

EXPLORING THE BUILDING BLOCKS OF AN EMPLOYEE VALUE PROPOSITION FOR GRADUATE INTERNS

Kelebogile Paadi

North-West University, GIFT Research Entity

E-mail: kelebogile.paadi@nwu.ac.za

Nicolene Barkhuizen

North-West University, GIFT Research Entity

E-mail: nicolene.barkhuizen@nwu.ac.za

Sonia Swanepoel

North-West University, GIFT Research Entity

E-mail: sonia.swanepoel@nwu.ac.za

—Abstract —

This research aimed to determine the building blocks of a compelling employee value proposition that will attract graduate interns to potential employers and retain them for a career in a given organisations. A qualitative research approach was applied using semi-structured interviews and a focus group to gather from Human Resource Management (HRM) practitioners (N = 25) and graduate interns (N=10) who participated in an internship programme for HRM graduates. The data was analysed by using theme/content analyses. The results of the study showed that a properly assembled employee value proposition for graduate interns should include the following: Functional components (i.e. training and development, mentorship guidance, leave and insurance); financial components (i.e. stipend, travel allowance, overtime) and psychological components (interpersonal relationships with mentors, wellness). The participants viewed stipends and opportunities for training and development as important factors that will attract and retain graduate interns to organisations. Recommendations are made.

Keywords: Graduate interns, mentorship, talent attraction, talent retention

JEL classification: JEL24

1. INTRODUCTION

Most employees today are looking for organisations that offer or have the potential to offer access to growth opportunities, work-life balance and sometimes even international exposure. Prospective employees evaluate employee value propositions (i.e. brand promises of organisations) by considering aspects such as “*what’s in it for me to work here?*” (Erickson, 2009) or “*Why do I want to work here?*” (O’ Conner, 2015). The rapid influx of graduate interns into the workplace challenges organisations to develop tailor-made employee value propositions complemented by sound talent management practices that will meet the increased demands of graduates (Kultalahti & Viitala, 2015).

This research aimed to determine the building blocks of a compelling employee value proposition that will attract graduate interns to potential employers and remain with them for a chosen career in HRM. Graduate interns mostly fall within the category of millennials or generation Y and are defined as those born between 1981 and 2000 (Bolton, Parasuraman, Hoefnagels, Migchels, Kabadayi et al., 2013, Miller 2013). According to Immordino-Yang, Christodoulou and Singh (2012), the most agreed-upon trait of millennials or generation Y is their early exposure to technology, thereby terming them as digital natives having cognitive, emotional and social outcomes. Graduate interns have a relatively short employment span at companies and do not want to be stagnated in one place for lengthy periods of time. As mentioned by Browning (in Heaton, McCracken & Harrison, 2008), graduates who have entered the labour market on graduate level positions are already planning their next career move before their basic induction is completed. Graduate internship programmes are therefore critical employee value proposition mechanisms that can assist in the retention of graduates (Ntsizwane, Barkhuizen & Swanepoel, 2012).

2. LITERATURE REVIEW

2.1 Conceptualising employee value propositions

Hein (2015) defines employment value propositions (EVPs) as the summation of all the characteristics and contents of a job and the employment characteristics

that can attract, retain and motivate employees. According to Tandehill Human Capital (2006), EVPs should identify the unique people policies, processes and programmes that demonstrate the organisation's commitment to employee growth, management development, ongoing employee recognition, and community service. In essence, EVPs give employees reasons to choose one organisation over the other (Heger, 2007). In support, Companaro (2007, p. 16) states that *"a company without an Employment Value Proposition (EVP) is like a person devoid of a personality – it does not exist"*

Several authors have highlighted the reasons why an EVP is becoming the lifeline of many organisations (see Bussin, 2014; O' Connor, 2015). These authors point out that, among others, EVP enables employers to create winning organisations by differentiating themselves from competitors. EVP furthermore explains the type of support that an organisation can offer to employees through benefits and the career prospects and opportunities that can be expected. Finally, the EVP also describes the company's culture to employees and prospective employees. Within this context, EVPs will differ according to the nature of the organisation and the mix of their employees. According to Erickson (2009), EVPs should contain detailed information about compensation, benefits, affiliation, career pathing and work content to attract and retain talented employees.

