



How to Evolve Your Employee Benefits for the Modern Workforce

Unpacking trends and tips from leading organisations who are delivering a world-class benefits experience



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Introduction

Hi there,

I'm Dominic Taylor, and I've been with Reward Gateway for nearly a decade working with organisations across many different industries and sizes, helping them strengthen their Employee Value Proposition (EVP) and stand out as an employer of choice.

Employers have long been aware of the power of benefits to attract, engage and retain talent. The question for many leaders today is how to tap into that power and evolve an existing benefits offering to meet the changing demands of an increasingly diverse and multi-generational workforce.

In this eBook we will review the latest research on employee benefits, plus some of the trends we're seeing among the UK's leading employers, including the key factors influencing how they shape and deliver their benefits programmes to meet the needs and expectations of the modern workforce.

Based on that research, and the experience we've had at Reward Gateway, partnering with over 1,800 employers, we'll unpack the critical elements for a world-class benefits programme.

Finally, we'll suggest a few strategies about how to gain buy-in when it comes to creating or expanding your current benefits offering, so you can be well equipped to use benefits as a lever for improving engagement.

Let's walk through some of these trends and tips together.

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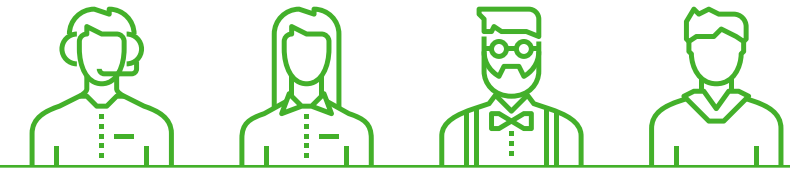
The Times (and Employee Expectations) They Are A-Changin'



Since 2012, the UK has seen a steady increase in turnover rates, leading to a very strong labour market. According to Xpert HR's latest recruitment survey, the cost-per-hire is up by as much as 40%, while one in three employers say labour turnover has increased at their organisation over the past 12 months. And with Brexit implications still unknown, some industries are being hit particularly hard with retention issues, such as hospitality, retail or food service. Because of this, the talent market's expectations and needs are different than what we're used to, and employers need to be aware of the changes to make sure they're developing their overall Employee Value Proposition (EVP) to match what the market needs.

With a changing market, the pressure is on to find new impactful ways to attract and engage employees and create organisations where their employees thrive. Another challenge that many HR leaders are facing is balancing the ability to come up with innovative ways to attract and retain top talent while reducing operating costs.

When it comes to evolving or introducing new employee benefits, an organisation might budget for a project that will allow them to launch a new programme, but often don't factor in the cost of the ongoing roll-out or communication of the initiative. This impacts awareness about the benefit, along with its adoption and ROI.



A report by Willis Towers Watson showed that while 67% of employers think they have a comprehensive benefits offering that their employees value, less than half of their employees actually agree that their current benefits meet their needs.

Source: 2019/2020 Benefit Trends survey

So how do you move forward and reconcile these competing stats?

Our experience with 13 years of partnering with over 1,800 companies in this space is showing us two key areas that are really shifting:

1. The first is **what** employers are providing

Companies must look more critically at benefits on offer and make sure that they are tailored for your particular employee demographic and provide real value to your people.

2. The second is **how** employers are providing benefits

Beyond the benefits, it's critical to invest time and energy into how benefits are delivered to your people for maximum takeup and ROI on investments. Companies can look at technology to help make benefits a part of employees' everyday experiences.



How are leading employers choosing their benefits?



1. Today's benefits need to reach an increasingly multi-generational workforce

We're in a world where many companies have an employee base of four or more generations under one "roof," with a particular focus on millennials and Gen-Z coming in as the majority of our workforce. A recent Willis Towers Watson benefits survey echoed this, with 59% of EMEA respondents noting the "differing wants and needs of a multi-generational workforce" as a core challenge facing employers when

it comes to their overall benefits strategy.

Because of this, employers need to focus on offering a diverse set of benefits that empowers employees with choice, and a reward strategy that appeals to a wide set of demographics. On top of your benefits, I've seen recognition come under the umbrella of an all-encompassing reward strategy to boost an organisation's overall EVP, which satisfies a millennial's craving for purpose and appreciation at work.



2. Employee wellbeing is becoming a focal point rather than a "nice to have"

Traditionally, employers would support employees with an EAP or health care. And these are still important, but we're also

seeing a trend to evolve the offering so it supports not just big milestones or the future stability of employees, but everyday living and in support of three core wellbeing pillars: **Mental, Physical and Financial.**

Evolving your benefits can help drive these pillars forward. Consider an employee who saves money on groceries through your benefit, or an employee who decides to buy more days of leave to improve their mental health. Looking at core areas of benefits such as salary sacrifice Cycle to Work (which supports physical wellbeing), Holiday Trading or additional benefits such as flexible working or extended parental leave can help improve employee wellbeing on a variety of levels.

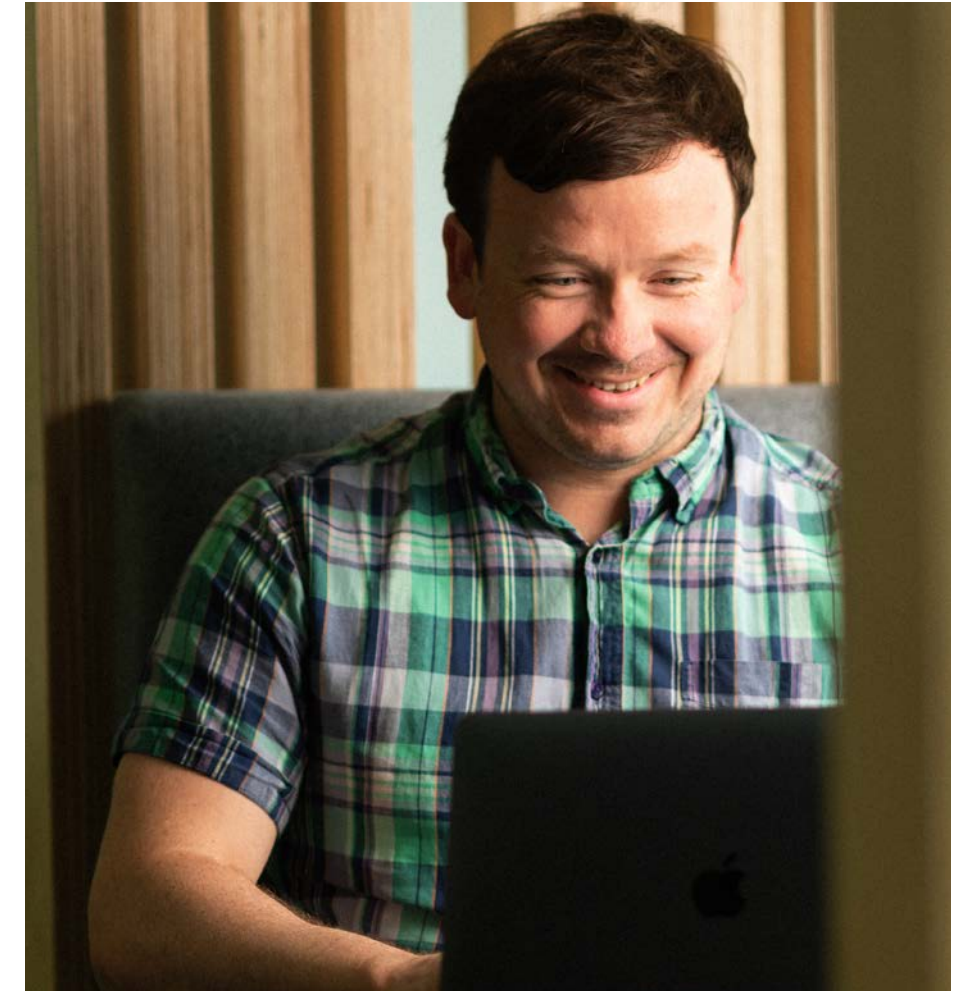


3. More employers are harnessing the power of data and leveraging technology to evolve their benefits strategy

Technology is being used for two pieces of modern benefits strategy: Collecting data and improving usage. Employers need to tap into employee feedback to constantly evaluate and act on information that tells them what's working and what's not working. Performing a "benefits health check" can help evolve your benefits offering to attract and retain the top candidates and employees.

