- Client quality and reputation
- Work-life balance
- Senior leadership reputation

The EVP attributes that were least important to employees prior to joining the firm, beginning with the least important attribute were:

- Informal environment
- Incentive bonus
- Diversity
- ‘Great employer’ recognition
- Social responsibility

4.8.3 *Research Question 3*

Which EVP attributes did the PSF employees actually experience in their jobs once they had joined the organisation?

The EVP attributes that employees experienced the most after joining the firm, beginning with the highest level of experience were:

- Ethics and integrity
- Teaming and collaboration
- Diversity
- 'Great employer' recognition
- Co-worker quality
- Client quality and reputation
- Camaraderie
- Values-based organisation

The EVP attributes that employees experienced the least after joining the firm, beginning with the lowest level of experience were:

- Incentive bonus
- Compensation
- Work-life balance
- Recognition
- Variety
- Empowerment of employees

4.8.4 *Other findings*

The dynamics between the expected, important and experienced attributes were examined in greater detail and the following conclusions were reached:

- Client quality, ethics and integrity, co-worker quality, and senior leadership reputation were the only attributes with complete alignment between expectation, importance and experience

- Development opportunity and respect was expected and very important to employees, but was not experienced by all employees
- Attributes which the firm appears to have delivered successfully, but was of little significance to employees included diversity, values-based organisation, ‘great employer’ recognition, company brand, and social responsibility
- Attributes that appeared to be least expected by the trainees included compensation, incentive bonuses, empowerment of employees, feedback and coaching, and work-life balance

CHAPTER 5. CONCLUSIONS & RECOMMENDATIONS

5.1 Introduction

The aim of this study was to evaluate whether there was a gap between expected and experienced EVP attributes in a professional service firm in South Africa. The key findings of this research and the conclusions that were reached are presented below. This chapter also includes some recommendations to the PSF that has been the focus of this study in the hope that further benefit may be derived from this research exercise. The chapter concludes with some suggestions for future research.

5.2 Conclusions of the study

The literature on Employee Value Propositions provide strong evidence of its potential to improve the attraction and commitment of employees (Corporate Leadership Council, 2006), improve the retention of top talent, create brand ambassadors (Barton, 2014), increase employee engagement, improve financial performance (Towers Watson, 2013) and reduce recruitment costs (Corporate Leadership Council, 2006). The literature is also clear that the many positive benefits may only be derived if the company's EVP is based on a realistic assessment of what the firm can offer (Lawler, 2005) and that the firm delivers what it promises (Brannick, 2001). The findings of this research provide some insight into the extent to which the EVP attributes of the PSF in question were expected and experienced by its trainee employees, and the potential implications that the findings have for the firm and its employees.

Of the 25 EVP attributes that were presented to the employees for consideration, there were only four attributes where employees reported perfect alignment between what they expected, what was important to them, and what they experienced on the job. It is the lack of alignment on the remaining 21 attributes that would be of concern to the firm in question. The results have provided a very clear indication of the areas in which employees had very high

expectations, the attributes they regarded as being very important, and the areas in which they experienced the firm as delivering the EVP attribute. On their own, the lists of attributes which are pertinent to the three research questions provide very useful information to the firm. The usefulness of the information is however enhanced when one examines the results in relation to each other. These results revealed very important and interesting dynamics, providing insight into the employees' experience of the firm and how they might be feeling as a result of the misalignment they have experienced.

Employees rated development opportunities and respect as their most expected and important attributes but they did not experience it in the firm. Empowerment, work-life balance and people management was important to them but they did not experience it. They had high expectations regarding many organisational EVP attributes such as client quality and reputation, ethics and integrity, and co-worker quality, and reported good experiences of those. Of most concern however is the observation that feedback and coaching was not expected nor was it experienced. The PSF was experienced as exceeding expectations in the areas of diversity, being a values-based organisation, 'great employer' recognition, company brand and social responsibility, and the firm is known to be very proud of its achievements in these areas. The irony however is that the trainees were not particularly attracted to or interested in these attributes when they chose to join the organisation.