Hein (2015) identified six critical areas that graduate interns consider before choosing to pursue a career at an employer: The ability to identify with the vision of the organisation, investment in employees, building relationships, commitment to social responsibility, a positive work environment and digital experience. Authors have placed specific emphasis on compensation as a key talent attraction and retention factor for younger-generation employees to organisations (Lesenyeho, 2017). Graduates require financial and non-financial rewards in return for their efforts, skills and time that they invested to assist organisations to achieve their strategic objectives (Dessler, 2013). Other authors also highlighted the importance of affiliation and interpersonal relationships (Mello, Penceliah, Phago, Maserumole, Wessels et al., 2014) to increase an employee's sense of belonging. Graduates, as generation Y employees, are interested in workplace relations that will boost their performance (Pop, Swanepoel & Barkhuizen, 2013).

3. RESEARCH DESIGN

A qualitative research approach was followed in this study. According to Merriam (2009), qualitative researchers mainly focus on interpreting and understanding people's experiences in different settings. In line with Tracy (2013), this study focused on obtaining an emic understanding of HR practitioners and HR graduate interns on the building blocks of an employee value proposition for graduate interns. This research adopted the phenomenological research paradigm to explore the experiences of HR practitioners and graduates involved in the graduate internship programme to form a description of their experiences (Maree, 2016).

3.1 Sampling

This research included two samples. The first sample consisted of the HR practitioners who acted as mentors for the graduate interns during the internship programme (N=25). The second group consisted of HR graduate interns (N=10) who participated in a graduate internship programme.

Permission to execute the study was obtained from the relevant authorities to execute the study. The study was further subjected to ethical clearance. The participants were given informed consent letters stating that all responses will be treated as confidential.

The demographic characteristics of the HR practitioners are presented in Table 1 below. Most of the HR practitioners and mentors in this study were female and of black African descent. The participants were primarily in possession of a degree, had more than ten years of work experience, and were employed on management level.

Table 1: Sample demographics HR practitioners

Participants	Gender	Race	Job Title	Qualification	Years in Practice	Sector
1	Male	African	HR Admin Clerk	N. Dip in Public Man	05	Public
2	Female	African	HR Manager	Masters LR	10	Public
3	Female	White	HR Manager	Masters in HRM	11	Private
4	Female	White	Senior HR Training Coordinator	Honors in HRM	11	Public
5	Male	African	Senior Personnel Practitioner	National Diploma in HRM	9	Public
6	Male	African	Deputy Director Human Capital	Masters in HRM	13	Public
7	Female	African	Assistant Director HR	Advanced Diploma in HRD	24	Public
8	Female	African	Senior Personnel Practitioner	N. Dip. Public Management	9	Public
9	Female	African	Assistant Director Labour Relations	N. Dip. Labour Relations	10	Public
10	Female	African	Assistant Director: PMDS	Post Graduate Diploma HRM	12	Public
11	Female	African	Chief Personnel Officer	BTech: HR Development	10	Public
12	Female	African	Training Manager	Degree HR	10	Private
13	Female	African	Assistant Director: HRD & PMDS	B Admin Hons	15	Public
14	Male	African	Chief Personnel Officer	N.Dip HRM	11	Public
15	Male	African	Assistant Director HR	National Diploma	5	Public
16	Female	African	Assistant Director HR	Hons Degree HRM	6	Public
17	Male	African	Assistant Director HR	Diploma in HRM	20	Public
18	Male	African	Personnel Officer	Grade I2	22	Public
19	Male	African	Organisational Development Practitioner	N.Dip HRM	7	Public
20	Female	African	Assistant Director HRM	Hons HRM	20	Public
21	Male	African	Assistant Director HRM	Hons HRM	3	Public
22	Female	African	HR Practitioner	Degree HRM	12	Public
23	Male	Indian	Assistant Director HRM	Hons HRM	5	Public
24	Female	African	Personnel Practitioner	Diploma in HRM	17	Public
25	Male	African	Communications Officer	Degree in Communication	3	Public

The demographic characteristics of the focus group participants are presented in Table 2 below.