While this data can help inform why employers might choose to add or remove benefits, another key piece of the puzzle lies in where to pull on the "communications levers" to promote a certain benefit that may not be getting as much takeup as anticipated, also cited as a core challenge by 45% of Willis Towers Watson respondents.

The employers leading the way look inward and focus on finding out what makes their specific workforce tick, and then leverage technology to better segment and personalise their offerings to increase uptake and ROI, and engage employees to use and provide feedback on the benefits on offer.



So what *do* UK employees want? We looked at a recent survey from Capita, a professional services company that polled thousands of employees from a variety of industries.

Here are the results:



In top place, employees wanted to have private medical insurance as part of their benefits package (**42.7%**)



Next up, employees were looking at employee discounts programmes to receive retail vouchers to spend at their favourite brands (**35%**)



Wellbeing was also popular, with **30.3%** believing a gym membership should be within a standard benefits package

Whether you offer none or some of these, our experience and discussions with leaders show that diversity of offering and flexibility is key. Benefits are a way of distinguishing your business from the competition. It is no longer enough just to have benefits in place.

You need to have benefits which make a real impact to your employees, and an ongoing strategy to ensure regular usage.

The right kind of employee benefits can be a cost-effective way to stand out from your competitors in the war for talent for desirable skill sets and to build loyalty to your brand.

It's important to continue checking in with your people to see what's being utilised, what's most valuable and, most importantly, not undercut the true impact of great benefits: According to Glassdoor, **57% of people** say benefits and perks are among their top considerations before accepting a job.



The Winning Formula for a World-Class Benefits Experience



UK companies have an increasing number of millennial and Generation Z employees who thrive with the tech and tools that enable them to get on with doing their job. What many of them tell us is if their digital experience at work mirrored the digital experience they have in their personal lives, they'd likely be more effective and engaged.

1. Mobile

Deloitte shows that 88% of UK adults have access to a smartphone, and 95% of these mobile devices are used every day. And the average Brit checks their mobile 10,000 a year! While that might sound excessive, what that means is if you have a workforce who isn't necessarily at a desk or a computer for a large component of their work day, reaching them via mobile is the way to go.

We've seen organisations in retail, food, manufacturing, healthcare, construction and mining industries experience a significant increase in the uptake of specific benefits when they provide employees the option to access information and real-time transactions from any mobile device.

2. Social media

Most employees use social media, and it's not just the younger generations. In fact, most research shows that those aged 45+ used Facebook more than younger generations. Organisations can tap into the behaviour that social media has made more natural, and take advantage of promoting benefits through ever-changing comms and promotions to reach the most employees and increase adoption.

3. Device mesh

Thanks to the rising Internet of Things, no device is isolated; your smartphone can connect to your smart TV and even your washing machine. That means your employees' user experience might start on a desktop computer at their desk, but they might continue reading, working or communicating via their mobile during the commute or even while they're at the shops.

This provides employers an opportunity to connect with employees and reinforce their employer brand long after their people leave their places of work through effective employee engagement technology that brings benefits, recognition and communications together in a single space.

Technology is the way forward

Embracing the digital-first experience and using technology to deliver employee benefits may seem like a hefty investment, but it is one that offers significant advantages and, ultimately, return.



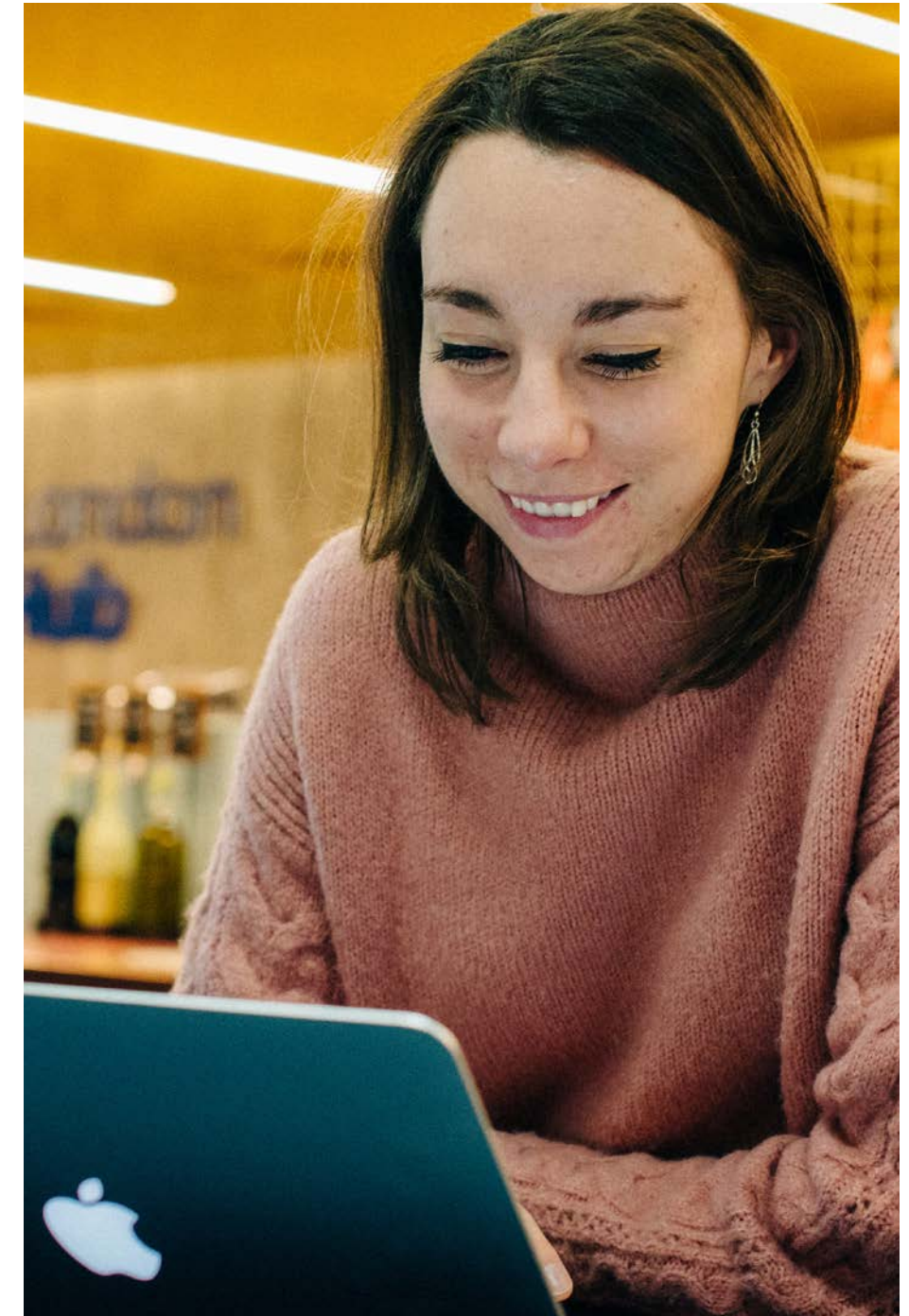
Ease of employee experience = increase in access. After all, employee experience is king. Today's employers are making the move to “any time” benefits, where employees can interact with benefits in their everyday lives, whether that's through an employee discounts programme on their mobile, or more choice in how they're using their benefits. Plus, employers can further enhance the employee experience by centralising recognition and communications to keep core aspects of the employee experience in one place.