The findings of this study have correlated to some extent with the expectations of Millennial employees (Lindquist, 2008), and to a large extend with what is known about typical accounting graduates and trainee employees (Chan & Ho, 2000; Eraut et al., 2003). The findings tend to differ however from what is more typical of experienced employees and this is where the results of this study are somewhat unique.

5.3 Recommendations

The findings of this study provide special insight into what employees expected when they joined the organisation. It is important to understand where pre-

employment expectations may not have been met as it can result in disappointment (Finney, 2010), disengagement and turnover (Greenwood et al., 2005; Porter & Steers, 1973; Stumpf, Doh & Clark, 2002). Each year, accounting firms invest substantial resources in recruiting the right accounting graduates (Chan & Ho, 2000) and it is in their best interest to retain them. The turnover rates of qualified professional accountants is high and it is difficult to replace them with highly qualified replacements when they leave (Bundy & Norris, 1992; Lindquist, 2008).

The following recommendations are based on the key findings that emerged in this study. They are presented in the hope that they will be used to improve the attraction and work experience of trainee employees, and to support the firm's efforts to find the best candidates and to retain them.

- The firm's EVP needs to be assessed for its suitability in attracting and retaining its various target populations as the current one-size-fits-all approach does not appear to be effective. The findings of this study seem to indicate that some attributes are not perceived to be relevant or important to the trainee population (e.g. diversity, social responsibility, 'great employer' recognition). Marketing the same EVP to all populations perpetuates the risk associated with creating false expectations and poor delivery
- It would be a worthwhile exercise for the firm to formally state what their EVP is. Employees and HR professionals have a sense of what it might be, but there is no formal statement of what a prospective employee can expect as an employee of the firm. It would also be a good opportunity to assess if the firm's actual EVP correlates with the perceived EVP of its employees
- Evaluate the appropriateness and benefits of customising the EVP for the various employee groups. The prevailing trend is to have many EVPs in a company (Guthridge, Komm & Lawson, 2008; Minchington, 2012), with each variation of the EVP targeting the specific needs of the relevant group (e.g. trainees, experienced hires, interns, etc.). This would make

the target population feel as if the firm really understood them and their needs which could make the firm appear more appealing

- Investing in the development of a 'Realistic Job Preview' for the trainee role is one way of managing unrealistically high expectations and avoiding the risk of 'reality shock' (Irving & Meyer, 1994; Irving & Montes, 2009). It provides candidates with an accurate preview of the job and the company so that the expectations can be better managed (Paul, Niehoff & Turnley, 2000). The end product would be a detailed description of the trainee role and would include the benefits (financial and non-financial) associated with being a trainee
- The areas of low EVP delivery which are particularly relevant to trainee employees would benefit from further investigation. The low expectation and experience score on feedback and coaching is a concerning one. The firm needs to understand why trainees had such a low expectation regarding feedback and it needs to look to its manager and supervisor group to understand the extent to which they are effectively delivering this attribute as part of their core roles
- The perception that development opportunities were scarce and failed to meet their expectations is another area for concern. The entire trainee programme is a developmental experience and it would be important to understand where exactly employees perceive this gap to be. If trainees are prevented from attending scheduled learning initiatives because their managers refuse to release them from their client work, then it would need to be addressed in light of the firm's learning policy and philosophy. Senior leadership would also need to take a stand on what the appropriate response should be
- Focus groups should be conducted on the trainees who are at the end of their first and second years of their training contracts. They should be conducted by experienced facilitators outside of the Audit business and offer the participants anonymity and confidentiality. The focus groups should be used to explore the same research questions presented in this study. The results of this study have unearthed additional research questions and the focus groups would allow some of those questions to

be answered. Employees would have an opportunity to explain themselves and their views in greater detail

- Follow-up discussions should be held with employees who have left the firm, six months after their departure. The employee is likely to feel less fearful and cautious about saying the wrong thing as they typically are in an exit interview. They would have had more time to reflect on their experience and might provide a more honest and less emotional account of their experience of the firm

5.4 Suggestions for further research

The following suggestions for further research are a result of additional questions and areas of enquiry that arose whilst conducting the present study.

