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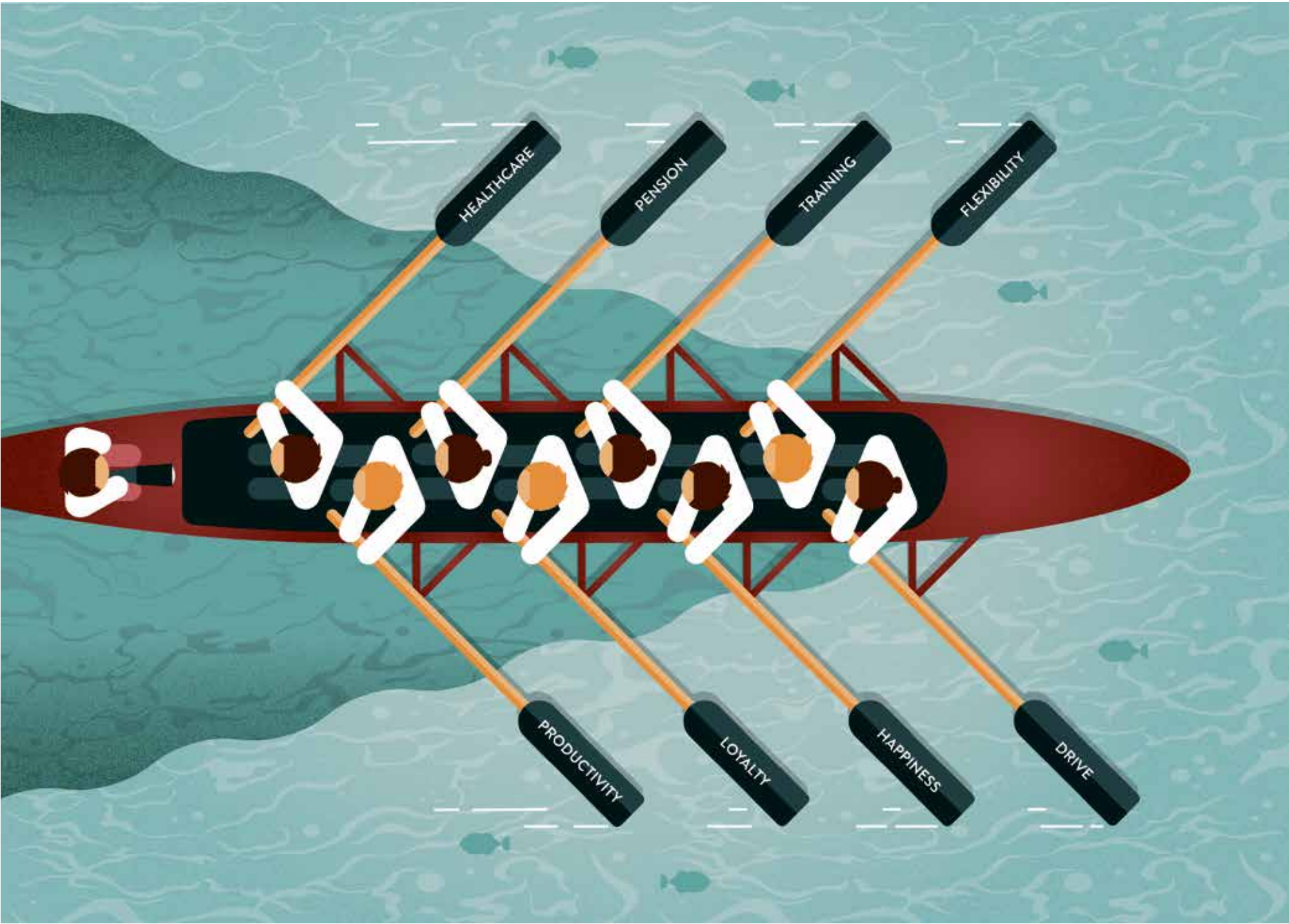
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Getty images

Power of engagement can drive up profits

Companies increasingly recognise the power of a well-executed engagement strategy to motivate a changing workforce to invest effort in growing the business

OVERVIEW
CLARE BETTELLEY

A job for life is a thing of the past, with younger generations now likely to have a number of careers before they retire. Nevertheless, employees are increasingly demanding more from employers in return for giving their best.

According to the Chartered Institute of Personnel and Development’s (CIPD) *Learning to Work: Developing the Next Generation* report, there are currently four generations in the UK workforce – veterans, baby boomers, Generation X and Generation Y, also known as millennials – soon to be joined by Generation Z, and each generation has its own set of demands.

At one end of the scale, Generations Y and Z are typically understood to be tech savvy and goal orientated with a passion for learning and flexible working; while at the other, older workers are either grappling with whether they can afford to retire or deciding if they’d like to remain in work beyond their expected retirement age because they enjoy it.

Throw into the mix the “sandwich generation”, squeezed by the responsibilities involved in caring for both children and elderly parents, and employers face a mammoth task in fathoming out how to identify the tools and support required to engage and motivate their workforce. To further complicate the issue, the needs of each generation are not mutually exclusive.

Mark Beatson, CIPD’s chief economist, says: “There’s always more variation across generations than there is from one generation to the next, so a sensible approach is always to treat everyone as individuals.”

Yet, how can employers possibly support such a diverse range of needs? The answer is simple – they can’t. Companies of all shapes and sizes will continuously experience natural attrition, which means that it’s more practical for them to identify a churn rate with which they’re comfortable.

Employees must also understand their workforce composition. Who is it that they’re trying to engage, and what support do they need to do their job to the best of their ability and for as long as possible?

A common, but avoidable, error is for companies to make sweeping assumptions about employees’ needs, which is a waste of time, money and effort for everyone involved, and will be ineffective in helping to engage the employees.

One professional services firm found this out the hard way when it assumed its staff valued cash and bonuses while in fact paid sabbaticals were of more interest to the majority of the workforce.

Employee surveys and focus groups are key in helping organisations to understand employees’ needs, which

may range from comprehensive healthcare to more generous pensions contributions and holiday allowances.

Chris Rowley, professor of human resource management at Cass Business School, City University, London, says equitable and transparent management, secure and fulfilling jobs, trust and respect, training, development and career progression, team work and participation, flexible working and supporting work-home balance have helped companies to engage their employees in the past.

But he adds: “The applicability and veracity of these requires re-evaluation in the context of organisational strategies and labour-market changes, with higher workforce turnover and career changes.”

It’s also key for companies to re-examine the definition of employee engagement in the context of the modern workforce.

Engaged employees are sustainably engaged to their organisation, according to Tom Hellier, UK reward lead at Willis Towers Watson.

He explains: “They are committed to their organisation, which means they’re loyal to it and have an affinity to it. They have an emotional attachment to it and believe strongly in what it is the organisation is doing, and have faith in the leadership. And they feel enabled to do their best work

with the right tools to do it, and they feel supported by their management.”

Accordingly, in addition to ongoing training, flexible working and work-life balance, an organisation’s corporate social responsibility agenda and the extent to which it gets involved in and supports, for example, charity fundraising and local community involvement is of increasing importance to employees of all ages.

Once in place, companies need to measure the effectiveness of their efforts on an ongoing basis.

There is no shortage of firms offering to measure organisations’ engagement levels, so companies need to undertake the necessary due diligence to identify an approach which uses measures that meet its requirements and, of course, budget.

Inevitably, there will always be businesses uninterested in engaging staff. “For some businesses, it seems greater engagement is not of interest, but rather practices encouraging the opposite and disengagement, such as the growth of zero-hours contracts,” says Professor Rowley. “And the need for enforcement regulations around a national living wage does not imply much reciprocal commitment from companies.”

But, thankfully, there are a growing number of companies that recognise the power of a well-considered engagement strategy in helping to motivate employees to invest the discretionary effort required to help grow the business and boost its corporate reputation in the process.



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COMMERCIAL FEATURE

SIMPLIFY BENEFITS COMMUNICATION TO IMPROVE EMPLOYEE ENGAGEMENT

The link between employee engagement and improved business performance is widely accepted. But organisations need to improve how they communicate benefits to employees, says Matt Frost, business development director of communications at Arthur J. Gallagher

Employee engagement is intrinsically linked to organisational effectiveness, productivity and profitability. According to research by Korn Ferry Hay Group, people who are both motivated and equipped to do their jobs effectively are 50 per cent more likely to outperform expectations and 54 per cent less likely to leave. The government-backed MacLeod Report found a clear link between engagement and an increase in competitiveness and business performance.

A key component of engagement is reward. Research conducted by the Chartered Institute of Payroll Professionals shows 85 per cent of workers rate flexible employee benefits as either “very important” or “important” to them. Often, though, the financial value of the benefits package is underestimated by employees, meaning employers need to put more effort into educating staff about just what it is they receive in addition to their basic salary.

Organisations that want to make their benefit communications more successful must put a clear strategy in place. This should set out what messages need to be communicated and how the information will be shared. It should also consider any obstacles to overcome, and the desired objectives and employee actions.



Using the “EASY” communication model

Successful communications have to make an impact. People receive hundreds of marketing messages every day and they make snap decisions on what to review, ignore or delete. The “EASY” communication model can help guide the content creation process to create more meaningful and accessible messaging.

Emotional: Employees make decisions about benefits with their hearts as much as their heads, so messages should have appeal on both the emotional and intellectual levels. Communication can help employees understand the basics of their benefits, but only when it feels right will they start to engage actively in the process, take ownership of their decisions and value what is being provided.

Appealing: If it doesn’t stand out and demand attention, if it’s not obviously worth reading or easy to understand, it will be ignored. That lengthy “benefits guide”, bland e-mail about “open enrolment” or detailed factsheet has to compete against 300 or more marketing messages a day for employees’ attention.

Simple: Benefits communication is often focused solely on being compliant, with less thought about the person at the other end. Avoid jargon. Keep sentences short. And always make it clear what employees

need to do with the communication they are receiving. If it’s just for their information, say that. If it’s because they need to make a decision, say that too, but communicate clearly what they should do.

You-focused: Employees experience many events throughout their careers – entering the workforce, getting married, having a child, getting ready for retirement. They require education and tools at each major life-stage to ensure they are prepared for what is ahead of them. Learn from the techniques used by consumer-focused marketing and advertising experts to engage customers. Benefits communication must embrace a more sophisticated and personalised approach. Human resources and benefit specialists must rethink how they communicate internally to reflect the preferences of the very different audiences that now occupy the workplace.

Effective communications can help employees understand their benefits and make sound, informed choices. With greater transparency about the total compensation package, employee appreciation and engagement rises, boosting organisational performance. In a significant way, employee communications can have a positive impact on the bottom line.

For more information visit www.ajg.com

Engaging to

An effective engagement strategy can increase recruitment and retention, attract and retain high-performing staff

MOTIVATION
HAZEL DAVIS

Employee engagement is no longer simply about recruitment and retention as companies are taking specific measures to drive motivation and, in turn, raise profitability.