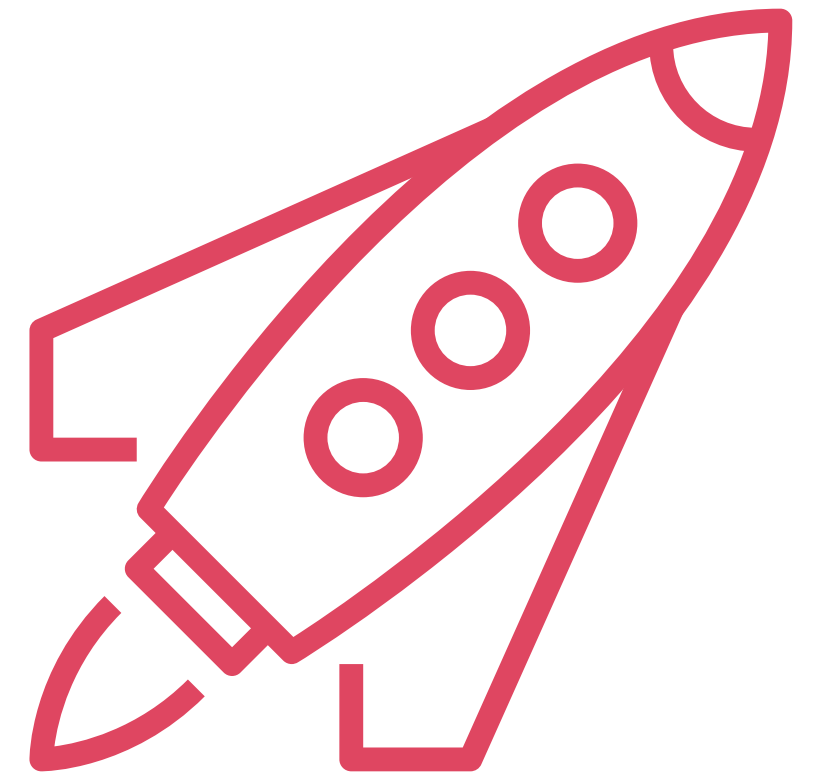
Reduced administration. Moving toward benefits that have a more streamlined process, whether that's an all-in-one benefits administration portal or centralising payrolls, windows, applications and invoices leaves time on the table for HR teams. The good news? This means HR leaders can increase their focus on what matters: Driving engagement and moving their people strategy forward.



Increased visibility of programme performance. Real-time reporting means you can see the impact of your programme and measure its impact on employee engagement as well as talent attraction and retention over time.



6 Critical Ingredients of a Modern Benefits Strategy





1. Extensive range

Your people are all different, so your benefits range should be too. Ideally a benefits programme should offer a range of things that will help your employees thrive both inside and outside of work.

Organisations leading the way in this space look for a way to support the financial, physical, mental and emotional wellbeing of their employees by giving them a wide range of benefits that best suit their lifestyle. This could be anything from providing retailer discounts and cashback, to allowing employees instant access to the latest tech.





Sofology is a luxury sofa company that walks the walk in offering its 1,000 employees a diverse set of benefits, including an employee discounts scheme, Cycle to Work and most recently, SmartTech™.

Plus, the benefits reach an increasingly diverse employee demographic:

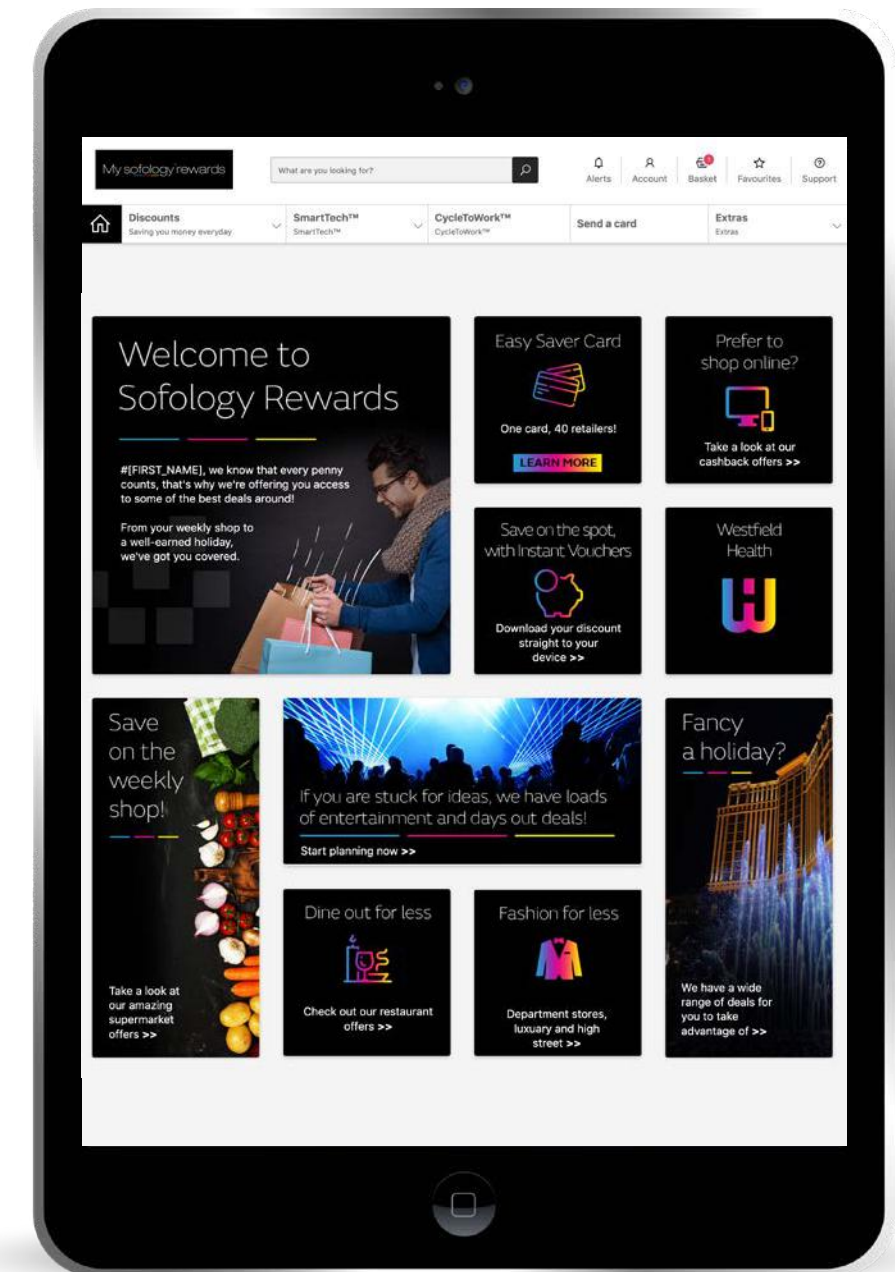
Sofology has three main populations: Retail (store teams), Support Office (Customer Service, IT and Marketing) and Warehousing and Logistic teams in six different distribution centres.

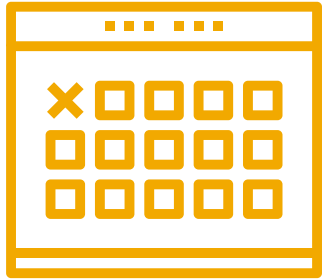
In the first two months of launch for SmartTech, employees have spent more

than £140,000 on the platform on a variety of items, such as TV's, doorbell cameras, whitegoods, game consoles and more. The benefit also supports the retail organisation's wellbeing strategy by supporting financial wellbeing, as to support colleagues who may not have available cash to purchase a large item like a fridge or washing machine when something goes wrong.