- Comparing the effectiveness of the use of a global EVP and the use of customised EVPs. Whilst the literature states that the modern trend is for companies to customise their EVP to appeal to special target groups, there was a dearth of studies showing how companies who adopted the second approach had improved their effectiveness in attracting and retaining employees. *Do companies with customised EVPs experience greater benefits than companies that use a universal EVP for all target groups? Do companies with customised EVPs experience greater benefits than they did when they used a one-size-fits-all approach?*
- The literature on Met Expectations Theory is filled with conflicting views on whether it is expectations, or importance, or experience of the job attribute that is the most powerful predictor of intent to stay or to leave. There is a therefore a clear need for additional research in this area because companies have little guidance in terms of where to place greater focus. This applies to the findings of the present research too. *Which aspect of the EVP attribute has the greater impact on intent to stay or leave – expectation, importance, or experience?*
- The research problem that was explored in this study was concerned with establishing whether there was a gap between expected and experienced EVP attributes. When a gap is identified, one's immediate

response is to look for ways to close the gap. A few researchers however believe that excessive delivery of some job attributes can actually be harmful to employee well-being (Warr in Irving & Montes, 2009). Further research is needed to understand which of these attributes should be delivered to just meet employee expectations, rather than to exceed their expectations. A few examples could include personal development, empowerment, and people management. *Which EVP attributes have a negative impact when their delivery exceeds expectations?*

- In addition to understanding which EVP attributes accounting graduates found most appealing and attractive, it would be interesting to know which element of their campus recruitment experience was the most impactful and convincing. The efficacy of the brochures, graduate recruitment consultants, other trainees, senior leadership, first interview experience and other elements can be assessed so that firms can direct their efforts to the avenue that is the most powerful and impactful. *Which pre-employment recruitment factors were most effective in attracting and convincing South African accounting graduates to choose an employer?*

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APPENDIX A

EVP Survey sent to the HR Professionals

Cover letter and consent

Dear colleague

Thank you for agreeing to invest **10 minutes** of your time to participate in this study. You have been selected for your knowledge and experience of working with young graduate talent at ABC.

Please be assured that your name will not be linked to any statements or comments in this research project.

This study focuses on Employee Value Propositions (EVP).

The Employee Value Proposition (EVP):-

- **Is the set of offerings that an employer presents to its prospective employees**
- **Characterises and differentiates the company from its competitors**
- **Includes financial and non-financial components**

The purpose of this study is to determine which EVP attributes ABC employees **expected** when they decided to join the firm, and which of these attributes they actually **experienced** as an employee of the firm.

Your input is required to develop a comprehensive list of EVP attributes that reflects what ABC offers its prospective and current employees. **The aim of this phase of the research is to reduce the current list of 42 attributes to a shorter list that represents ABC's EVP. I need your assistance to remove the attributes that are less relevant.**

The results of this exercise will be used in Phase 2 of the study, where employees (first year Trainees) will assess which of these attributes they **expected**, which were **important** to them, and the extent to which they **experienced** them in the firm.

If you have any questions or concerns, please contact the researcher Meera Vala via email at meerav02@gmail.com or telephonically at 082 88 68 791.

With many thanks and kind regards

Meera Vala - MBA Student, WITS Business School

Consent:

Q1. Completion of the survey is voluntary.

Click 'Yes' to indicate your agreement to participate and to continue with the survey.

Click 'No' to exit the survey.

○ Yes, I would like to continue with the survey

○ No thanks

Q2. This question relies on your knowledge of what the firm offers its prospective employees and your knowledge of what prospective employees expect when they join the firm.

Indicate which of the attributes you think are relevant and not relevant to what the firm offers and what employees expect. The 'relevant' attributes should represent what you believe characterises ABC's EVP.

