Impact of Employee Value Proposition on Employee Retention

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Labor turnover is a critical issue in the apparel manufacturing sector in Sri Lanka since employees are short term oriented and they are moving from one organization to another due to various reasons very often. According to the Labor Demand Survey (2017) conducted by the Department of Census and Statistics, Sri Lanka, sewing machine operators are the number one job category where most employees have quit from 2015 to 2017 in Sri Lanka with a percentage of forty-four (44.4%). When the employees resign, those organizations have to fill those vacancies and there is a cost involved for hiring new employees, training them, and also it will lead to low productivity, low quality, customer dissatisfaction etc. Therefore, organizations must have a mechanism to retain its talented and experienced employees. Nowadays, organizations attempt to become the employer of choice in order to attract talented employees towards them and to retain existing employees. Therefore, employer branding is considered as a special strategy in attracting prospective employees and retaining current employees. As the first step in employer branding, a firm must develop a concept of the value it offers to prospective and current employees. The unique set of benefits which an employee receives in return for the skills, capabilities, and experience they bring to the organization is named as Employee Value Proposition (EVP). With the timely need to conserve the garment manufacturing industry which brings considerable contribution to GDP and job opportunities, creating an Employee Value Proposition Framework would be highly important. Therefore, the purpose of this study is to develop a model for Employee Value Proposition for machine operators in the apparel sector in Sri Lanka. This study explores the basic concepts of employer branding and employee value proposition of machine operators in the apparel manufacturing industry in Sri Lanka. This paper adopts literature review as the main methodology where existing research work is investigated to find current research debates on employer branding and whether it has been researched in the Sri Lankan context. The derived results of the study can be used to develop an employee value proposition for the apparel manufacturing industry in Sri Lanka which will help to increase the retention of employees.

**Keywords:** Employee Band Equity, Employee Value Proposition, Employer Branding, Intention to Stay, Labor Turnover

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