Prithvi Shergill, chief human resources officer at IT services company HCL Technologies, says: “We see employee engagement as the key driver to develop and sustain a productive workforce.”

Mr Shergill cites two key working practices that play a part in this. Firstly, his company’s MAD JAM, or Make A Difference Jamboree, celebrates the most outstanding ideas from all employees. MAD JAM identifies business-centric innovation emerging from employees across the organisation for leaders to nurture and harvest. A jury of senior leaders shortlists the best ideas before employees vote for their favourite entries.

“MAD JAM helps our ‘ideapreneurs’ take their ideas to the next level, converting them from concept to reality,” he says.

In addition, the company’s so-called Value Portal has been designed to record, facilitate, manage, assess and share customer-focused innovations, engaging with more than 25,000 employees. The scheme has so far generated ideas around process improvement, cycle-time reduction, tool development, technical solutions and cost optimisation.

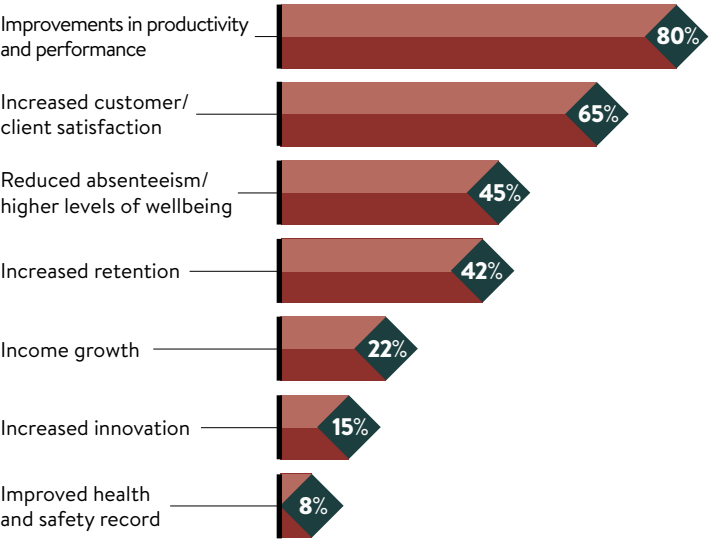
Matthew Levington, director of Business Doctors, a franchised network of management consultants who work with small and medium-sized enterprises, says: “Re-



search certainly backs up many business owners’ gut feeling that employee engagement schemes do have a tangible impact on the bottom line.

“It’s not a simple correlation and there are many factors involved, but engaged employees take fewer sick days, are less likely to suffer from presenteeism and are less likely to leave an organisation. Perks such as gym membership and private healthcare communicate a lot about an employer’s commitment to its workforce and when

BENEFITS OF HIGHER LEVELS OF EMPLOYEE ENGAGEMENT



Source: CBI 2015

FIVE WAYS TO IMPROVE BENEFITS COMMUNICATION

1. Develop a strategy that sets out what, why and how to communicate
2. Define clear objectives that align with the company’s strategy and value
3. Regularly and proactively seek feedback from employees
4. Keep communication EASY
5. Measure the impact of communication and be prepared to evolve

o motivate staff

ease productivity and deliver a healthier bottom line, as well as



Digital media agency iProspect, staffed predominantly by millennials, allows employees to choose where and when they work

an organisation puts it forward, it reaps the reward."

Recent research from facilities and building maintenance specialists Direct365 shows that 61 per cent of UK employees believe they don't receive enough incentives. Many companies offer what's being described as "extreme employee incentives", such as catered lunches and at-desk massages. Google famously offers places to nap during the day, and Netflix and Virgin offer unlimited leave.

Phil Turner, head of digital at Direct365, says: "Many companies tend to behave like ostriches when dealing with employee benefits. They stick their heads in the sand and believe that extreme benefits can make up for other shortcomings. However, the truth is that they aren't necessarily offering perks that their employees really want. Much more thought needs to be put into considering exactly what the employees themselves need."

Engagement measures aren't just about sticking a ping-pong table in the corner or signing staff members up to Bupa. Sometimes it's about changing working practices and tackling engagement in the company structure.

C.J. Morley, global director for talent and development at digital media agency iProspect, says: "iProspect is staffed almost exclusively by millennials – 90 to 95 per cent – and they have a different expectation of the workplace. The whole

notion of a work-life balance has been tipped on its head and people are no longer defined by their jobs.

"As an organisation, we don't define value by the number of hours that someone has put in, but instead focus on their productivity and output. As such, the most important goal that we have is providing our employees with choices in the way they work.

"Globally, we are moving the needle towards the concept of agile working. Staff can decide when and where they work – a notion that may send shivers down the spines of other business owners, but we can already see that the initiative is paying off."

Louise Wesley, director of operations at employee benefits firm Busy Bees Benefits, says: "A strategy to create an engaged workforce should be more than just lip service. Engaged employees will stay longer, perform better and ultimately increase productivity."

Ms Wesley says a successful employee engagement strategy should use a number of tactics, regardless of business size. And it's pretty simple. "Schemes should make pay stretch, improve life outside work, provide opportunities for career

progression and reward staff for hard work," she says.

She cites a large firm in the financial sector, which had previously lost talented women when they became mothers, after having invested time and money into their development.

"The company's new strategy now includes a well-promoted childcare voucher scheme, an emergency childcare scheme and a holiday exchange scheme where employees can buy or sell annual leave to suit their needs," she says.

Such schemes are also accompanied by a coaching programme for pregnant employees and maternity returners, workshops for new and expectant fathers, and

a training programme for line managers covering pre and post-maternity issues.

"Six years on from the initiation of the programme and the company now boasts a maternity return rate that exceeds 90 per cent year on year and awards for its family-friendly working ethos," adds Ms Wesley.

Engaged employees will stay longer, perform better and ultimately increase productivity

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ENGAGING RESULTS



According to research from Deloitte, 80 per cent of UK companies still face a lack of employee engagement. Yet only 36 per cent suggest they are prepared to tackle these engagement issues.

A survey of more than 7,000 employees across 20 countries by global research firm ORC International found that UK employees have some of the lowest engagement with their jobs in the world, placing the UK 18th out of 20 countries.

However, the benefits are measurable. The Co-operative Group's Talkback engagement and performance programme, for example, tracked levels of engagement against store performance.

It found that where engagement improved by an average of 5.24 points or more, the level of food wastage fell by £62.25 per period per store, saving a total of £400,000 a year. Where engagement scores rose by between 0.6 points and 5.23 points, the level of wastage fell by £31.02 per period, saving £200,000.

Elsewhere, research from Standard Chartered found that its branches where employee engagement was high achieved a 16 per cent higher growth in profit margin compared with branches where employee engagement was low and had 46 per cent lower voluntary turnover.

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COMMERCIAL FEATURE

ACHIEVING STAFF SUCCESS AND ENGAGEMENT

Employee engagement is the top human resource challenge organisations anticipate in the next three to five years, according to a Society for Human Resource Management survey – so you need to keep your strategy fresh, relevant and exciting

Achievers

With social recognition and rewards platforms making it possible to achieve sustained increases in employee engagement, as well as reduced administrative costs, it's worth taking a closer look at optimising this activity.

According to the Hay Group, companies with the most engaged employees report revenue growth at a rate two-and-a-half times greater than their competitors with the lowest level of engagement. But it's a strange new world. Employee engagement is the key to success, but most companies still lack on-the-ground programmes to drive that engagement and alignment.

The result of this oversight is disengagement costing business and economy billions each year in lack of productivity. To complicate matters, increased competition means employees have more options to quit and move on in their employment. And today's workforce has a new set of expectations for compensation and benefits, which includes demanding regular recognition for their contributions, not just money.

So how can organisations leverage the connection between recognition and employee engagement? Research shows a social recognition and reward platform provides the best engagement results, as well as alleviating operational pains common to traditional "do it yourself" methods for administering company recognition and rewards benefit programmes.

While it's common to outsource functions such as payroll processing, many companies continue to build their own recognition and reward programmes. Maintaining them with in-house spreadsheets or allowing managers to run disparate programmes across divisions with no central, or even fair, employee recognition, performance measurement or administration management. Simply maintaining the reward inventory can be taxing across tracking and stocking, while manual behaviour measurement can exacerbate issues on unequal access and recognition inconsistency.

A central, company-integrated, social recognition reward platform that provides equal employee access and



instant involvement, along with visible automated tracking of activity and performance, can be very effective.

WHY CARE?

Research from Bersin & Associates revealed employees at organisations that were highly effective at integrating technology into recognition were three times more likely to be in the top quartile of business performance.

This is because recognition technology can make recognition and reward more socially accessible and collaborative to employees, and it enables companies to flex their programmes to fit different business units' needs resulting in more frequent recognition. In turn, this accessibility, flexibility and frequency drive engagement across employees.

These findings underline why companies need to partner with a social recognition and rewards platform provider to solicit the best engagement results, and alleviate operational pains, burdens and inefficiencies common to traditional methods of administering company recognition and reward programmes. Such partnering will sustain and increase employee engagement in their workplaces.

Platforms also capture important data necessary to monitor programme and staff effectiveness.

They provide visibility and reporting into employee trends, views and performance, as well as offering central control of reward budgets.

ADOPTION

Of course, programme adoption is the bellwether of success. High adoption equals high value and engagement impact. The Achievers Employee Success Platform™ delivers a solution that enables social recognition with reward, which dramatically increases employee engagement to drive success. Solutions achieve sustained increases in employment engagement, as well as providing human resources personnel with real-time reporting, budget tracking and a complete palette of features to see the most return on investment.

Achievers partnerships have resulted in, on average, 83 per cent employee user adoption, 31 per cent increase in staff retention with a 22 per cent increase in highly engaged employees and 95 per cent member satisfaction. Achievers can work with organisations to provide a solution that addresses and adapts to the unique needs of their business and culture.

To find out more visit www.Achievers.com

Talking is the best way to win over staff

Communicating with employees through user-friendly channels is necessary to keep staff engaged with company objectives

COMMUNICATION
NICK MARTINDALE

Many employee engagement initiatives fail not because of poor design, but due to ineffective communication with employees. Nor is this confined to specific initiatives; any business wanting to increase engagement needs to make sure they have a suitable means of communicating with employees.

In theory this has been made easier by a number of developments in recent years, notably social media platforms, with employers developing their own internal channels to share information and allow employees to interact with each other in a way that is not possible with top-down communications.

Tony Nicholls, managing consultant at White Stone OD, says one advantage of this is it can bypass the reliance on middle managers, who often fail to cascade messages down the organisation.

"It allows planned internal communications to flow around organisations in a way that mirrors how unplanned, organic communications naturally occur and spread," he says. Yammer is the most popular channel, although data-sharing platforms such

as Sharepoint are popular among particular groups of employees.