Sofology's wellbeing strategy is made up of five strands: Financial, Social, Physical, Mental and Environmental, which the diverse suite of employee benefits support.

The entire Sofology Rewards programme has become increasingly popular and is firmly rooted in the organisation's desire to improve its EVP, particularly when it comes to wellbeing.





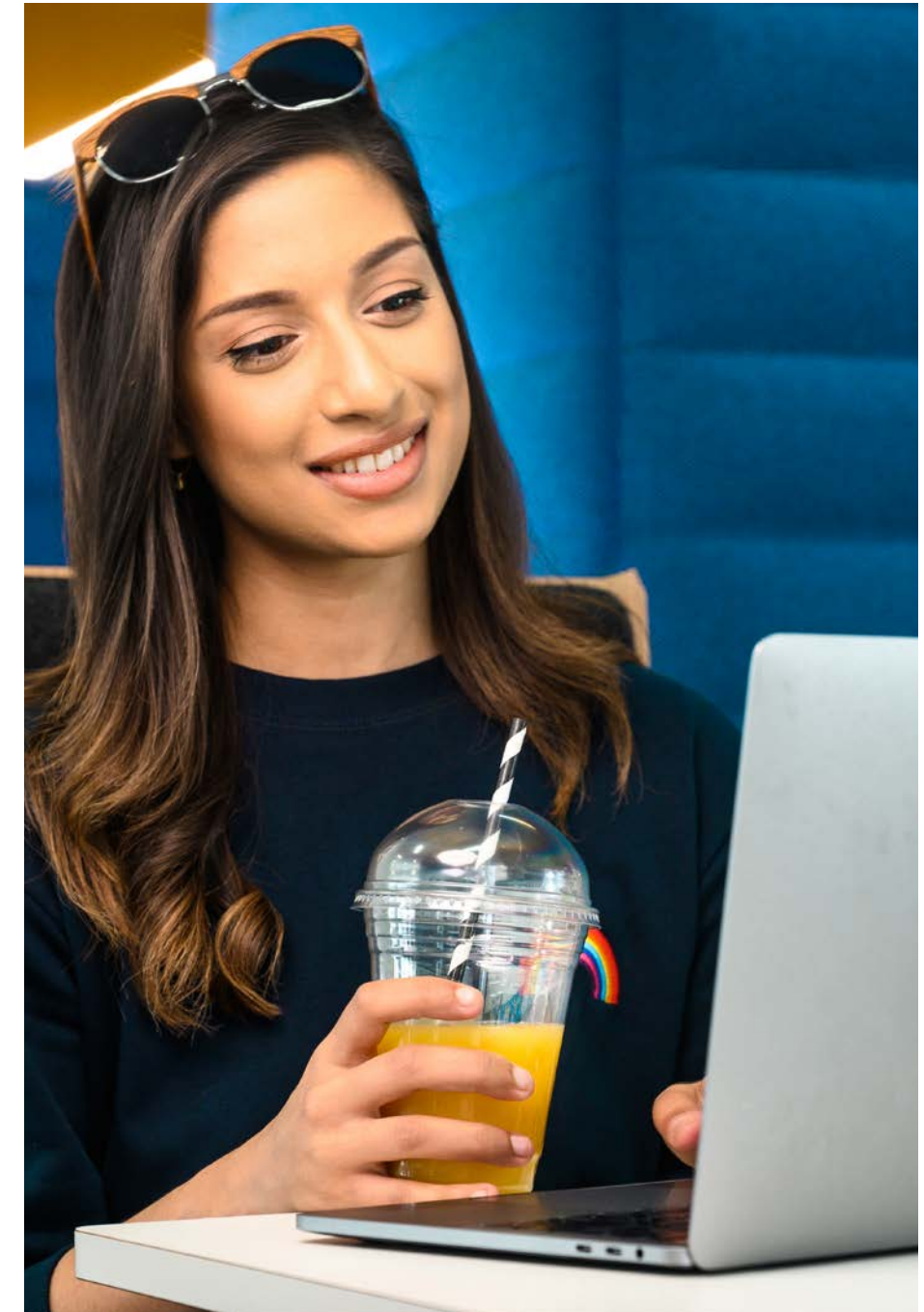
2. Flexibility

Closely tied to providing extensive range is the flexibility. Employees should be able to change what benefits they access as their circumstances do too, depending on their current priorities and commitments.

Consider if having a benefit available all year is right for you versus a benefits window. For example, one of the benefits we offer at Reward Gateway and to our clients is holiday trading, where employees can buy or sell annual leave. If you do decide to

use a benefits window, consider the right communication mix to ensure you get maximum awareness and adoption from your people.

Wellbeing can be a tricky topic — to ensure that your employees feel supported rather than pressured into changing their lifestyle, you can offer a one-stop-shop for wellbeing advice that employees can dip in and out of to gain advice and ideas to be their best selves, inside *and* outside of work.



WELCOMEBREAK



Spotlight:

Welcome Break is a highly diverse business, with 5,500 employees from more than 75 countries.

After reevaluating its benefits offerings, the organisation decided to offer a more rounded approach, in the hopes of reducing recruitment agency spend and decreasing turnover.

Due to a lack of accessible public transportation to remote locations, employees needed more options to get to work. Alongside that, there was a need to stretch employees' disposable income without the expense of a big pay rise.

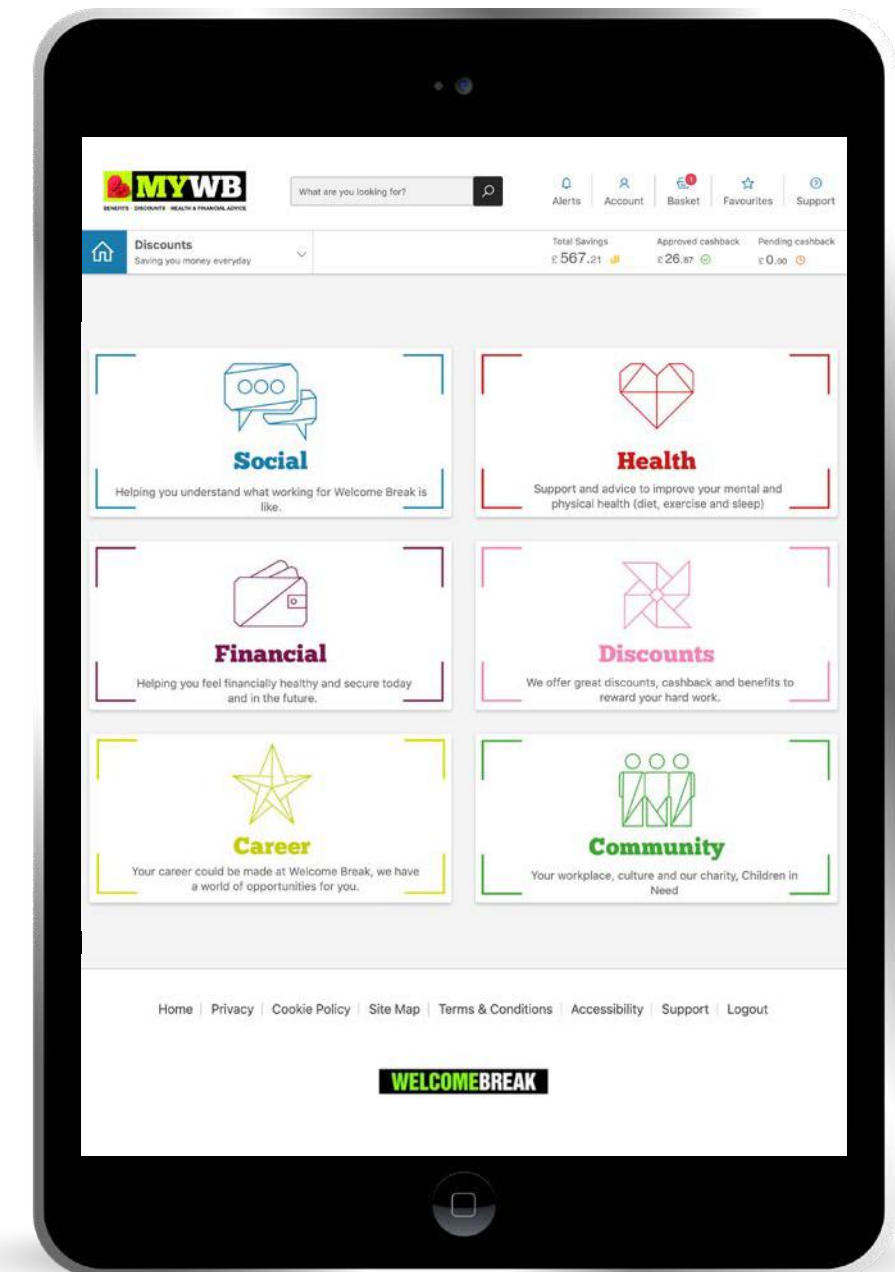
To reinvent its Attraction and Retention plan,

