

Making benefits

work for you

Introduction

Sourcing good skills has always been a headache for employers – doubly so when you're working with a limited budget.

Research shows it's becoming harder too, with almost half (49%) of employers taking part in the Spring 2016 edition of the Chartered Institute of Personnel and Development's (CIPD) Labour Market Outlook stating they are having **difficulty filling vacancies**, compared with 40% during the same period in 2014.

But it's not just a case of getting the numbers in place. In order to accelerate growth and build brand identity, businesses need to **transform the way they do things** – so that they not only find it easier to source great talent, but manage to keep it. In short, they need to be able to engage.

Why is that so important? Engagement is the essentially the glue that bonds employers with their employees. Research shows that **engaged employees** are not only **more satisfied** with their role, but are actually **dialled into their employer's strategic goals** too – and are willing to do everything in their power to help them achieve them. Sound good? It should. Experts claim successful engagement can lead to workers being as much as 18% more productive.*¹

"Colleague engagement strategies have a big impact on productivity levels...my turnover is up, my profitability has doubled in the last couple of years, the number of people I have in the business has gone down by 30%. Interestingly, at the same time my colleague engagement has gone up"

Steve Cooper

CEO, Personal Banking, Barclays



Why productivity matters

The issue between productivity and engagement is clear. While the UK recorded its highest employment rate (74.2%) since April 2005, **productivity levels remain stagnant** – with figures from ACAS's Building Productivity in the UK (June 2015) putting the UK at an estimated **17% lower** than the G7 average.

Reaping the benefits

Having a well-thought-out benefits plan will go a long way in getting people through the door, but it can also be a crucial bridge to engagement – and showing your employees that you understand what is important to them.

This knock-on effect is highlighted by the latest MetLife 2014/15 Employee Benefits Trends Survey, which finds that employees who are very satisfied with their benefits are almost four times more likely to be very satisfied in their jobs.

11%

of companies currently offer an employee benefits scheme because it provides a **measurable return on investment**

SOURCE: Employee Benefits

Technology at your fingertips

Benefits platforms are becoming an increasingly valuable source of information for employers – who are able to not only administer benefits selections, but post information and monitor take-up.

Now widely available to employees in the form of **portals and mobile apps**, they can be used to access key services for health and wellbeing, Employee Assistance Programs, background information and crucially, the ability to select new benefits.

Employers can also measure take-up quickly and easily via this platform – and by making the most of a **joined-up system**, they are better able to establish some concrete links between specific and key ROIs such as reduced absenteeism or productivity gains.

Igniting interest

Making your employees aware of the pros and cons of individual benefits will be key to any benefits plan. This can include **signposting information** on the benefits platform, as well as sitting down with people on an individual basis and running them through the rules that apply with things like Salary Sacrifice, for example – which can impact tax credits.

Taking the time to **explain an employee's available options** and the benefits for day-to-day living, not only boosts take-up – but **adds value to the benefits being offered**, according to independent consultancy, Jelf.

It's clear from the 2015/16 Jelf Employee Benefits Survey that employers aren't doing enough of this, however – with less than half of those employers surveyed claiming to provide regular updates to their employees on available benefits.

The MetLife 2014/15 Employee Benefits Trends Survey reported that they found one-to-one meetings, group meetings and handbooks were all **effective methods** of communicating benefits.

SAGE TAKEAWAYS

Always alert your employees to new benefits

- Look at ways to promote the benefits you offer
 - Consider holding workshops to offer more detail
 - Make a point of asking for feedback regularly
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The modern face of benefits

Typically, benefits sit within two categories:

1. Those 'steered' by an employer – which direct people towards certain benefits that tie in with their own goals. Good examples include additional training to enhance skills, or private healthcare/cycling schemes to reduce sick days.
2. Employee-driven benefits – selected by the worker themselves (or their employer). These tend to sit with career/life goals or help with day-to-day expenses.

41%

of companies say they introduce or change benefits based on requests from their employees

The Benefits Research 2014

Currently, the top 10 benefits being offered by UK employers are:

1. Paid leave for bereavement – **80%**
2. Training and career development – **73%**
3. Pension scheme – **71%**
4. 25 days' (and over) paid leave – **66%**
5. Free tea/coffee/cold drinks – **65%**
6. Christmas party/lunch – **62%**
7. Death in service/life assurance – **60%**
8. Childcare vouchers – **56%**
9. Allowing Internet purchases to be delivered at work – **55%**
10. On-site parking (free/subsidised) – **54%*²**



78%

of organisations offer flexible working as a benefit

(Financial Director Survey/
Commissioned by Unum 2014)

One size doesn't fit all

By 2020, a third of the UK's workers are expected to be over the age of 50*³ – and research shows that **more and more employees** are choosing to stay on well beyond traditional retirement age.

With the younger population in decline, the ability to attract older workers and understand what's important to people at their various lifestages will be a **key part of recruitment**. By unleashing the very real advantages that benefits can bring, you can adapt more easily to this changing landscape.

A 2015 PwC survey of 2,400 UK employees found that preferences for benefits vary greatly between genders and age groups. For example, medical insurance proved more popular with women, while men were more in favour of company car schemes.

Women were also nearly twice as likely as men to ask for childcare benefits to be introduced, while pensions and workplace share schemes proved more popular among male employees.

Overall, all respondents revealed an overall preference for employee benefits that **cut the cost of living**.

When asked to rank a selection of new employee benefits, workers chose:



1. Discount shopping vouchers



2. Healthcare



3. Help with mortgage rates



4. Extra holiday

Access to a **better rate mortgage** is a popular choice for all employees, with 37% citing it as a benefit they'd **most like to see introduced**. The choice varied between age ranges, attracting 36% of respondents in their 20s; 43% in their 30s; and 38% in their 40s.

Younger employees were also more likely to opt for **workplace training**, with a quarter of 18-24 year olds choosing a four-day training programme over monetary benefits. Other benefits that proved popular with this demographic included:

- Company cars
- Gym membership
- Discounted/free food and drink

SAGE TAKEAWAYS

- Offer benefits that appeal to a wide range of employees
 - Help your employees personalise their plan
 - Ask for feedback and be open to change
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Are you catering for the needs of the 'sandwich' generation?

This term describes employees who waited to have their children, but now also have the care of elderly relatives to consider.

"Undoubtedly if you have happy colleagues you will get a better financial performance, undoubtedly"

Steve Cooper

CEO, Personal Banking, Barclays



Health matters

Fears about the state of the National Health Service and the type of support they may expect, has led to an **increasing interest in health-related benefits** for employees, according to a study by Busy Bees Benefits. In its Changing perceptions of personal financial health and wellbeing research, it found:

- **69%** of employee respondents are more concerned about their health than they used to be
- **65%** are worried that the level of health support they can expect to receive from the state is declining
- **40%** of employee respondents would purchase health and wellbeing products through their employee benefits programme in the future

"Motive, inspire and engage...and so a lot of my time is spent thinking 'Is the company fully engaged? Are we doing things that are disengaging people? What can we do to improve that?"

Jane Griffiths,
Company Group Chairman, Janssen EMEA

*1 Harter et al, 2012/ACAS – Building Productivity in the UK (June 2015)

*2 Data compiled by YouGov from 525 senior reward/HR practitioners/CIPD Reward Management Survey 2014-15

*3 Office for National Statistics, 2007, Labour market projections 2006-2020

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[†]Calls are recorded for training and quality

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