Havas Media Group is currently looking at introducing a social media element to its internal communications. "Organisations need to reflect the diverse demographics of their employee population and think about how people engage with technology outside the workplace through Twitter, Snapchat and Facebook," says Darren Minshall, UK group chief talent officer at Havas Media. "An internal communications strategy needs to be implemented to build on these methods of communication, not just create new ones."

The use of social media can be

something of a double-edged sword, however, warns Chris Barrington, managing director of employee communication agency blue goose. "These platforms have enabled employees to communicate, and access each other – and information – easily and whenever and wherever they want," he says. "Information now flows through many channels that the organisation cannot control."

This only increases the pressure on employers to find effective ways of reaching employees, and the rise of mobile technology has also helped, allowing people to access company intranets, social media platforms or dedicated apps from their own devices.

"The ability to communicate with employees 24/7 in real time via mobile is very compelling, especially as more employees are now willing to receive work messages on their personal smartphone," says Jenny Perkins, head of engagement at Cirrus. "But it's best to do this in a controlled environment such as an app. This helps to separate work life and personal life, and makes it easier for the employee to switch off."

Such apps can be used to update people on important news as it happens. "By leveraging the right mobile app, employers can engage with their employees and give them the information they need on

the go," says James Kelly, head of sales at P&MM Employee Benefits. "One of the key benefits is the ability to send push notifications to ensure employees are always aware of the latest updates."

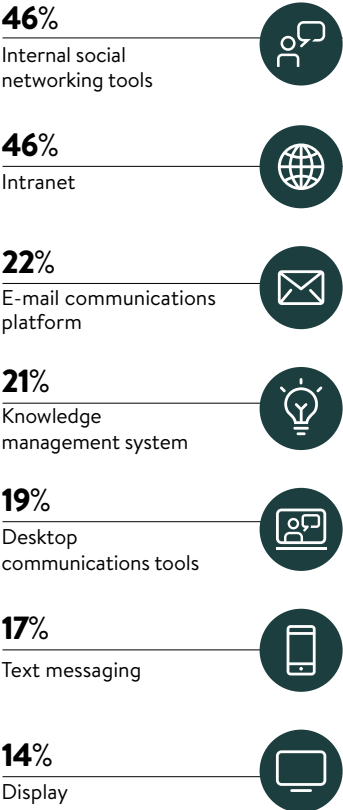
This is something Opus Energy has used to good effect. "A favourite of our team is the Slack app," says Lynn Morrison, head of business engagement. "With desktop, browser-based and mobile app versions, our teams can keep in touch anytime and anywhere they want."

HCL Technologies is using both social media and mobile technology to help improve internal communication. Its mobile MEME platform

“Organisations need to reflect the diverse demographics of their employee population and think about how people engage with technology outside the workplace



NEW COMMUNICATION TECHNOLOGIES COMPANIES ARE LOOKING TO DEPLOY



Source: Newsweaver 2014

connects more than 87,000 employees, says Prithvi Shergill, chief human resources officer, with the aim of getting them to connect with each other as well as to perform HR-related tasks such as entering timesheets or applying for holiday. This has also led to a rise in engagement. "As soon as it was launched, MEME enabled us to collect more than 930 business innovation ideas from employees working on diverse projects across our organisation," says Mr Shergill. "Around a fifth of those are now a part of HCL's go-to-market offerings, demonstrating a clear business case for the role of social platforms in internal communications."

The use of social media and mobile technologies also allows both employees and employers to engage in real-time feedback rather than having to wait until an annual appraisal or meeting. "If a colleague gives a great presentation and someone commends them on that, this feedback is visible even to their line manager even if they didn't actually see the presentation," says Karen Minicozzi, vice president of human capital management product strategy for Europe, the Middle East and Africa at Workday. Indeed, today's employees now expect such immediate interaction and communication with their employers, making it essential for businesses wishing to build genuine rapport. "The paradigm has shifted from a traditional downwards periodic communication to employees, who expect both a real conversation and the empowerment to make change happen," says Sam Dawson, UK head of insight at Korn Ferry Hay Group. But there is a risk of relying exclusively on such technology. Jack Curzon, senior consultant at Thomsons Online Benefits, says he is seeing clients moving away from mobile apps. "Employees aren't willing to download an application for something that they might use only once a week or once a month," he says. "Instead it's becoming more important to host information on a reactive, mobile-optimised website." Tailoring communications for individual employees or groups is also important, he adds. Robin Hames, head of marketing and research at Capita Employee Benefits, also warns against rejecting e-mail as a form of communication. "E-mail is firmly embedded in workplace communications, whereas the use of social media has been more hesitant," he says. "We're not yet seeing the full adoption of these channels in the same way as we have with e-mail."

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Free up staff to be more productive

Allowing employees to work when and where they like makes for contented staff and benefits the business often

FLEXIBLE WORKING
CHARLES ORTON-JONES

With Flexible Working 1.0 we saw employees offered flexitime. If staff arrived an hour early they got to leave an hour early. For those with tricky childcare issues or idiosyncratic body clocks it was a blessing.

Now we have version 2.0. Companies are incorporating all sorts of employee demands into their flexible working offer, from job-sharing and on-site nurseries, to duvet days and “free-ranging”.

Trudie Powell and Louisa Taylor are pioneers at job-sharing. They pair up to do a single role at computer brand Dell.

“When I had my daughter six years ago, I wanted to come back to work, but not full time,” recalls Ms Powell. She’d built a career as a sales rep at Dell dealing with global top-500 corporations. “I discussed the options with my manager and Dell were able to be flexible.”

A colleague, Ms Taylor, was also on maternity leave, so it was agreed the two would come back and share the job. “Everything is split down the middle,” says Ms Powell. “Two-and-a-half days’ each. She does the first half of the week. I do the second half. We hand over mid-way.”

The trick to a smooth job share is the handover. “We put in a lot of effort to make sure it’s seamless,” says Ms Taylor. The arrangement means both mums get to devote time to their children. And Dell get happy, committed and refreshed workers. “Dell gave us a shot and we’ve proved it works,” adds Ms Taylor.

It’s also worth considering an “ease in, ease out” policy for mums. At public relations firm Golin, mums-to-be get reduced days, compressed hours or work from home to make medical appointments and commuting easier. They then gradually build up from two days a week to their chosen working hours as they return.

Maternity, adoption and shared parental leave are well in excess of the statutory minimum – eighteen weeks for shared parental and six weeks for paid paternity leave.

Golin managing director Bibi Hilton explains the payback: “So does any of this actually matter from a business perspective? Absolutely yes. It’s expected today that employers are flexible, family-friendly and supportive,

and as a people business, our success is based on being able to attract and retain the best talent in our industry.

“Last year 100 per cent of our mums returned from maternity leave, up from 82 per cent in 2013 and our overall retention rates also rose 5 per cent in the same period. So yes indeed, our progressive approach is helping us to attract and retain the brightest talent.”

Holiday time is a key area for flexible working. The gold standard is Sir Richard Branson’s “unlimited holiday” at Virgin. But how does it work? App creator Musement, the brand behind the very popular travel activities app of the same name, also offers no limit to the amount of holiday staff can take. Madness?

“It’s a surprisingly easy policy to instigate and manage,” says Musement chief executive Alessandro Petazzi. “An employee agrees what they want to do with their team and the team agrees it together with no intervention from top management. They have a shared calendar so they know who is away and when, and management doesn’t approve or disapprove holidays, trusting that the team will work together. It’s worked superbly so far.”

Any mickey takers? “So far there have not been any employees taking advantage,” says Mr Petazzi. The key, he says, is to be the sort of company which people feel positive about and don’t want to escape from.

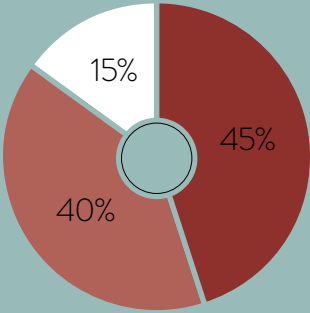
“I am unsure if it would work in a disengaged employee situation where trust is not already present. If trust is already a difficult issue you will probably open the door to abuse and in a larger organisation it may be harder to manage,” he says.

Marketing agency The Specialist Works gives staff two BOB – boozed or burnt – days. Operations director Tom Wilson says: “These two days can be used for anything. If you’ve spent the last couple of days pulling together a pitch and need a rest or those drinks on a Thursday night went on a bit late and the thought of work on Friday is worse than the hangover – these are all legitimate reasons for staff to use BOB days.”

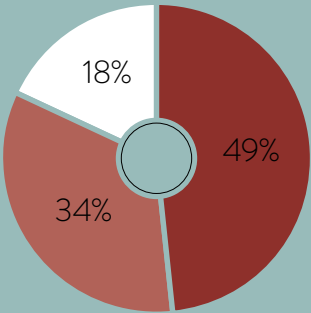
Even supposedly traditional white-collar sectors are embracing total flexi-working. Accountancy giant Deloitte uses what it calls agile working. This means choosing where you work and when. Output, not hours, is what counts.

PREVALENCE OF FLEXIBILITY PROGRAMMES

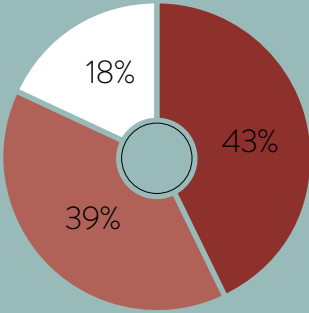
Offered to all employees Offered to some employees Not offered



