

on well-designed and implemented competency-based job analyses can be as rigorous and accurate as those based on job requirements approaches.³⁵

JOB REWARDS

In the person/job match model, jobs are composed of requirements and rewards. The focus so far in this chapter has been on job requirements vis-à-vis the discussion of job analysis. Attention now turns to job rewards. Providing and using rewards is a key staffing strategy for motivating several HR outcomes—applicant attraction, employee performance, and employee retention in particular. Successfully matching rewards provided with rewards desired will be critical in attaining the HR outcomes. Doing so first requires specifying the types of rewards potentially available and desired.

Types of Rewards

Organizations and jobs provide a wide variety of rewards. It is common to classify each reward as either extrinsic or intrinsic in nature. Extrinsic rewards are tangible factors external to the job itself that are explicitly designed and granted to employees by representatives of the organization (e.g., pay, benefits, work schedule, advancement, job security). Intrinsic rewards are the intangibles that are more internal to the job itself and experienced by the employee as an outgrowth of actually doing the job and being a member of the organization (e.g., variety in work duties, autonomy, feedback, coworker and supervisor relations).³⁶

Employee Value Proposition

The totality of rewards, both extrinsic and intrinsic, associated with the job constitutes the employee value proposition (EVP).³⁷ The EVP is akin to the “package” or “bundle” of rewards provided to employees and to which employees respond by joining, performing, and remaining with the organization. It is the “deal” or “bargain” struck between the organization and the employee, first as a promise to the prospective employee, later as a reality to the actual new employee, and later still as a new deal as the EVP changes due to reward improvements and/or internal job changes. The EVP thus functions as a glue that binds the employee and the organization, with the employee providing certain behaviors (attraction, performance, retention, and so forth) in exchange for the EVP.

The challenge to the organization is to create EVPs for various employee groups that, on average, are both attractive and affordable (how to create an individual EVP in the form of a formal job offer to a prospective employee is considered in Chapter 12). No reward, extrinsic or intrinsic, is costless, so the organization must figure out what it can afford as it creates its EVPs. Regardless of cost, however, the rewards must also be attractive to those for whom they are intended, so

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