Welcome Break conducted focus group meetings and surveyed 300 employees focussing on the employee experience.

Working with Reward Gateway, Welcome Break rebranded its engagement hub, My Welcome Break and added in new benefits, such as a Cycle to Work scheme, employee discounts and a greater focus on wellbeing.

Since introducing the Attraction and Retention plan, spending on the discounts platform has increased by 36%, resulting in employees saving money and making their pay go further.

Due to the programmes Welcome Break put in place, it has benefitted from an 8% reduction in turnover, and a £135,000 decrease in spending on recruitment agencies since 2017.





3. Communication

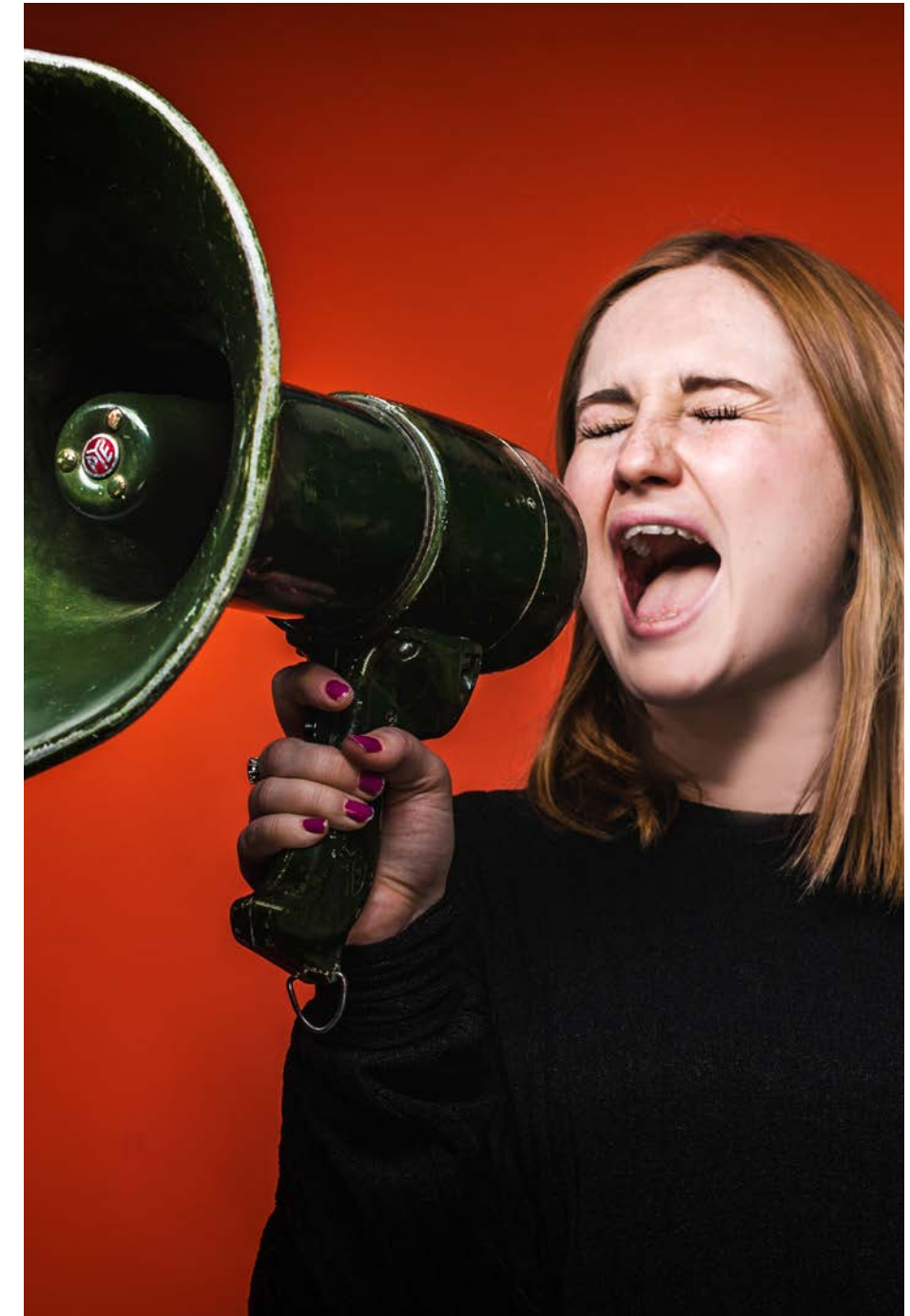
A Metlife study showed that while 68% of employees believe they educate their employees about their benefits programmes, **only 31% of employees feel they have sufficient information** to choose the option that meets their needs.

World-class employee benefits programmes have tools to raise awareness and adoption. These include:

- Housing information about benefits in one place.

- Enabling single sign-on so it's easy for employees to access.
- Email or in-app notifications or alerts when relevant deals are available for employees.
- A comprehensive communication plan that not only excites your employees when you launch, but also in the future, including elements such as benefits expos, employee-facing webinars, launch videos or campaigns that share how employees are using the existing benefits, and even literature to home (for family-wide engagement).

I've seen organisations print posters with pictures of staff and short stories about which retailers they are saving money on, as well as do screensaver takeovers and special announcements in team meetings to boost adoption from the get-go.