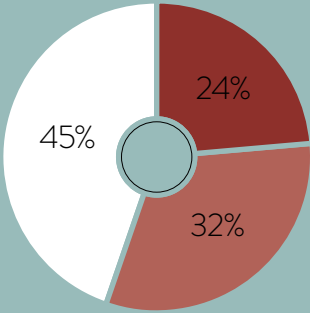
TELEWORK ON AN AD HOC BASIS



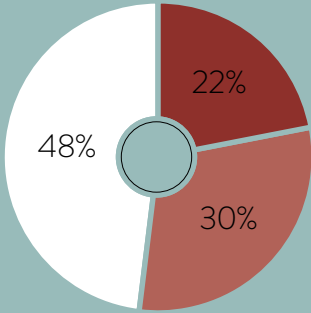
FLEXI-TIME



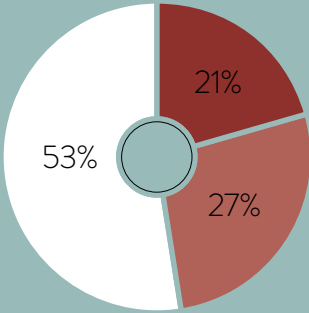
PART-TIME SCHEDULES



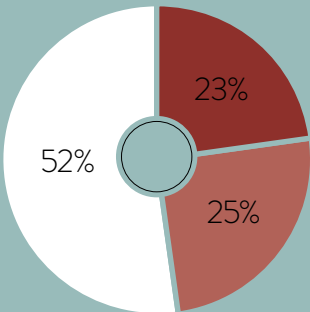
TELEWORK ON A REGULAR, MONTHLY BASIS



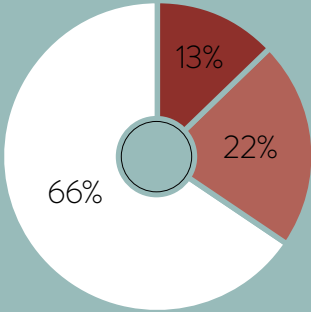
TELEWORK ON A REGULAR, WEEKLY BASIS



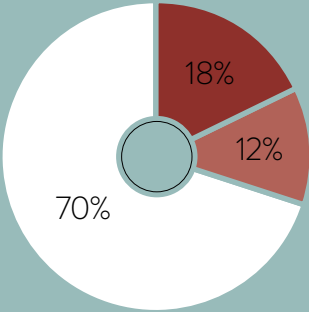
COMBINATION OF PROGRAMMES TAILORED TO FIT EMPLOYEE'S NEEDS



SHIFT FLEXIBILITY



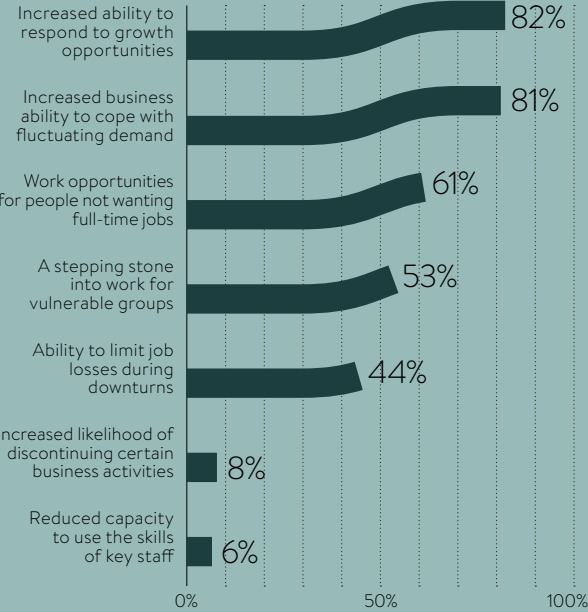
TELEWORK FULL TIME



PHASED RETIREMENT

“Our progressive approach is helping us to attract and retain the brightest talent”

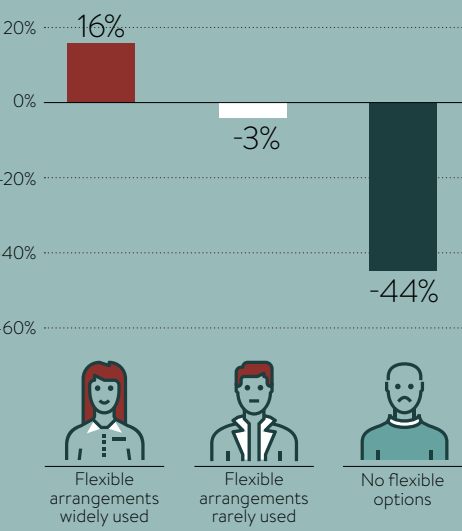
IMPACT OF FLEXIBLE WORKING



Source: CBI 2015

EMPLOYEE ADVOCACY WITH FLEXIBLE WORKING

NET PROMOTER SCORE OF ORGANISATION AS A PLACE TO WORK



Flexible arrangements widely used



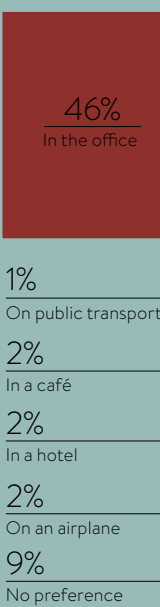
Flexible arrangements rarely used



No flexible options

Source: CBI 2015

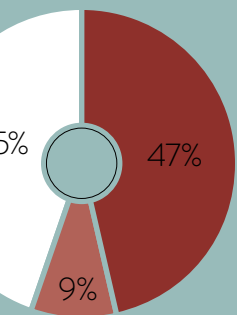
WHERE MOBI MOST PRODU



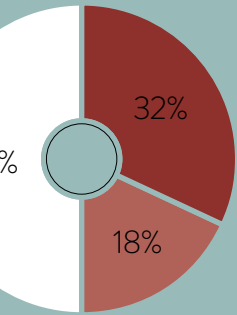
Productive while keeping them happy

at little or no cost to the company

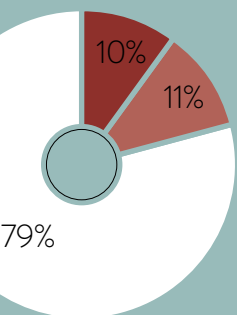
offered to any employees



PHASED RETURN FROM LEAVE



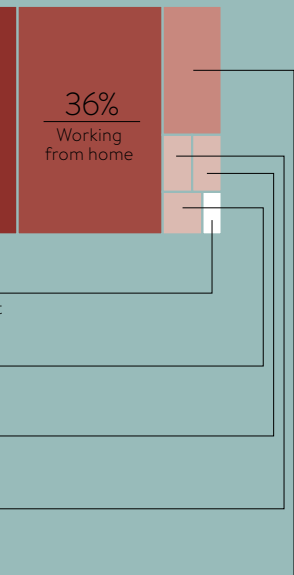
EXPRESSED WORK WEEK



JOB SHARE

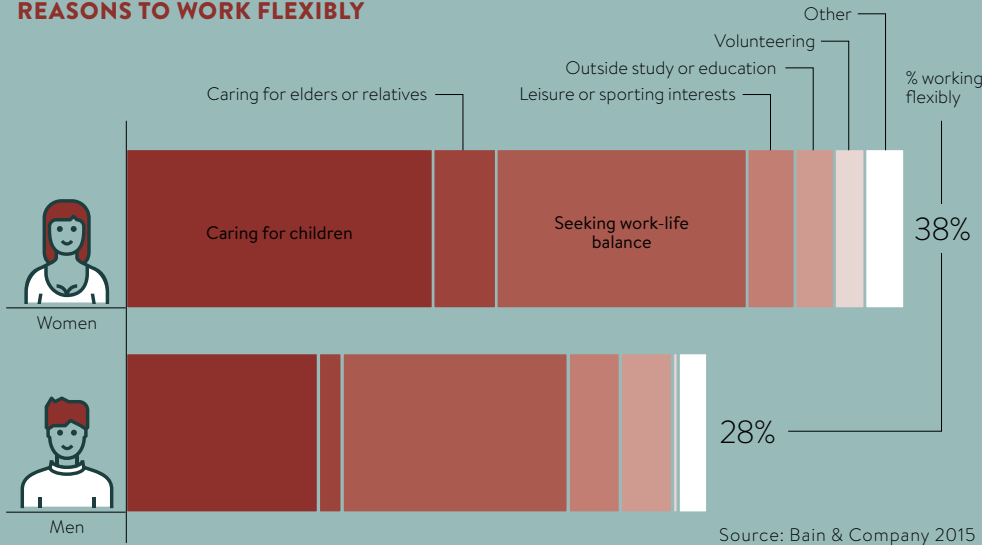
Source: WorldatWork 2015

LE WORKERS FEEL ACTIVE



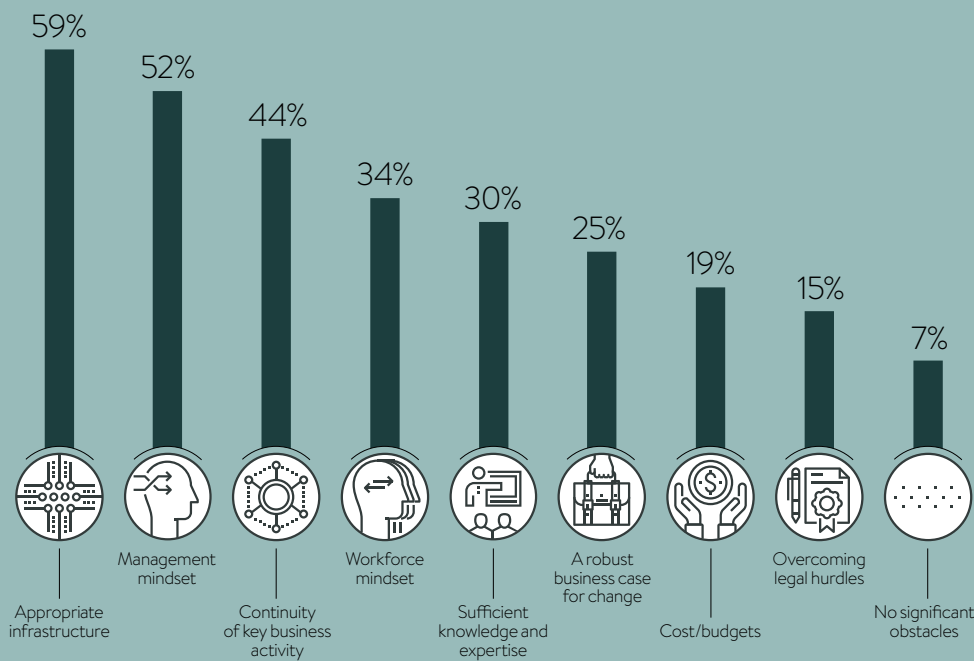
Source: BT

REASONS TO WORK FLEXIBLY



Source: Bain & Company 2015

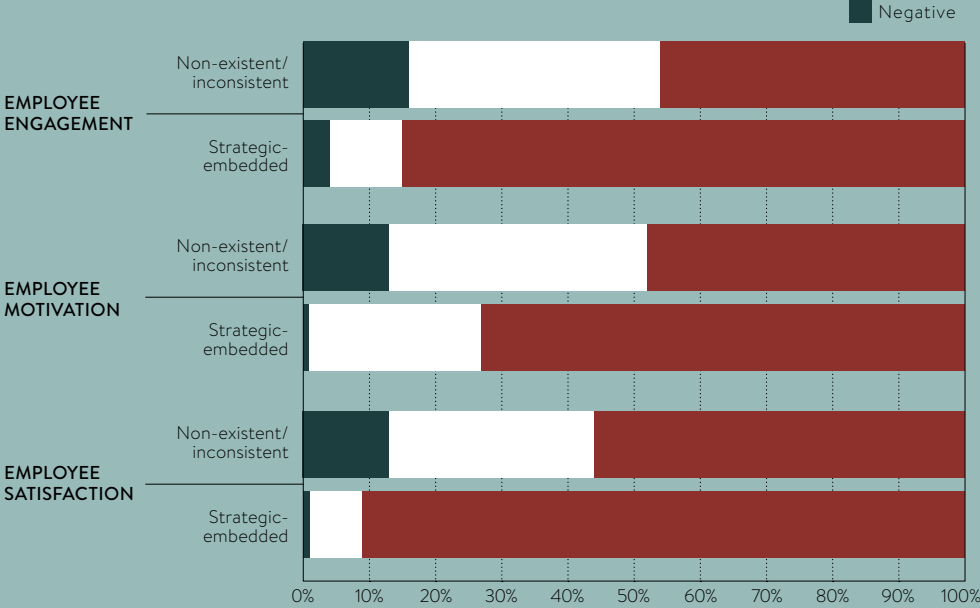
MAIN OBSTACLES FACING BUSINESS IN IMPLEMENTING FLEXIBLE WORKING



Source: CBI 2015

PERCEIVED IMPACT OF FLEXIBLE WORKING

BY DEGREE OF FLEXIBILITY CULTURE WITHIN ORGANISATIONS



Source: WorldatWork 2015

Emma Codd, managing partner for talent at Deloitte, says: “I have never missed a school event and work from home one day a week so I can drop off and collect my children. I am able to do this because I am judged on output, trusted and respected to make the right choices, and because I am open and honest about the way that I work. And my colleagues, in turn, are open and honest with me.”