Table 2: Demographic characteristics of focus group participants

FG Participant	Gender	Race	Age	Year of internship	Highest qualification	Employment status
1	Male	Coloured	25-27	2015	Degree	Fixed Term Contract
2	Female	Black	37-39	2014	Degree	Permanent Employment
3	Female	Black	25-27	2012	Degree	Permanent employment
4	Male	Black	22-24	2016	Hons Degree	Job Seeker
5	Female	Black	25-27	2016	Diploma	Job seeker
6	Female	Black	28-30	2012	Hons Degree	Permanent employment
7	Female	White	25-27	2016	Diploma	Job seeker
8	Female	Black	34-36	2016	Certificate	Job seeker
9	Male	Black	22-24	2016	Certificate	Job seeker
10	Female	Black	31-33	2012	Diploma	Permanent employment

From Table 2, it is evident that most of the participants in the focus group session were females and of black African descent. The majority of participants were aged between 20 and 30 years, in possession of a degree, and were searching for jobs after completion of their internship programme.

3.2 Data collection

The researchers used a combination of semi-structured interviews and focus groups to collect the data from the participants. According to Creswell (2013), semi-structured interviews and focus groups are useful in guiding the

conversations between the interviewer/facilitator and participants by not constraining the answers. Although some sort of structure is provided, semi-structured interviews and focus group discussions allow participants to respond freely to questions and give the interviewer/facilitator opportunities to probe for more detail on aspects that might arise from responses.

3.3 Data analyses

The data was analysed using theme (content) analyses. Theme analyses start when the researcher looks for patterns in the data that was collected. Patterns of data are represented in open codes, selective coding and axial coding, and are supplemented by direct quotes from the participants (Creswell, 2013). The quality and rigour of this study were ensured by returning the interviews to the participants for verification of the accuracy thereof. The quality and rigour were further ensured by applying peer debriefing.

4. FINDINGS

The findings from the coding revealed three main themes that can assist in developing an employee value proposition for graduates: Functional components (mentioned 22 times), financial components (mentioned 16 times) and psychological components (mentioned 7 times). The main themes and sub-themes are displayed in Table 3 below. A brief discussion of the themes and escarps of the verbatim quotes in support of the sub-themes are presented in the ensuing section.

Table 3: Frequency of themes and sub-themes

	Theme and sub themes	Frequency
Theme	Functional Components of the EVP for Graduates	22
Sub themes	Training and development	11
	Leave and insurance	5
	Mentorship guidance	6
Theme	Financial Components of the EVP for graduates	16
Sub Themes	Stipend	13
	Travel allowance, subsistence, overtime	3
Theme	Psychological Components of the EVP for graduates	7
Sub Themes	Interpersonal relationships with mentors	5
	Wellness	2

4.1 Theme: Functional components of the EVP for graduates

Combined, the sub-themes relating to the functional components of an EVP for graduates emerged the most in this study. Three sub-themes were identified: Training and development, mentorship guidance, and leave and insurance. The participants were of the opinion that there were plenty of training and development opportunities available as part of the graduate internship programme to assist graduates to obtain the necessary workplace skills. Some of the comments included the following:

“We offer assistance to graduate interns so they acquire professional work ethics and help them to gain insight into their respective field. As mentors we train, guide and direct interns accordingly to ensure that they achieve their tasks and organisational goals” (participant 24 – male, Indian, assistant director in the public service).

and

“I share or transfer knowledge to graduate interns by ensuring that interns participate in any training that organisation has offered them to gain workplace skills, and knowledge. In addition, graduate interns must be trained to create a

solution to the problem and generate new ideas to the department or organisation” (participant 23 – female, black, HR practitioner in the public service).

and

“the nature of the internship is development, so the biggest benefit I would say are development opportunities, if they do not get anything out of the programme at least they would have acquired work and office skills” (participant 14 – male, black, chief personnel officer in the public service).

and

“The importance of the programme is to guide the interns in the correct path with regard to the occupation they want to develop and to ensure that graduate interns are trained to gain workplace skills, knowledge and experience” (participant 23 – female, black, HR practitioner in the public service).