You must respond to each item.

		Relevant	Not Relevant
Compensation	The competitiveness of the job's financial compensation package	○	○
Health benefits	The comprehensiveness of the organisation's health benefits	○	○
Retirement benefits	The comprehensiveness of the organisation's retirement benefits	○	○
Vacation days	The amount of holiday/vacation time that employees earn annually	○	○
Incentive bonuses	Financial rewards over and above one's salary for exceeding specific performance targets	○	○
Development opportunities	The developmental opportunities provided by the job and organisation	○	○
Future career opportunities	The career development opportunities provided by organisation	○	○
Organisation growth rate	The growth rate of the business	○	○
Meritocracy	Employees are rewarded and promoted based on their achievements	○	○
Organisational stability	The level of stability of the organisation and the job	○	○
Client quality and reputation	The quality and reputation of the clients served in performing the job	○	○
Diversity	The organisation's level of commitment to having a diverse workforce	○	○
Empowerment of employees	The level of involvement employees have in decisions that affect their job and career	○	○
Environmental responsibility	The organisation's level of commitment to environmental health and sustainability	○	○
Ethics and integrity	The organisation's commitment to ethics and integrity	○	○
Values-based organisation	A core set of values that guide the behaviour and decision-making of everyone in the organisation	○	○
'Great employer' recognition	The company has been recognized by a third-party organisation as an 'employer of choice'	○	○

		Relevant	Not Relevant
Informal environment	The work environment is informal	○	○
Market position	The competitive position the organisation holds in its market(s)	○	○
Company brand	The level of awareness in the marketplace for the company brand	○	○
Service quality	The organisation's service quality reputation	○	○
Respect	The degree of respect that the organisation shows employees	○	○
Organisation size	The size of the organisation's workforce	○	○
Social responsibility	The level of commitment to social responsibility (e.g. community service)	○	○
Technology level	The extent to which the organisation invests in modern technology and equipment	○	○
Business travel	The amount of out-of-town business travel required by the job	○	○
Innovation	The opportunity provided by the job to work on innovative, "leading edge" projects	○	○
Job impact	The level of impact the job has on outcomes	○	○
Job-Interests alignment	Whether the job responsibilities match your interests	○	○
Location	The location of the jobs the organisation offers	○	○
Recognition	The amount of recognition provided to employees by the organisation	○	○
Feedback and coaching	The amount of day-to-day feedback, coaching and counseling	○	○
Work-Life balance	The extent to which the job allows you to balance your work and your other interests	○	○
Variety	A rich and varied range of project assignments available to employees	○	○
Challenging work	Solving complex problems for clients that are demanding, challenging and stimulating	○	○
Autonomy	The freedom to make decisions about how one's goal is accomplished	○	○
Camaraderie	Whether working for the organisation provides opportunities to socialise with other employees	○	○
Teaming and collaboration	Whether the work environment is team-oriented and collaborative	○	○
Coworker quality	The quality of the coworkers in the organisation	○	○
Manager quality	The quality of the organisation's managers	○	○
People management	The organisation's reputation for managing people	○	○
Senior leadership reputation	The quality of the organisation's senior leadership	○	○

Q3. Please add any additional attributes that you believe are missing from the list provided.

APPENDIX B

EVP Survey sent to the Employee sample

Cover letter and consent

Dear colleague

My name is Meera Vala. I am a Talent Manager at ABC and currently completing my MBA degree at the Wits Business School. My research project is based on **your experience of ABC.** More specifically, it is concerned with **your expectations of ABC** prior to joining the firm, and **your experience of ABC** after you joined.

This research project is concerned with the concept of the **Employee Value Proposition (EVP).**

The EVP refers to:

- The set of offerings that the employer presents to its prospective and current employees
- The financial and nonfinancial components on offer (e.g. compensation; development opportunities)
- The attributes that characterise the company and differentiates it from its competitors

I am interested to know which EVP characteristics you **expected** when you decided to join ABC, how **important** those attributes were to you, and the extent to which you **experienced** these attributes after you joined.