M&C Saatchi PR offer free-ranging. This means staff can work anywhere within 1.5 miles of the office. Managing director Chris Hides says: “All our offices around the world are located in vibrant areas in great cities, from Soho in London to Friedrichstrasse in Berlin. These are areas packed full of creative inspiration and free-ranging allows our people to immerse themselves in the inspiration that surrounds them.”

Want to make the change? Then perhaps you need a Task Force. Asda supermarket created a Flexible Working Group in 2015 to pro-

mote awareness of options and gather feedback.

Hayley Tatum, senior vice president of people at Asda, says she’s prepared to consider any request, and part-time, job-sharing, remote-working, career breaks, shift-swapping and additional leave are all commonplace.

“Supporting colleagues to achieve a good work-life fit will lead to a happier and more productive workforce”

Hot-desking, teleconferencing and remote collaboration tools are standard.

“We believe that supporting colleagues to achieve a good work-life fit, in whatever way best meets their individual needs and circumstances, will in the long run lead

to a happier and more productive workforce,” says Ms Tatum.

The evidence suggests she’s right. Flexible arrangements deliver innumerable benefits, for little or zero cost. No wonder they are changing the way we think about work.

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CASE STUDY: NOMADIC MARKETERS



Ryan and Danielle Forrest run their internet marketing businesses in nomad style. There’s no office and the workforce is a global network of contractors. This ultra-flexible approach means the pair can move from country to country while they work.

Danielle explains the method: “We’ve just spent the last five months travelling. We are in Florence now, and we were in Montepulciano and Split, Croatia, before. That’s the beauty of working flexibly. We can live and work wherever we want.

“This lifestyle offers freedom, and the opportunity to know yourself better and explore the world. We’ve learnt a huge amount in the past five months, as much as we did in the previous five years.

“Ryan and I own our own online agencies. Mine is Joy Works Marketing, his is Fungi Marketing, but the two work together. We have around 20 contractors in Canada, Germany, the US, South America, Macedonia, India, Bulgaria and Nepal.

“We use Upwork.com to find them. By hiring worldwide we can get incredible talent to work for us. A lot are mothers who chose to work from home. There is no office to pay for. We prefer to use a co-working space and co-ordinate using project management software like Teamwork.com.

“We’ve loved travelling, but I think we won’t live the nomad lifestyle for the rest of our lives. That might be too hard. But we know that we’ll always have the opportunity. Next for us? Michigan, then, at some point, Romania.”

Bespoke benefits mean more

One size no longer fits all when it comes to staff benefits and enlightened employers are offering different perks to suit an increasingly diverse workforce

DIVERSITY
PETER CRUSH

When Facebook and Apple were last year revealed to be offering female staff the perk of being able to freeze their eggs, many viewed this as taking the personalisation of benefits too far.

But whether it's offering this, or more recently the paid leave Bristol-based firm Coexist said it would offer female staff suffering period pains, the thinking behind it is actually sound.

Proactive employers realise one-size-fits-all benefits packages are no longer appropriate for workforces that are more diverse, multi-generational, multi-ethnic and geographically dispersed than ever before.

"Ten years ago, white baby boomers were the most dominant group in work and they had very set views on reward being linked to serving their time," says Mark Ramsook, senior consultant at global advisory firm Willis Towers Watson. "Now there is a change of mindset, increasingly from the millennial generation, but also Generation X, about workplace benefits needing to be very specific to their different wants and needs."

"While benefits don't typically feature in the top five things that attract people to organisations, there's growing evidence that suggests the perks companies promote do become important for retention because they talk to people at an emotional and engagement level."

For a long time, the standard way to take account of diversity has been to offer so-called flexible benefits, typically through a web portal, where employees can spend a benefits pot as they choose.



Starbucks offers its long-term employees a loan of up to one month's gross salary to help them pay things like housing

The theory is that a cafeteria-style menu enables staff to pick what's relevant to them. Some may want to bolster life assurance or pensions, or health cover at specific life events, while for others it's buying and selling extra holiday entitlement that matters.

For those who are geographically dispersed, allowing working from home or enabling car ownership might be important. With the latter, by operating a salary sacrifice scheme, employers can offer new car ownership to those who might otherwise not be able to afford it.

But, while providing choice might recognise everyone is different, increasingly this approach is being seen as impersonal at a time when employees want to feel special. Those who

really want to engage their workforce realise a new way is needed – profiling exactly who they employ and offering a much more bespoke set of perks.

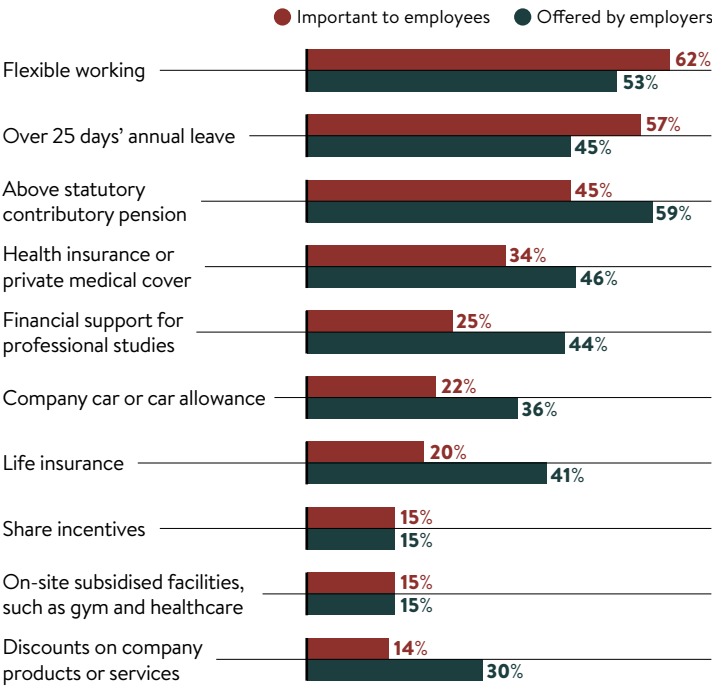
Starbucks is one such business. Some 50 per cent of its partners are under the age of 25, so after auditing what mattered to them, last month it launched Home Sweet Loan, a perk which enables staff to get up to one month's gross salary given in one go to help them pay for rental deposits or upfront rent.

"We found the sheer cost of housing was a specific worry for partners, especially paying for deposits," says Lisa Robbins, director of partner resources at Starbucks. "So, what we're now offering is the ability to apply for a loan and pay it back over 12 months, as long as people have worked for us for one year. In London especially, people have to move quickly and it's not having access to funds that holds people back from securing properties."

With millennials set to comprise 75 per cent of the global workforce by 2025, according to Deloitte, it's no coincidence many firms are putting effort into meeting this particular group's needs. Benefits include providing season ticket loans, through to vouchers and coupons where, just by spending normally, staff can save up to £1,000 a year, according to P&MM Employee Benefits.

Some employers are going further still, offering actual financial products for their staff. KPMG recently joined forces with Clydesdale and Yorkshire Bank to offer staff the sorts of preferential mortgage rates that would not normally be available. "Buying a property is the key aim for staff, many of whom we know are still living with their parents into their 30s," says Sara

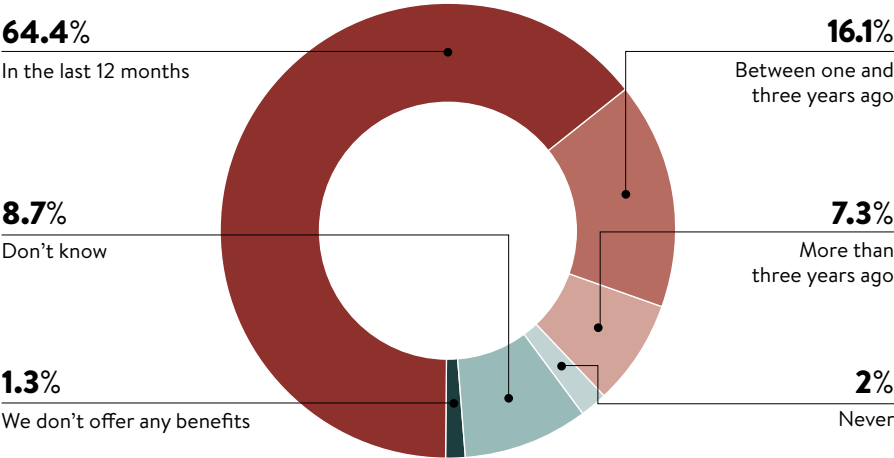
WHICH BENEFITS ARE IMPORTANT/OFFERED?



Source: Hays 2016

COMPANY AWARENESS OF EMPLOYEE BENEFITS

WHEN WAS THE LAST TIME YOU REVIEWED YOUR BENEFITS OFFERING?



Source: Jelf 2015

Flanagan, KPMG's head of employee benefits and wellbeing.

"Our staff's future earnings are high, so we've been able to leverage this earlier by negotiating with the banks to give them a private account now. It's this which gives the preferential mortgage rates they wouldn't have been able to get until they were earning more."

Simon Mounsey, at business services firm Agilisys, has gone one step further, partnering with MySalaryFinance, to offer staff the ability to pay off

Those who really want to engage their workforce realise a new way is needed – profiling exactly who they employ and offering a much more bespoke set of perks

loans. MySalaryFinance aggregates many debts into a single amount, which staff can pay off through payroll at a much lower rate of interest.

"While we don't want to create ways for staff to get into debt, what we knew was that large numbers of staff had debt problems," he says. "By offering this we're able to save staff around £1,000 each in interest payments per year. Around 50 staff out of 600 have taken advantage of this."

The secret really does seem to be profiling. At the other end of the age

spectrum, Age UK, where almost 70 per cent of staff are over the age of 40, offers retirement planning workshops and it negotiates 5 to 10 per cent discounts on insurance products.