Most interns receive the standard training known as *breaking barriers* to entry (BBE2) and advanced excel training. Other training will be specific to each department and mostly on the job where the mentor gives the intern instructions on how to complete a task. Some of the comments included:

“Breaking barriers to entry (BBE2)-This is the training for the graduate interns orientation programme. In this training the facilitator train graduate interns to apply a code of conduct for public service and to understand the concepts of public office systems. Furthermore, at the end of course or training interns are given certificate of completion by National Senior Certificate” (participant 1 – coloured, female, 2015 and now on a fixed-term contract).

and

“I was trained in advanced excel, it was nice to receive training out of the office for once. There was also Breaking barriers to entry (BBE2) this is a training that improve graduate interns to apply code of conduct for the public service, demonstrate knowledge of recruitment, selection and appointment in the public

service and describe how performance mentoring and evaluation system in government work” (participant 5 – female, black, 2016 currently a job seeker).

Mentorship emerged as prominent theme in this study. The participants in particular highlighted the importance of mentorships as a guide to improved performance and the achievement of personal and organisational goals. Some of the comments included:

“My relation with my mentor was good because she helped me to avoid certain failure, learn from mistake and accelerate toward their department goals. I am grateful to had mentor because she encourage, helped and advised in organisation and personal” (participant 1 – male, coloured, 2015, currently on a fixed-term contract).

and

“My relationship with my mentor is good because she guide and lead me in the workplace correctly. In addition I can refer my mentor as honest person because she is willing to provide honest feedback based on my performance and other interns” (participant 8 – female, black, 2016 and currently a job seeker).

and

“My relationship with my mentor was good because he was understanding, supportive, patient, motivating, trustworthy and ethical and there was harmony working environment. In addition, he helped me with my career planning” (participant 3 – female, black, 2012, permanently employed).

From the responses, it was evident that various benefits, such as leave opportunities, are offered to graduates. The HR practitioners also mentioned the availability of insurance to assist graduated in times of unemployment. Some of the comments included:

“They have sick leave and sometimes maternity leave should the need arise, those who work shifts are offered meals and some company discounts where

applicable” (participant 12 – female, black, training manager in the private sector).

and

“they have one day annual and sick leave per month, special leave when writing exams or attending interviews, 5 days family responsibility leave for the death of a parent or spouse and 3 family responsibility days when a child is ill”(participant 11 – black female, chief personnel officer in the public sector).

and

“The Unemployment Insurance Fund (UIF) covers them, and sometimes additional insurance from the employer depending on the nature and environment of the job” (participant – 4, white female, Senior Training Coordinator in the public sector).

and

“We also offer funeral cover, which is not deducted from their salaries so should anything happen we are able to assist the parents of the student” (participant – 4, white female, senior training coordinator in the public sector).

4.2 Theme: Economic components of a graduate value proposition

Economic components are monetary in nature, with salary being the most common primary economic benefit. Graduate interns do not receive a salary like other employees, but are given what is called a stipend. The way the stipend is determined differs slightly between the two sectors. The public sector depends mostly on the DPSA, Department of Labour and other vehicles of youth programme funding. In the private sector, they conduct market surveys to determine their stipends. Conclusively, there are not many economic benefits for graduate interns. Some of the comments included the following:

“There is a booklet that we use from the DPSA, it stipulates how the interns have to be paid and it varies according to their qualifications. There are different

amounts if one has a junior degree, an honours degree, masters and doctoral degrees” (participant 10 – black female, assistant director in the public sector).

and

“their stipend is determined by their qualifications for example if you have a degree or a diploma from a university or technicon your stipend will be in the range of the R5000 per month and if it is a diploma from an EFT college it will be in R3900 range” (participant 8 – black female, senior personnel practitioner in the public sector).

and

“They have their basic salary, UIF and SDL, and in my previous company they had travel allowance as well” (participant 3 – white female, HR manager in the private sector).