The results will be used to assess whether ABC's EVP attributes are relevant and important to its prospective employees. It will also help the firm identify where the EVP is not being experienced by its employees and to take action where necessary.

This study is dependent on your input and I would greatly appreciate your assistance by taking **10 minutes** to complete the questionnaire.

There are **5 pages** to the questionnaire:

Page 1 - Cover page and consent

Page 2 - Demographic details

Page 3 - Expected EVPs

Page 4 - Important EVPs

Page 5 - Experienced EVPs

Your name will not be linked to any statements or comment made in this research project and your participation is entirely voluntary.

If you have any questions or concerns, please contact the researcher at meerav02@gmail.com or telephonically at 082 88 68 791 or her supervisor Conrad Viedge at Conrad.Viedge@wits.ac.za or 011 717 3585.

With many thanks and kind regards

Meera Vala

MBA Student – University of the Witwatersrand

Q1. **Consent:**

Completion of the survey is voluntary. By clicking yes, you provide consent for your response to be used in the research. Your data and identity will be kept confidential and will be known only to the researcher.

Click 'Yes' to indicate your agreement to participate and to continue with the survey.

Click 'No' to exit the survey.

○ Yes, I would like to continue with the survey
○ No thanks

Q2. What is your gender?

○ Male
○ Female

Q3. What is your current age?

○ 21 - 25
○ 26 - 30
○ 31 – 35
○ 36 +

Q4. Please indicate your racial demographic

○ African
○ Coloured
○ Indian
○ White
○ Other/ Non-South African

Q5. Which office are you based in?

○ Bloemfontein
○ Cape Town
○ Durban
○ Johannesburg/ Pretoria
○ Port Elizabeth

Q6. How many years of work experience do you have in a corporate environment (including current experience)?

○ 0 - 1 year
○ Between 1 and 3 years
○ Over 3 years

Q7. Think about the time when you decided to accept a job offer at ABC.

Based on what you had heard about ABC and what you knew about them, to what extent did you **EXPECT** the following from ABC?

	No expectation	Low expectation	Some expectation	Moderate expectation	High expectation
Competitiveness of the job's financial compensation package	○	○	○	○	○
Financial rewards over and above one's salary for exceeding specific performance targets	○	○	○	○	○
Personal and career development opportunities provided by the job and firm	○	○	○	○	○
Quality and reputation of the clients being served	○	○	○	○	○
ABC's level of commitment to having a diverse workforce	○	○	○	○	○
Level of involvement and empowerment employees have in decisions that affect their job and career	○	○	○	○	○
ABC's commitment to ethics and integrity	○	○	○	○	○
A core set of values that guide the behaviour and decision-making of everyone at ABC	○	○	○	○	○
ABC has been recognized by a third party organisation as an 'employer of choice'	○	○	○	○	○
Informal work environment	○	○	○	○	○
ABC's competitive position in its market(s)	○	○	○	○	○
Level of awareness in the marketplace for ABC's brand	○	○	○	○	○
Degree of respect that ABC shows employees	○	○	○	○	○
Level of commitment to social responsibility (e.g. community service)	○	○	○	○	○
The location of the jobs that ABC offers	○	○	○	○	○
Amount of recognition provided to employees	○	○	○	○	○
Amount of day to day feedback, coaching and counselling	○	○	○	○	○
Extent to which the job allows you to balance your work and your other interests	○	○	○	○	○
A rich and varied range of project assignments available to employees	○	○	○	○	○
Solving complex problems for clients that are demanding, challenging and stimulating	○	○	○	○	○
Working for ABC provides opportunities to socialise with other employees	○	○	○	○	○
Whether the work environment is team oriented and collaborative	○	○	○	○	○
The quality of co-workers in ABC	○	○	○	○	○
ABC's reputation for managing people	○	○	○	○	○
The quality of the ABC's senior leadership	○	○	○	○	○

Q8. Think about the time when you decided to accept a job offer at ABC.