But there's one area where employers arguably do need to up their game. Recent official figures show around 11 per cent of the workforce now come from an ethnic minority background and, if minority staff really want to feel valued, perks pertinent to them, such as Sharia-compliant pension schemes, need greater attention.

"Benefits that speak to different people's cultural norms will have to become much more prevalent," says KPMG's Ms Flanagan, who not only enables staff to observe religious holidays, but ensures other areas are accommodated.

"Orthodox Jews can't travel on the Shabbat, yet what isn't widely known is that this officially starts at sundown the night before [Friday]," she explains. "In winter, sundown can be as early as 4pm, so we allow Jewish staff to be at home by that time."

Starbucks offers paid-for English language courses to staff, which Ms Robbins says is not only good for the customer experience, but gives staff skills they can benefit from for life.

The resounding conclusion is this though – if you want to really engage your staff, think more creatively about what different perks you can offer and who they might appeal to. That way you're showing staff they're not just the same cogs in the wheel.

COMMERCIAL FEATURE

EMPLOYEE ENGAGEMENT SURVEYS: THERE IS A BETTER WAY

Employee engagement surveys that fail to deliver timely, actionable feedback understandably cause frustration, so employee engagement specialist River is taking a different approach which is set to disrupt the traditional world of the engagement survey



Since the link between employee engagement and profitability has been made, employee engagement surveys have become popular in large organisations. The time and money invested can be enormous, but all too often that investment is wasted on surveys that are too long, too infrequent and that fail to deliver quick feedback to the people who need it the most.

River is doing things differently, taking a fresh approach that uses mobile technology and makes the engagement survey personal, meaningful and regular. It delivers instant, actionable feedback and is a more dynamic way of discovering how employees genuinely feel about the company they work for, as well as encouraging colleagues to take responsibility for owning their personal engagement score.

River's purpose is to make great days at work for our clients' people, to create an emotional commitment between employees and their organisation, resulting in higher levels of discretionary effort. Since 2003, we've been designing, building and managing bespoke employee engagement solutions – recognition programmes, internal communication initiatives, private social networks and incentives – for clients such as Asda, Clarks, BP and Jaguar Land Rover.

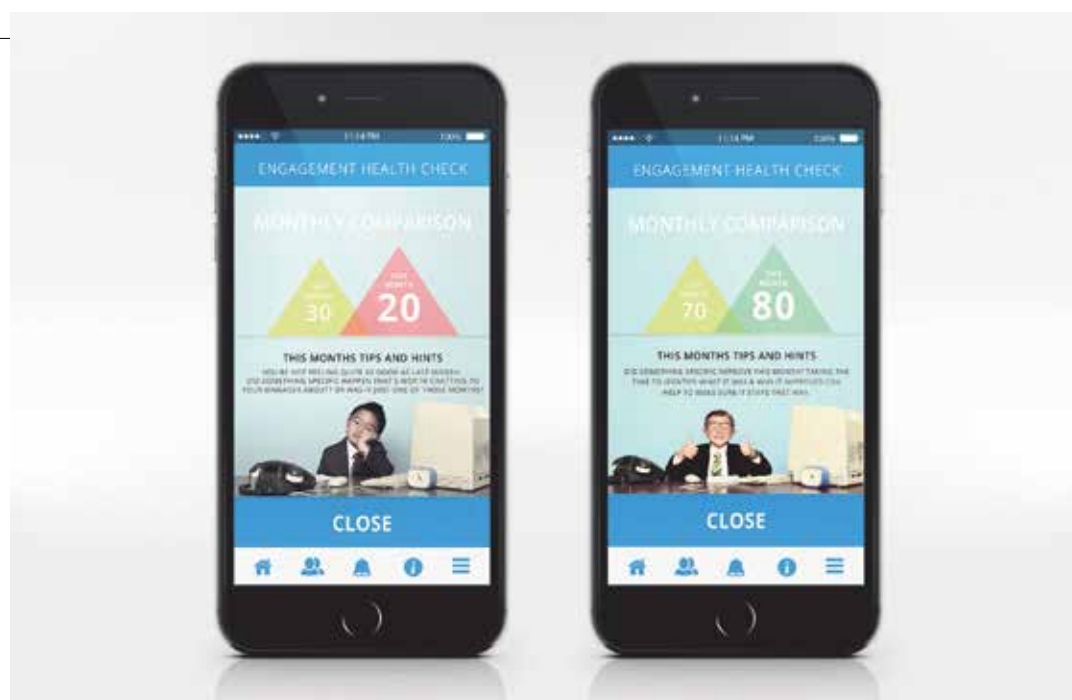
Bespoke solutions like these, for companies with many thousands of employees, come with a cost and companies naturally want to measure the initiatives' success. Levels of programme participation and participant feedback help to do this, as does the impact on an employee engagement survey or score, so over the years we've got to know the engagement survey industry very well.

By seeing how surveys operate first hand, we've identified how they can have a far greater impact. This message is resonating with companies who are looking to move away from the formal, protracted survey to something more transparent, nimble, regular, informal and immediately actionable – to help their people have the best days at work they possibly can.

OUR SURVEY APPROACH IS BASED ON SIX KEY PRINCIPLES

1. Make it little and often

By keeping the number of survey questions low (no more than ten) and by asking the right questions at regular intervals, we discover how



employees consistently feel. Our survey questions only take a few minutes to answer – using a slider on a scale of one to five – and as it's quick, the survey can be deployed as often as required to provide a more honest reflection of how engaged people are right now. Employees can add verbatim comments, but the number of characters is deliberately limited to encourage further discussion with their manager.

2. Make it bespoke

We make sure engagement questions reflect the unique nature of each company – its purpose, values and personality. Benchmarking and historical scores are fine, but if core key performance indicators, such as staff turnover, productivity, customer loyalty, less waste, fewer safety incidents and efficiency, are unaffected, finding out why should be the priority, instead of asking the same old questions year on year.

3. Make it immediate

After taking the short survey, a personal engagement score is instantly available to every employee. Context about what that score means is also provided, along with comparisons with the employee's previous scores, how their score compares to their team average score, their department average score and the company-wide score. We also give people hints and tips, helping them to think about why they feel the way they do; if positive,



how they can feel more of that and if negative, how talking the reasons through with their manager can help. This approach empowers employees to own their own engagement score and take action themselves, to make sure they have more great days at work. Line Managers also have access to live, graphical online reporting, which is updated as surveys are completed. This makes traditional engagement survey reports that take weeks or sometimes months to compile, with further delays as they are cascaded down through layers of senior management, departmental leaders and team leaders, a thing of the past.

4. Make it accessible

In the modern world, there's no reason for people to be sitting in a static location taking an age to complete an

annual engagement survey. Our native app means employees can take our survey on their smartphones, on the go. The survey can also be accessed as an optimised website, screen-ready for mobiles, tablets and PCs.

5. Make it open and transparent

The look, feel and tone of a survey make a huge difference to the response of the person taking it. We make sure our survey looks informal



We make the engagement survey personal and regular, delivering instant and actionable feedback – it's a more dynamic way of discovering how employees really feel



and playful, to encourage honesty. Unless a colleague ticks anonymous, their manager will see their individual scores for each question. A significant contribution to feeling engaged is that employees feel safe enough to be open and honest, and we're working with our clients to help create this within their organisations.

6. Make it results driven

We make sure survey results are immediately available to employees and line managers, so that the two people who matter most when it comes to engagement – the employee and their manager – can have immediate discussions about how they feel and about how engagement can be improved.

This new approach to engagement surveys will see an aggregation of thousands of small improvements happening quickly across our clients' businesses, resulting in an overall improvement in engagement. We're excited to see the results of the client pilots and programmes we're currently running.

Fitness bands originally inspired our approach. The regular, simple feedback they give the wearer enables small changes to be made to personal health and wellbeing on a daily basis. Why can't people make small changes to their emotional engagement more regularly too? We think they can and if you'd like to talk to us about achieving this with your own engagement survey, or about how we can help you achieve higher levels of employee engagement in general, we'd love to hear from you.

Contact River chief executive Phil Dunk to talk about this exciting new approach
E-mail phil.dunk@riveragency.com or call 01865 893400

COMMERCIAL FEATURE

FINANCIAL WELLBEING BENEFITS EMPLOYEES AND EMPLOYERS

It's time to cast aside the old rules for employee benefits based upon return on investment, says Susie Logan, head of business marketing and communications at Standard Life



Employers can no-longer overlook the impact that nurturing workforce wellbeing can have on productivity, talent development and retention. The wellbeing of a workforce goes far beyond what an employee is paid every month – these programmes help employees feel financially healthy and valued by their employer. Providing benefits is challenging and expensive – quite often benefits that seem attractive and would cost a small fortune if secured by the individual on the high street simply don't get taken up. The answer until now has been to engage with employees to make them aware of what's on offer, make them more comfortable about taking them up and to understand the value of those benefits. But employee engagement, while well intentioned, doesn't go far enough in meeting the ultimate aim of making people feel financially secure. It rarely deals with a single individual as these approaches tend to be one-size-fits-all campaigns designed to capture as many hearts and minds with the minimum of fuss and complexity.

Focusing only on the benefits rather than the individual's needs means there is no overall context for the employee to understand how the benefits fit into their own financial circumstances. Traditional engagement is definitely part of the journey, but we can't stop there. We need to focus on improving people's financial health and help them to feel positive about their future. **NEW THINKING** We know that people worry about money – having enough, getting more, how long it will last. Money worries are usually the greatest source of friction in relationships and if people aren't happy at home, they won't be happy at work. Stress is one of the biggest causes of workplace absence – it makes people sick. Anxiety about finances can be equally crippling, even for those who make it in to work every day. A workforce that is saving positively and planning their finances will be less stressed. Less stress means less workplace illness and days off, which have their own cost-benefits. Giving employees an insight into their own financial world and helping them to understand they can take

control of their financial behaviour not only helps reduce their money worries, but it can deliver a more engaged and productive workforce. **FINANCIAL WELLNESS** Financial wellness moves beyond just engaging with employees. Engagement is focused on making people understand their workplace benefits and how valuable they are. But financial wellness is targetted on helping employees understand how to make positive decisions to contribute to their own concept of wellness. In other words, the employee's aspirations replace the benefits as the goal of the engagement. The starting point is for the employer to understand what is important to their employee as an individual. A far more positive corporate culture emerges where financial wellness is pursued.