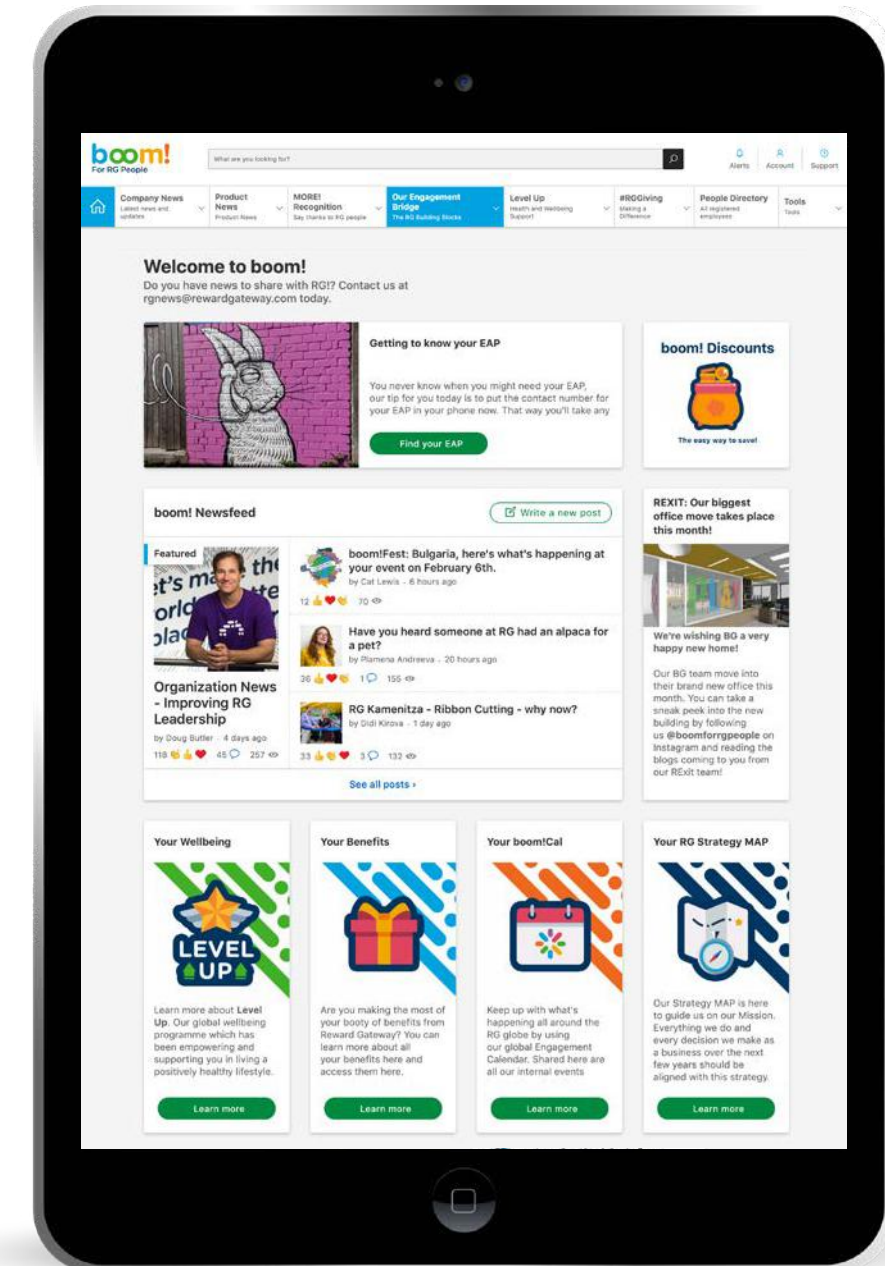


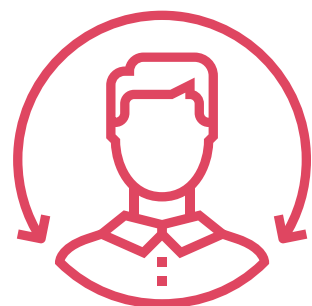


Spotlight:

Reward Gateway's People team does a really great job of communicating benefits. Not only is there a dedicated page on the engagement platform, **boom!** to explain every one of the company's creative benefits, it shares stories throughout the year. Effective tools include:

- **boom! TVs** in global offices broadcasting our benefits are 24/7.
- **Slack and email alerts to submit requests** when the Wellbeing Window is open.
- **App notifications** when favourite retailers are on sale.
- **boom! blog posts** sharing benefits stories e.g. Volunteer Days, additional parental leave, CEO updates and more.
- **Redesigning the platform "homepage"** to shine a spotlight on particular benefits (this month's, for instance is our EAP) through tailored tiles and segmented content.
- **A one-stop shop** with benefits information so employees can access details on all of our benefits quickly and easily.





4. Real-time support

With more and more organisations going global, or expanding at the very least to a national stage, the ability to provide employees with **real-time support** is key to a world-class experience.

In particular, it's about providing support when your people need it the most. At Reward Gateway we analysed usage patterns across nearly 5 million users and found that prime usage times when it comes to accessing employee benefits were during:

- Commuting hours - morning and evening commutes

- Evenings
- Weekends

These statistics reflect my family's personal experience. We do our weekly shop on a Sunday or when I have a more flexible work day, so that's when I'm accessing my discount.

My wife and I are planning a holiday for next year, and that's done at night when we're at home together, or on the weekend. If I'm going to access support it's going to be when I'm actually accessing my benefits, not 9-5 Monday to Friday.

It's because of this usage information that we moved our employee service at Reward Gateway to 24/7/365, reflecting our focus on employee experience.

So when it comes time to planning the support for your employee benefits consider

what options you have to **provide real-time support when your people need it most.**





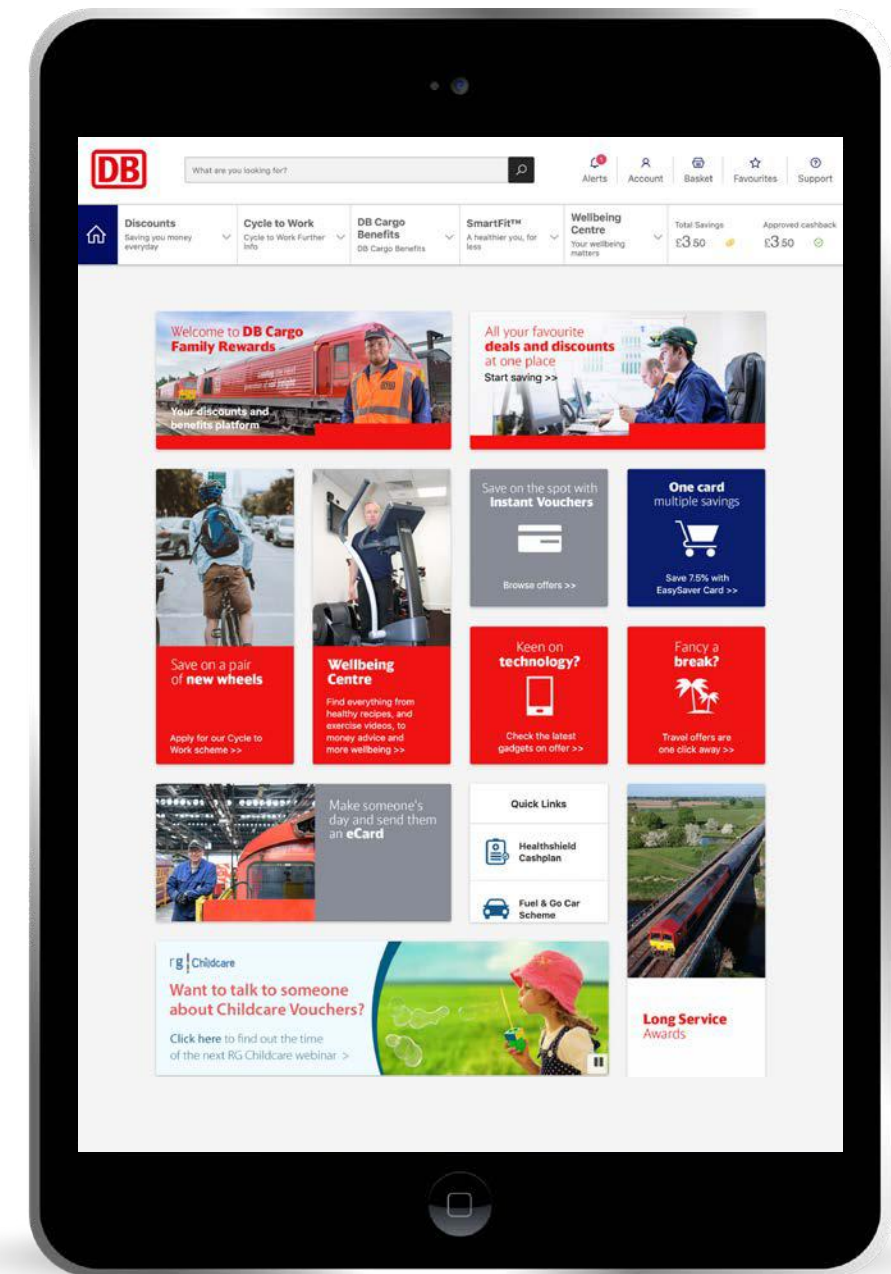
Spotlight:

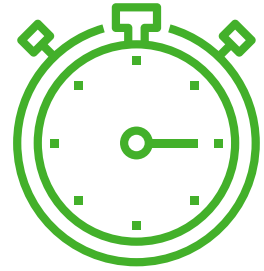
DB Cargo UK wanted to provide its 3,100 employees with benefits that would be genuinely useful in their everyday lives, both for them and their families. Some of the existing benefits, such as dental cover, weren't getting the desired interest from their workforce.