How **IMPORTANT** were these characteristics to you when you decided to join ABC?

	Not important	Slightly important	Moderately important	Important	Very important
Competitiveness of the job's financial compensation package	○	○	○	○	○
Financial rewards over and above one's salary for exceeding specific performance targets	○	○	○	○	○
Personal and career development opportunities provided by the job and firm	○	○	○	○	○
Quality and reputation of the clients being served	○	○	○	○	○
ABC's level of commitment to having a diverse workforce	○	○	○	○	○
Level of involvement and empowerment employees have in decisions that affect their job and career	○	○	○	○	○
ABC's commitment to ethics and integrity	○	○	○	○	○
A core set of values that guide the behaviour and decision-making of everyone at ABC	○	○	○	○	○
ABC has been recognized by a third party organisation as an 'employer of choice'	○	○	○	○	○
Informal work environment	○	○	○	○	○
ABC's competitive position in its market(s)	○	○	○	○	○
Level of awareness in the marketplace for ABC's brand	○	○	○	○	○
Degree of respect that ABC shows employees	○	○	○	○	○
Level of commitment to social responsibility (e.g. community service)	○	○	○	○	○
The location of the jobs that ABC offers	○	○	○	○	○
Amount of recognition provided to employees	○	○	○	○	○
Amount of day to day feedback, coaching and counselling	○	○	○	○	○
Extent to which the job allows you to balance your work and your other interests	○	○	○	○	○
A rich and varied range of project assignments available to employees	○	○	○	○	○
Solving complex problems for clients that are demanding, challenging and stimulating	○	○	○	○	○
Working for ABC provides opportunities to socialise with other employees	○	○	○	○	○
Whether the work environment is team oriented and collaborative	○	○	○	○	○
The quality of co-workers in ABC	○	○	○	○	○
ABC's reputation for managing people	○	○	○	○	○
The quality of the ABC's senior leadership	○	○	○	○	○

Q9. Now think about your experience of actually working at ABC.

To what extent have you **EXPERIENCED** these characteristics or attributes as an employee of ABC?

	Never experienced	Rarely experienced	Sometimes experienced	Often experienced	Very often experienced
Competitiveness of the job's financial compensation package	○	○	○	○	○
Financial rewards over and above one's salary for exceeding specific performance targets	○	○	○	○	○
Personal and career development opportunities provided by the job and firm	○	○	○	○	○
Quality and reputation of the clients being served	○	○	○	○	○
ABC's level of commitment to having a diverse workforce	○	○	○	○	○
Level of involvement and empowerment employees have in decisions that affect their job and career	○	○	○	○	○
ABC's commitment to ethics and integrity	○	○	○	○	○
A core set of values that guide the behaviour and decision-making of everyone at ABC	○	○	○	○	○
ABC has been recognized by a third party organisation as an 'employer of choice'	○	○	○	○	○
Informal work environment	○	○	○	○	○
ABC's competitive position in its market(s)	○	○	○	○	○
Level of awareness in the marketplace for ABC's brand	○	○	○	○	○
Degree of respect that ABC shows employees	○	○	○	○	○
Level of commitment to social responsibility (e.g. community service)	○	○	○	○	○
The location of the jobs that ABC offers	○	○	○	○	○
Amount of recognition provided to employees	○	○	○	○	○
Amount of day to day feedback, coaching and counselling	○	○	○	○	○
Extent to which the job allows you to balance your work and your other interests	○	○	○	○	○
A rich and varied range of project assignments available to employees	○	○	○	○	○
Solving complex problems for clients that are demanding, challenging and stimulating	○	○	○	○	○
Working for ABC provides opportunities to socialise with other employees	○	○	○	○	○
Whether the work environment is team oriented and collaborative	○	○	○	○	○
The quality of co-workers in ABC	○	○	○	○	○
ABC's reputation for managing people	○	○	○	○	○
The quality of the ABC's senior leadership	○	○	○	○	○