“ We need to focus on improving people's financial health and help them to feel positive about their future



Employee engagement	Financial wellness
Understanding the benefits on offer, reducing or increasing anxiety	Being free from financial anxiety
Designed to increase awareness of benefits and the value of them	Designed to improve the employees' financial behaviour and drive business impact
Beneficial for the company and possibly the employees, depending on the benefits and their financial circumstances	Beneficial for both employees and the company
Helping employees understand the value of the benefits	Encouraging employees to make positive changes to their spending and saving
Relating only to employees' workplace benefits	Representing employees' full financial picture and their aspirations
Limited personalisation	Tailored to the employee – education, guidance and communications specific to their circumstances
Assessing what benefits employees take and measuring the results	Assessing what employees need, identifying opportunities and measuring the results

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Understanding employee goals allows employers to build benefits structures that really do benefit their workforce. This drives up goodwill towards the employer because the employee understands not only why the employer offers the benefits, but how they can be used to further their aspirations, whether a deposit for a house, putting kids through education or planning for retirement. It is a win-win for both employer and employee, and an objective worth aiming for. These benefits structures are more efficient because they are what employees really want, reducing waste on unused offerings and may even save money in the long run. people that will contribute to financial wellness in the longer term. Combining these and potentially other savings products within a financial wellness programme, provides an employer with a platform that will help to deliver a more progressive benefit structure which focuses on the needs of their workforce, and in turn meets the needs of the business. This can result in a financially well workforce, which is productive and positive in their relationship with their employer.

NO GIMMICK You don't have to be a paternalistic employer to understand that financial wellness doesn't only work your employee benefits structure harder, but smarter too.

PENSION CHANGES Recent changes to pension freedoms provide greater responsibilities for employers in terms of administration and communication, but also offer a great opportunity to reconsider how they help employees understand their benefits. There remains a degree of suspicion around pensions and people never like putting money away for a time they consider too late to enjoy it. The ISA brand is trusted and should help generate a more positive attitude towards saving, particularly among younger workers. The lifetime ISA is potentially a great addition to the benefits mix, but doesn't replace the need for occupational pensions. There are, of course, minimum standards under auto-enrolment, but the lifetime ISA adds another dimension to long-term saving. This new vehicle offers savings continuity between leaving school and the point of having settled down when most people, often too late, start to think about their future and, ultimately, retirement. In doing so it can promote a positive savings habit in younger

We believe having high-quality savings options available in the workplace will ultimately create good outcomes for individuals at retirement, and can only impact positively on the financial health of employees and, in turn, the business. It will become increasingly common for an ageing population to realise they cannot afford to retire when they thought they would. Having employees who have planned their future provides an employer with a greater control over succession planning. And employees who feel more connected to their employer, because they value the contribution their benefits make to their financial wellbeing, produces a very positive dynamic. Aside from making a more productive corporate entity, this feeds into the fabric of the culture, into the employer's overall status, and why benefits were introduced in the first place – to attract and retain the best employees available.

AIMING FOR FINANCIAL EDUCATION

Now that the annual and lifetime allowances for pension savings have been reduced, more people will have to take care to ensure they don't pay more tax than necessary. But many may not even be aware of it. Standard Life worked with one of its clients to deliver a tailored financial education campaign designed to tackle this problem. Getting people to engage with these sorts of messages is often difficult, so the campaign was carefully designed to target the right people and then give them useful information in the way they wanted. We looked at salary, pension contributions and projected pension value – just over 230 people were chosen. They were then sent a series of e-mails, which invited them to book a place at a seminar and/or a

one-to-one session, and to find out more by going to a microsite. The e-mail campaign was extremely effective, outperforming industry benchmarks by a huge margin. Everyone who opened an e-mail clicked on at least one of the calls to action. Within two days of the first e-mail being sent, 164 people had made a booking, with 51 more doing so over the life of the campaign. Traffic to the microsite shot up by more than 300 per cent on the previous month. The events themselves were equally effective. In all, 134 individuals attended an event. There was the opportunity set aside for one-to-one appointments with our in-house advisers. By attending these appointments people were able to really understand what option would be best for them and make better decisions

about their pension savings. The results of the feedback survey paint a clear picture – 65 per cent of respondents rated the event very valuable, with the other 35 per cent rating it quite valuable. Everyone said they would definitely or maybe take action following the event – again about two thirds and one third respectively. And every attendee also said they were either extremely likely or very likely to attend a similar event in future and recommend it to a friend. The campaign moved fast, with just 15 working days between the decision to run it and the first event. Even under that sort of time pressure, Standard Life demonstrated that if employers work closely with their pension providers to create a thoughtfully designed and carefully targeted campaign, they can achieve surprising results.

Using saving for retirement as a benefit

Automatic enrolment into a pension scheme is now a significant benefit for workers throughout the UK – and a way for employers to engage and motivate staff

PENSIONS
PADRAIG FLOYD

By this time next year, the implementation of pension auto-enrolment will be complete. All employers, even individuals who only employ a nanny, must have started to enrol workers in a pension scheme.

In the three-and-a-half years since it launched, auto-enrolment has been something of a success. Data from the Pensions Regulator shows that as of March 2016 more than six million employees, who never had a pension scheme before, are now contributing to one.

Of course, this all comes at a cost. The employee has to make a contribution and so does the employer, who is also required to administer the whole process.

Given that this is not a one-off compliance hit, but a process that must take place every time payroll is run, it would be easy for employers to see this as just another tax.

However, there are those who argue that employers should view auto-enrolment as a way for employers, even small firms, to use it as an opportunity to engage and motivate their staff.

“If an employer has to have it in place,” says Allan Maxwell, a director of Glasgow-based Corporate Benefits Consulting, “why not make the most of it and give it some value?” Employers could go the extra mile and provide a pension scheme which goes beyond the minimum requirements for auto-enrolment.

“The difference in costs between setting up a workplace scheme and setting up a high-quality scheme is very little,” says Mr Maxwell. “Offering one with more bells and whistles



shows you care about the employees, but it is also more likely to be future proof and you will benefit from certain efficiencies.”

These efficiencies are definitely worth considering. Employers who implement a basic auto-enrolment scheme must split their workforce into three different categories – eligible jobholder who must be enrolled, non-eligible jobholders who do not but have the right to opt in, and entitled workers who have a right to join.

Each of these groups is not only different, but must be treated, and communicated with, differently.

With a minimum contribution scheme, you must explain to employees how their contributions are

calculated. This is difficult because it isn’t done on their whole earnings, but a portion of them and, as this is complex, you may end up explaining it many times.

In a business with seasonal work or variable pay where people may be coming on to the payroll or seeing their earnings qualify them for auto-enrolment, this can be an administrative nightmare. When the contribution rates change in 2018, you’ll have to do it all over again.

The alternative is simple and, though it will result in higher explicit costs, the implicit costs of admin headaches can be discounted. “The technical detail of auto-enrolment is scary because every single scheme is different,” says Mr Maxwell. “Even if you can manage the administration, can your payroll provider, accountant or independent financial adviser?”

Here is where the old adage “buy cheap, pay twice” is apposite. Implementing a cheap solution may actually increase your admin costs because your scheme is more complex to run. Even if you can manage the admin, your payroll provider may not or may choose to increase the cost to the employer for the extra work involved.

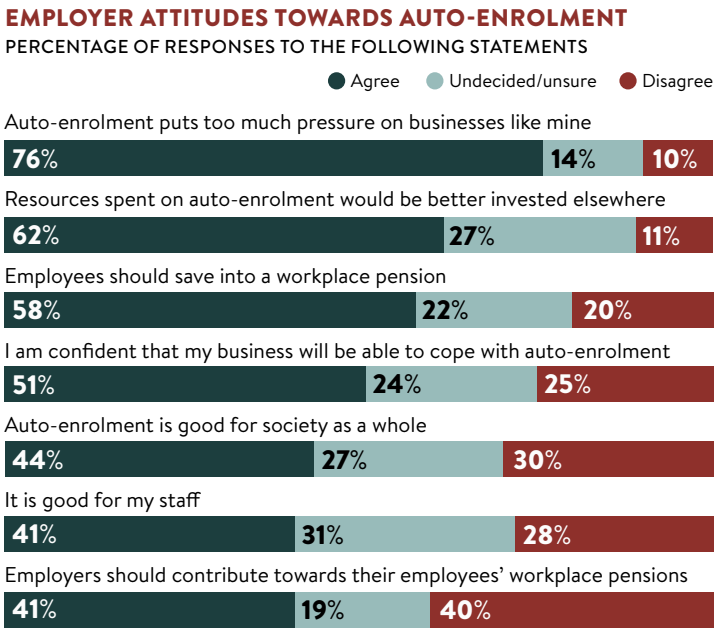
Employers who go beyond the basic model still have some work to do to get full value for their investment. Chris Daems, a director of Cervello Financial Planning, says there are two key things that will determine how successful the spending on benefit is. It comes down to how the employer communicates the fact that these pension benefits are being put in place and secondly when the benefits are put in place.

“If an employer promotes the fact that the pension will be a highly

6m+

employees, who never had a pension scheme before, are now contributing to one, as of March 2016

Source: Pensions Regulator



Source: FSB 2016

valuable employee benefit and provides benefits earlier than necessary, this can show the employer values staff,” says Mr Daems. “This can help not only with the retention of key staff, but if positioned correctly, with recruitment.”

Communication may sound expensive, but it doesn’t need to be, provided it is done in a positive way. Complaining that it has been done because it’s been forced on the business won’t win hearts or minds, says Steve Sykes, client director at communications specialists Shilling.

“This might be as simple as the directors standing up in front of a room of people to deliver the message. Like all communication concerning change, it needs to be top-down to give confidence to the workers that it is a positive move,” he says.

There is a whole movement focused on helping employees understand their financial situation and better understand their financial benefits. As a pension is the second most expensive benefit employers offer, they should be sure they are getting a return on their investment, says Mr Sykes.

Paul Macro, a director of benefits specialist Isinglass Consulting, has seen managers trying to engage workers by delivering presentations to as few as five or ten people.

One of his clients wanted a scheme above the minimum contributions and Mr Macro calculated an additional cost of £5,000. “We suggested that for another

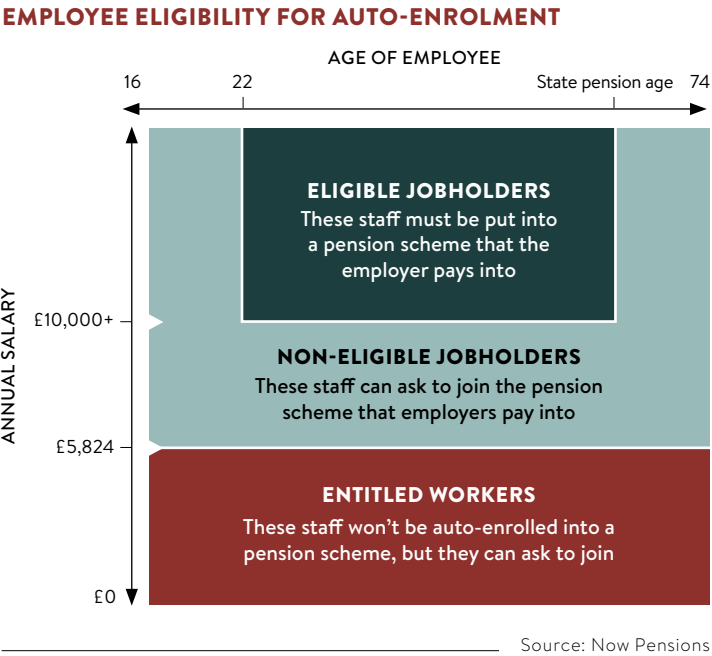
£500, the client could get a specialist adviser in to explain the scheme to the employees and just what it would do for them, and they thought it was great value for money,” he says.