To help, DB Cargo UK uses salary sacrifice products and innovative communications to engage 78% of the infamously difficult, offline male workforce – whilst also seeing £150,000 return on investment. Feedback from employees states 3% actively feel healthier and better supported thanks to the salary sacrifice products on offer.

“DB Cargo Family Rewards” was a carefully selected name, chosen to promote how the benefits available are for the whole family, not only the individual employee. DB Cargo UK wanted the programme to appeal to employees and their partners and family members, who could also make use of the vouchers.

A big bonus for employees, including the offline workforce, is that they can apply for their salary sacrifice options on any device and at any time through the employee benefits programme. DB Cargo UK also had the foresight to keep details of the 24/7/365 Helpdesk number on all communications so that the less tech savvy could still take up their benefits. With the right mix of benefits, DB Cargo has seen a 78% engagement level in its programme.





5. Instant accessibility

If you really want to ramp up your benefits, consider how you can provide **instant accessibility** online through a digital platform. This empowers your employees and their families to access their benefits at any time, on any device.

What this means in practice is that you not only support your employees' financial wellbeing on a daily basis, in real-time, you also get dozens of opportunities to positively reinforce your employer brand externally to the family – that's when they are buying their kids' trainers, shopping for groceries, booking their next holiday or even out on a date night.





Ashford Borough Council wanted to reward their staff for hard work and dedication whilst considering value for money amidst budget cuts and service reviews. They wanted to protect their recruitment and retention levels to bring in and keep talented people who are passionate about providing excellent service to every resident and customer.

A lot of thought had been put into the scheme name, colours, branding and the logo – which incorporated Ashford Borough Council’s very own piggy bank mascot, Sir Wilbur of Trottsville.



Wilbur is also featured heavily in their internal communications, and along with his wife Wilhelmina and their piglet stars they held their own monthly article showing staff how they can use the site by highlighting different offers.

The internal strategy consisted of proactive communications that used all of the different channels available, including quarterly competitions that put staff into a prize draw for a £50 voucher of their choice just for logging in, posters, intranet news and carousel images.

There is 80% engagement with the platform, 342 live registrations and to date there has been a spend of £630,000 – which has given employees a saving of £54,000. Staff satisfaction has improved by 53 points and there is now national recognition of the Council’s employer brand.





6. Real-time data and reporting

Having a digital-first experience has its benefits for HR too. Not only does it reduce the time and effort administering a benefits programme, you have instant access to real-time data and reporting about your programme's performance.

You can't manage what you don't measure.

Ideally your benefits reporting would have a real-time dashboard showing you programme metrics such as page views, employee spend, employee savings, period-

on-period metrics, what are your top retailers and more.

Even the best employers have plenty of misfires. But I've spoken to a number of organisations who've used the surveys and reporting tools that are at their fingertips – this allows them to fail fast and pivot, trialling different communication campaigns and benefits mixes for their different employee demographics.





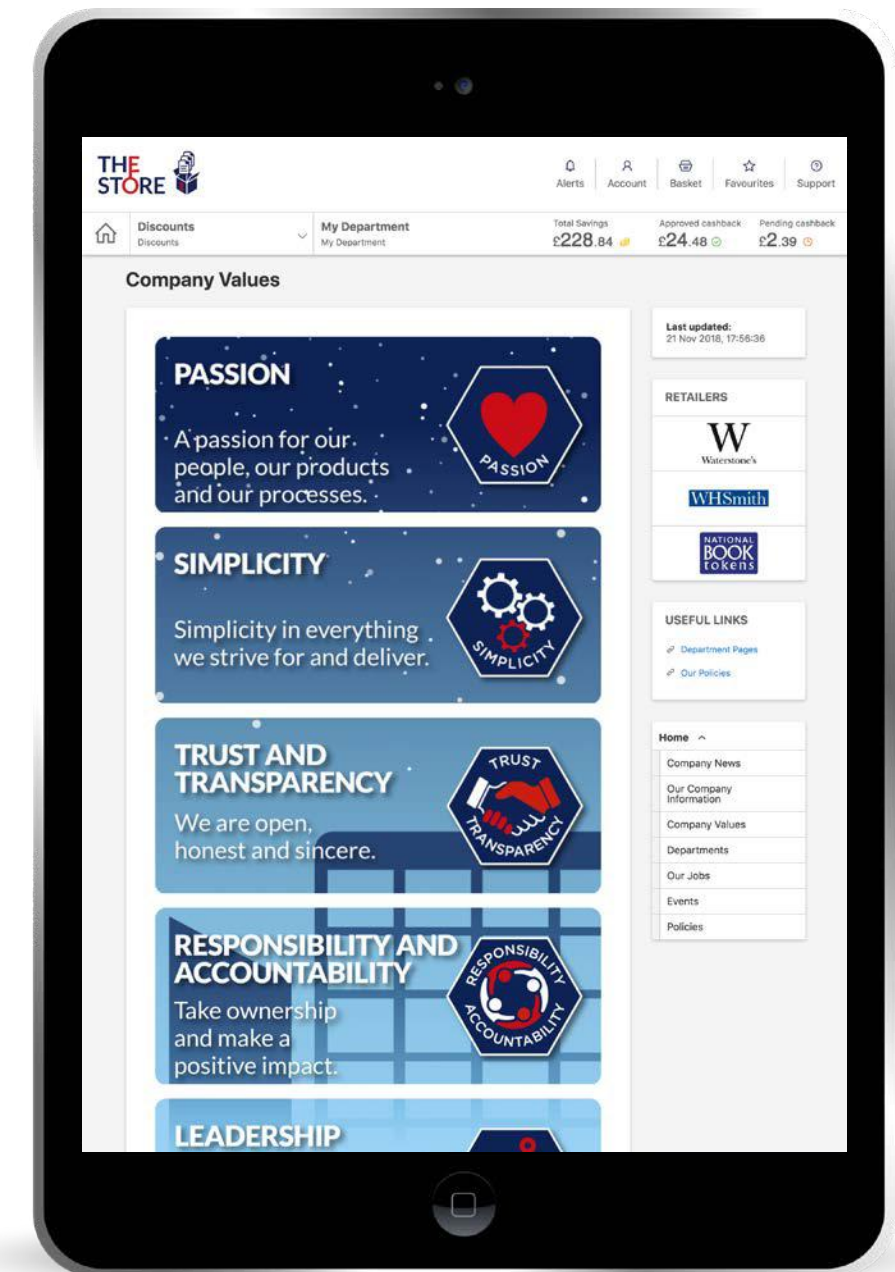
The team at AutoProtect had observed that staff attrition rates were high, while existing staff benefits were few and far between, especially with no recognition. While it was a priority for the team to inform staff about the business and its goals, internal communications were poor at this point, posing a major challenge.

Working with Reward Gateway, the team developed a communications programme to promote The Store benefits platform, with key objectives of creating awareness and achieving high volumes of registrations. Following launch, the team needed to encourage engagement and maintain interest

levels in the new platform, staff benefits scheme and key business documents store.