This participant further added:

The stipend is determined using comparative market data” (participant – 3, white female, HR manager in the private sector)

The dissatisfaction of the graduate interns with their compensation was evident in the following quotes:

“Internship programme should increase the stipend of interns and the department should train interns more frequently and place them correctly in the field of their qualification they have acquired in tertiary level” (participant 10 – female, black, 2012, permanently employed).

and

“increase the stipend because cost of living is too high, we have to buy professional clothes and pay for transport as well” (participant 4 – male, black, 2016, job seeker).

and

“The organisation should increase stipend and give interns bonus because they work hard and some interns do their mentors work” (participant 1 – male, coloured, 2015, on a fixed-term contract).

Theme: Psychological components of the EVP programme

This theme did not occur as much in comparison with the other themes, but nonetheless it exists, including elements such as wellness, resources and mentorship. This category creates a sense of affiliation, like the working environment and resources made available for graduates to execute their duties. Mentorship acts both as a functional and a psychological component of an EVP. Having a mentor creates a sense of affiliation in the workplace and graduate interns, as generation Y, learn best in social settings. The comments of the graduates included the following:

“My relationship with my mentor was good because he was understanding, supportive, patient, motivating, trustworthy and ethical and there was harmony working environment. In addition, he helped me with my career planning, always asking what I am more interested in and why and advice to do more research” (participant 3 – female, black, 2012, permanently employed)

and

“It was very interesting and life time opportunity and experience and I learned a lot of things such as communication skills, analysis and research methods of the workplace. In addition, there was harmony environment and team work spirit” (participant 4 – male, black, 2016, job seeker).

and

“My relationship with my mentor was very professional, working as a team and learning new things every day” (participant 10 – female, black, 2012, permanently employed).

The participants further highlighted opportunities to participate in activities to enhance the well-being of graduates:

“They have access to employee wellness programmes” (participant 8 – black female, senior personnel practitioner in the public sector).

and

“Wednesdays are sports days in government, we normally arrange fun walks and sporting activities and we include them, they seem to really enjoy this I think it is because they are still young and energetic” (participant 17 – male, black, assistant director in the public service).

5. DISCUSSION

This research aimed to determine the building blocks of a compelling employee value proposition that will attract graduate interns to potential employers and retain them for a chosen career in the field of human resource management. In line with the recommendations of various authors, the graduate internship programme contained some important elements, such as training and development opportunities as well as the opportunity to build interpersonal relationships with mentors (see Bussin, 2011; Conner, 2015; Erickson, 2009; Hein, 2015). Both sample groups were of the opinion that the graduate internship programme offered a great variety of programmes that could be utilised to equip graduates with the required workplace skills. Moreover, the findings of the research also highlighted the vital role of mentors in facilitating the career development opportunities of graduates and assisting them to their own personal goals as well as those of the organisation (Dessler, 2013). Unfortunately, graduates were of the opinion that the stipend is not sufficient to meet their basic lifestyle requirements, which, in turn, can result in them quitting the internship programme (Lesenyeho, 2017).

This research makes some important contributions to the limited empirical knowledge that current exists on graduate internship programmes for HR graduates and the utility thereof as an employee value proposition tool to attract and retain the future talent of organisations. The findings of this research encourage organisational management and HR practitioners to develop a more holistic perspective on employee value propositions for graduate interns by incorporating functional, economic and psychological factors as highlighted in

this study. HR practitioners also need to become more accustomed with the workplace needs of generation Y employees, especially as far as their soft skills and interpersonal skills are concerned, to manage work relationships more effectively. The results of this study also encourage government institutions to revisit the guidelines for stipends for graduates, and present more market-related compensation in line with the private sector.

