

attraction and cost must be considered jointly when developing EVPs. The dual affordable-attractive requirements for EVPs may create some potential problems: wrong magnitude, wrong mix, or not distinctive.³⁸

Wrong magnitude refers to a package of rewards that is either too small or too great monetarily. To the prospective or current employee, too small a package may be viewed as simply inadequate, noncompetitive, or an insult, none of which are desirable perceptions to be creating. Such perceptions may arise very early in the applicant's job search, before the organization is even aware of the applicant, due to word-of-mouth information from others (e.g., former applicants or employees) or information obtained about the organization, such as through its print or electronic recruitment information. Alternatively, too small a package may not become an issue until fairly late in the job search process, as additional bits of reward package information become known to the applicant. Regardless of when the too-small perceptions emerge, they can be deal killers that lead the person to self-select out of consideration for the job, turn down the job, or quit. While too-small packages may be unattractive, they often have the virtue of being affordable for the organization.

Too large a package creates affordability problems for the organization. Those problems may not surface immediately, but long term they can threaten the organization's financial viability and possibly even its survival. Affordability problems may be particularly acute in service-providing organizations, where employee compensation costs are a substantial percentage of total operating costs.

Wrong mix refers to a situation in which the composition of the rewards package is out of sync with the preferences of prospective or current employees. A package that provides excellent retirement benefits and long-term performance incentives to a relatively young and mobile workforce, for example, is most likely a wrong mix. Its attraction and retention power in all likelihood is minimal. It might also be relatively expensive to provide.

Not distinctive refers to individual rewards packages that are viewed as ho-hum in nature. They have no uniqueness or special appeal that would either win or retain employees. They do not signal anything distinctive about the organization or give the job seeker or employee any special reason to think the "deal" is one that simply cannot be passed up.

In short, creating successful EVPs is a challenge, and the results can have important implications for workforce attraction, retention, and cost. To create successful EVPs, the organization should seek to systematically collect information about rewards that are important or unimportant to employees and the extent to which these rewards are currently provided.

Collecting Job Rewards Information

Unlike job analysis as a mechanism for collecting job requirements information, mechanisms for collecting job rewards information are more fragmentary. Nonetheless, several things can be done to assess employee preferences and the rewards

as rig-

ards. The
discussion
wards is
traction,
/ match-
HR out-
available

to clas-
wards are
ranted to
k sched-
are more
i of actu-
in work

b consti-
package"
spond by
' or "bar-
ise to the
later still
ternal job
the orga-
ormance,

ee groups
ndividual
nsidered
anization
ost, how-
ended, so