To combat the lack of choice in employee benefits, the team put in place a variety of benefits with Reward Gateway, including employee discounts and Holiday Trading. The platform would host important AutoProtect business updates, developments towards goals and feedback mechanisms as well as the great discounts available and new staff benefits.

Since launching the campaign, AutoProtect's Glassdoor score has jumped from 2.3 to 4.5, while staff attrition rates have fallen from 21.5% to 14.75%. The platform itself has maintained great levels of engagement, hovering at or above 95% of usage from eligible staff.



How to Get Buy- in for an Employee Benefits Programme



1. Engage early

Identify your stakeholders' priorities and solicit their feedback. Taking extra time to educate them and doing your homework early will enable you to overcome obstacles, and ultimately set you up for success when it comes time to pitch.

2. Start with WHY

You should be able to answer the questions: Why now, why this initiative and why is it so important to our organisation's success? Many organisations are vying for the best people, so it makes sense that employers are looking for ways to stand out and also create stickiness and relevance amongst their current employees.

3. Put yourself in their shoes

Today, HR leaders require buy-in from an average of 5.7 stakeholders, and the

likelihood of approval drops significantly with every additional "yes" you need. Spend time looking for common ground and focus your business case on the areas where the interests of your stakeholders overlap and they agree on a common vision, purpose and advantage.

4. Leverage the right data

Every investment comes with a cost, but if you can prove a high return on that cost, your proposal's value becomes much more attractive. The most successful business cases always include the high-level facts around ROI – tangible measures like sales and revenue – and VOI – anecdotes about how employees are valuing and using the programme, or how it impacts your employer brand.

5. Master your timing

Is there a seasonal opportunity you can leverage to maximise the impact for your employees? A number of organisations opt to launch employee benefits at Christmas to support employees during a season of high-spend, or they start the new year off with a fun and exciting launch, then continue to promote it as something employees can take advantage of all year around.

6. Don't be an island

Find ways to integrate what you are proposing into other business or HR initiatives and consider how your initiative will support or align with other key goals. This helps you create a more compelling story and your business leaders will respect you for this. Second, connect with other HR leaders who are experiencing success in this space and leverage their knowledge and experience.

One of the things Reward Gateway prides itself on is having a Client Success Team who continues to work closely with organisations after launching a programme, supporting them to improve adoption and ongoing ROI. We also share regular industry tips and success stories on our blog and at our events – we are keen to bring HR leaders together and build a community of changemakers who can support each other.



For more information, visit
rg.co/ideas.



Conclusion

Organisations who are setting the pace when it comes to attracting and retaining top talent are doing a number of different things to evolve and strengthen their employee benefits offering.

If you are keen to join them on the journey, here are three key things to keep in mind:

1. Leading organisations are taking a more holistic approach to building a benefits portfolio and finding creative ways to support employee wellbeing.

That includes financial, physical, mental and emotional wellbeing – and doing this doesn't necessarily mean increasing budget but finding creative ways to use what you

already have. Importantly designing a portfolio is really about taking the time to understand what your employees want, and also offering choice and flexibility so people can get maximum value for your investment.

2. Modern benefits strategies prioritise and leverage a digital-first experience.

Your employees expect having things available on their mobile device, but you can take advantage of it – you can find new ways to connect with employees and amplify the messaging and awareness of your benefits, and also tap into the real-time programme data, so you can make informed decisions

3. Finally, engage your people and your leaders early.

Use them as informers as well as ambassadors. Your business will grow and change, so it makes sense that your benefits offering does too.

We look forward to seeing your success in this space, and hearing how you are making your corner of the world a better place to work. If you need any support along the way, reach out to the team at Reward Gateway.



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Interested in your own employee engagement solution?

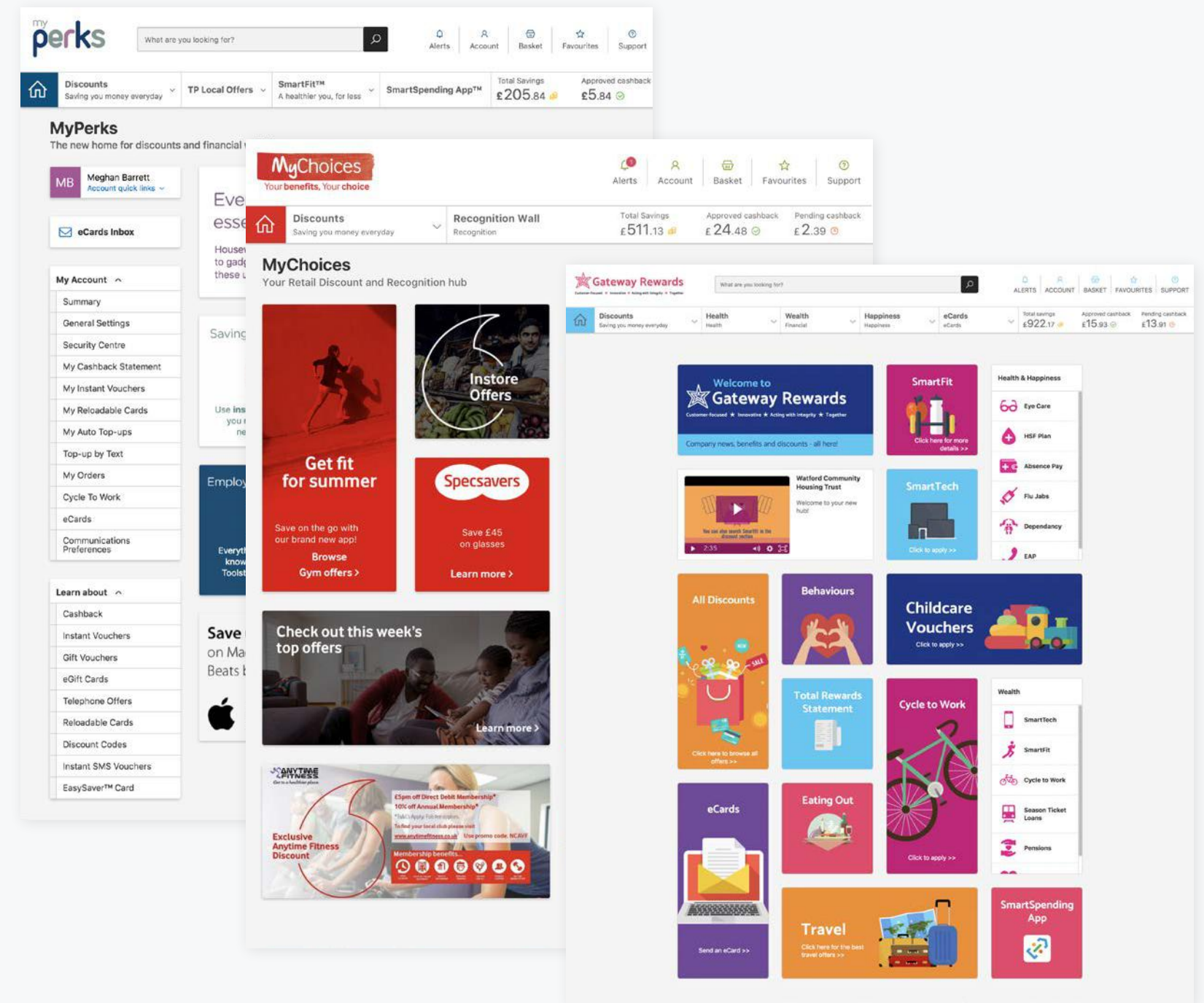
Get in touch with a member of our team to find out how you can get started on your employee engagement journey today.



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Reward Gateway helps make the world a better place to work by delivering the only employee engagement platform with industry-leading employee benefits, reward and recognition, communication tools and surveys all in one place.