This research had some limitations. Firstly, a cross-sectional research approach was followed, which captured the experiences of graduates and their mentors at one point in time. Perceptions may vary over time. Future research could benefit from using a longitudinal design to determine important trends and perceptions in graduate internship programmes more accurately. Secondly, the sample only included management and graduates. Further studies can benefit from including professional bodies and government officials to assist in the development of a competitive graduate internship programme for HR graduates.

6. CONCLUSION

This research addressed a topic of which a scarcity of empirical knowledge currently exists, namely the building blocks of an employee value proposition for graduate interns. The results of this study should motivate HR practitioners and managers to take stock of the current application of graduate internship programmes and use it as a talent return on investment tool for the attraction and retention of new generation employees to the workplace. More emphasis should be placed on graduate internship programmes as talent development tools that can contribute to the competitive edge of organisations.

REFERENCES

- Bolton, R.N., Parasuraman, A., Hoefnagels, A., Migchels, N., Kabadayi, S., Gruber, T., Loureiro, Y.L., & Solnet, D. (2013), "Understanding Generation Y and their use of social media: a review and research agenda". *Journal of Service Management*, 24(3), 245–267. doi.org/10.1108/09564231311326987.

- Bussin, M. (2014). Remuneration and talent management: Strategic compensation for attracting, retaining and engaging talent. Knowledge Resources, Randburg, South Africa.
- Campanaro, H. (2007). The importance of an employment value proposition: recruitment & executive search. *HR Highway*. 1(7), 16 – 17.
- Cresswell, J. (2014). *Research Design*. London: Sage Publication.
- Dessler, G. (2013). Human Resource Management (13th Ed.). Pearson, Canada.
- Erickson, R. (2009). Back to Basics: The Employee Value Proposition During Tough Economic Times. www.berstein.com.
- Heaton, N., McCracken, M., & Harrison, J. (2008). Graduate recruitment and development Sector influence on a local market/regional economy. *Education + Training*. 50(4), 276 – 288.
- Heger, B. K. (2007). Linking the Employees Value Proposition to employee's engagement and business outcomes: preliminary findings from a linkage research pilot study. *Organization Development Journal*, 25(2), 121-132.
- Hein, P. (2015). What really matters to employees? *Employee Benefit News*.
- Kultalahti, S., & Viitala, R. (2015). Generation Y – challenging clients for HRM? *Journal of Managerial Psychology*, 30(1), 101 – 114.
- Immordino-Yang, M.H., Christodoulou, J.A. & Singh, V. (2012), “Rest is not idleness: implications of the brain's default mode for human development and education”. *Perspectives on Psychological Science*, 7(4), 352-364.
- Lesenyeho, D. (2017). *Talent management of early career academics in merged South African higher education institutions*. Mmabatho: Department of Industrial Psychology, North-West University.
- Maree, J.G. (2016). First steps in research (2nd ed). Pretoria, Van Schaik.
- Merriam, S.B. (2009). Qualitative Research: A guide to design and implementation. 2nd Ed. John Wiley & Sons: San Francisco.
- <http://www.bafokengholdings.com/sustainability/human-capital> (accessed 10 March 2016)

- Miller, J. (2011). The Generation X report: Active, balanced, and happy: These young Americans are not bowling alone. *Longitudinal study of American youth*. 1(1), 1–7.
- Ntziswane, L., Swanepoel, S., & Barkhuizen, E.N. (2013). Perceptions of Desirable Employability Skills for Commerce Students. International Conference Proceedings of PSRC, Johannesburg. (pp. 126-130) ISBN 978-93-82242-50-5.
- Pop, C., Swanepoel, S., & Barkhuizen, E. (2013). The role of mentorship in the retention of graduate interns. *Alternations*, (8), 86-106.
- Tandehill Human Capital (2006). The Employment Value Proposition.” Article which introduces the original concept, Workspan Magazine 10/06 <http://www.tandehill.com/pdfs/Total-Rewards.pdf>,
- Tracy, S.J. (2013). *Qualitative research methods: Collecting evidence, crafting analysis, communicating impact*. Hoboken, NJ: Wiley-Blackwell.