Guidance is one thing, but advice is a step too far for most. Employers may currently spend up to £150 on getting advice for an employee, but after that it must be taxed as a benefit in kind. However, £150 doesn’t go very far and the potential tax liability understandably puts most employers off.

This may change if consultation announced in this year’s Budget on allowing an individual to spend £500 from their pot for advice is introduced.

So there are good reasons not only to embrace auto-enrolment, but to exceed the minimum requirements. Employers may complain they are hard done by, but Tom McPhail, head of pensions research at Hargreaves Lansdown, says they should “take the costs on the chin” and start considering it as part of payroll costs.

But the value to the employer comes from the fact it is available to workers and just how it will help them in the future. “Employers deserve some recognition for doing that,” says Mr McPhail, “so don’t just see it as a problem, but make the most of it.”

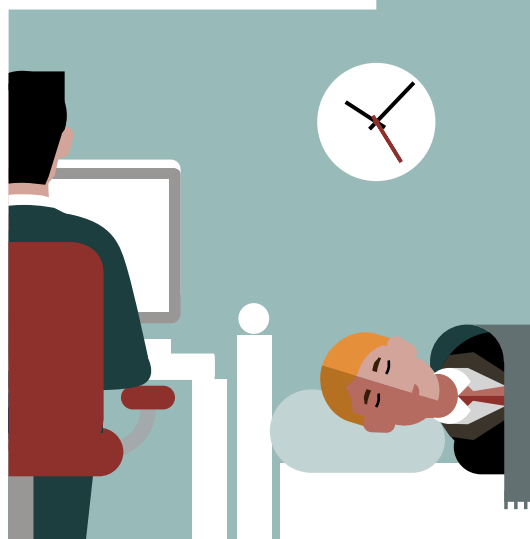


When naps, yoga and sound therapy are company perks

Company cars and bowls of fruit may be underwhelming. How about giving staff something that will really fire them up, such as yoga and sound therapy or comedy nights and mind-blowing parties? Here are ten unusual benefits which really deliver...

TEN TOP PERKS

CHARLES ORTON-JONES



01 DAYTIME NAPS

BrightHR: cloud human resources software

Paul Harris, co-founder and chief marketing officer: "Fun and play are at the centre of our business ethos. Our office has football nets, scooters and a ping-pong table. We wanted it to be an engaging place for people to enjoy. We really liked the idea of an office bed, which was suggested by an employee. The team can take time out away from their desks to enjoy a power nap and are trusted to do so whenever they need it. We've had a great response from staff. One pregnant employee found it particularly beneficial. Employees have been more productive since the arrival of the bed. It is a perk we can highly recommend."

03 HOLIDAYS

Peldon Rose: interior design

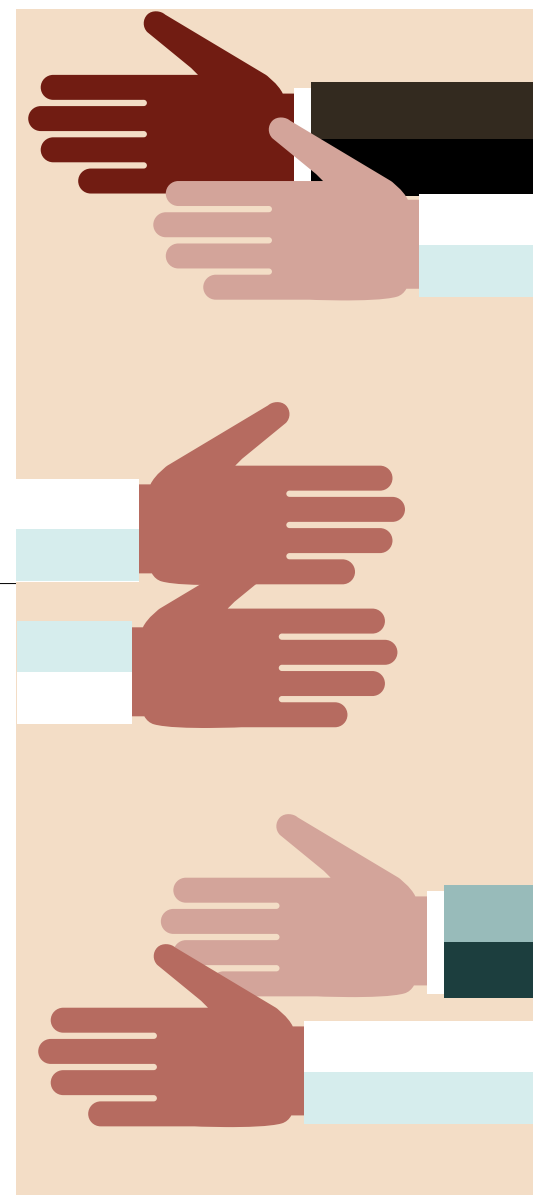
Jitesh Patel, chief executive: "Our business is based on creativity and teamwork so we offer employees both a summer and winter trip each year to ensure we have the inspired, motivated, collaborative teams working on each workplace design project. Organised by employees, the trips are designed to appeal to everyone. Recent destinations have included a city break in Barcelona and skiing in the Kitzbühel Alps, which was particularly good for team building as practised skiers assisted those with less experience. On the last trip, to Fieberbrunn, Austria, 21 of our 60 staff came. The company pays for everything and staff pay it back, interest free, from their pay slip over 12 months, less than £50 per month. The trips are great fun and create lasting friendships, which boosts morale and helps us to retain valuable talent."



05 SOUND THERAPY

Threepipe: public relations and digital marketing

Jim Hawker, co-founder: "We have been trialling sound therapy sessions for a little while and have genuinely found them to be helpful. It uses the power of sound and vibration to restore your body, mind and spirit to a sense of balance and harmony. It's a strange concept and you have to be open-minded to giving it a go and experiencing something quite unusual. It really creates a calming environment in which you can feel your body responding to the music and most people end up having a brilliant night's sleep after the session. It works well for Threepipe because you can treat groups of people at the same time and people working here are pretty interested in similar treatments or regularly attend yoga sessions."



06 CHARITY WORK

Intuit: accounting software

Rich Preece, Europe vice president and managing director: "All Intuit staff are given four full working days each year to spend outside the office working for a charity or cause of their choice. An example could be helping with flood or disaster relief throughout the country. We also match employee donations to charity up to £1,200 per person and offer employee grants for further charity work. Staff respond really well to this. Many have busy family and personal lives so struggle to find time in their packed schedules to help as much as they'd like to; having dedicated time out for it works. And, as they often volunteer in groups, it boosts morale, helps the team bond and gives them a sense of how to work better together."



02 YOGA

Tech Mahindra: IT services and outsourcing

Rakesh Soni, chief people officer: "A company's health is intrinsically linked to employee health. As such, Tech Mahindra provides regular yoga sessions for staff throughout the year, from one-minute yoga breaks to yoga camps for spouses. It's part of our commitment to employee wellbeing, an initiative called Wealth of Wellness. We support the International Day of Yoga, in which 60,000 employees took part in yoga sessions around the world. Since last year, there's been a 43 per cent jump in participation and a 9 per cent increase in employee satisfaction levels. The key to making these programmes work is continued support from our location teams, targeted communication for employees and leadership buy-in to sustain initiatives."

04 COMEDY NIGHT

isobel: creative agency

Bridget Fitzgerald, business director: "We all know beer and banter is great, but all companies, we think, have regular nights out or office drinks. So we created isobelly laughs, a comedy night held in the reception of our agency. In terms of comedians, we've had some really great stand-ups. The last event featured Sara Pascoe and Mark Dolan, who were both brilliant. The night not only acts as a massive thank you to our employees for being epic, but also works as an awareness vehicle within the industry and to prospective clients. Our work is all about storytelling and creativity, so this event embodies what we do, who we are and allows everyone we work with to let their hair down."



07 CHOOSE YOUR BENEFITS

Expedia: travel website

Andy Washington, managing director, Northern Europe: "At Expedia, all our employees are eligible to receive substantive travel discounts and travel benefits that pay towards their holidays. In addition, if you work for us in the UK, you have a choice in picking benefits that suit you from a portfolio of over 20 options, including a computing scheme or gym memberships. Every employee receives a flex allowance that can be used towards paying for those chosen benefits. We know from sources such as Glassdoor, which named us the Best Place to Work in 2016, employees value our culture, but also appreciate the benefits we can offer."



08 **SHARES SCHEME**
Forster Communications: public relations

Peter Gilheany, director: “Around 45 per cent of staff own shares and in the last two years we have targeted, and achieved, a minimum 10 per cent return to employees on their investment, which has helped drive take-up of the scheme. It is one of the first things people ask us about in interviews as they are always intrigued by it. Staff who have taken up the option have indicated in appraisals that it has increased their sense of commitment and passion both in the business and the work we do. Not surprisingly, the key thing is to communicate about it often and make sure shareholders feel part of a specific community.”



09 **ACHIEVE YOUR DREAMS**
Cook: frozen foods

Rosie Brown, people director: “Dream Academy exists to support our people who have a dream or goal they want to achieve. It may be an ambitious grand goal, like buying a house, or something more straightforward (milking a cow). Our dreamers meet with a professional life coach, three times over four months, who helps plot a path to achieving their goal and giving them the tools they need. But ultimately they get there under their own steam. Since 2012, over 60 dreamers have achieved their dreams, which have included being the first member of their family to get a professional qualification, overcoming divorce and smiling with confidence.”

10 **WORLDWIDE STAFF PARTY**
Meltwater: media intelligence

Gregg Hollister, director UK and Ireland: “Meltwater’s Kick Off is a bi-annual event for all 1,300-plus employees, taking place over three days, where the global organisation, across fifty offices and six continents, comes together to share best practice, insights, successes and challenges. Locations have included Las Vegas and Mexico. Kick Off allows employees to become fully immersed in the unique Meltwater culture, which is focused on people development. Internal surveys show it significantly impacts employee engagement. The Kick Off is such a success because the entire organisation is in one space, which is invaluable. It not only galvanises clear business strategy, but also celebrates the success and friendships that make working for Meltwater so special.”





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THE £60bn QUESTION

IS EMPLOYEE ENGAGEMENT THE DRIVER FOR BUSINESS SUCCESS?

Research report: the views of the people who matter

Every year UK PLC wastes £60 billion through needless admin, outdated technology and irrelevant tasks. That's almost £2000 per employee every single year.

Employees and managers face challenges and pressures every day that make their work life unnecessarily complex. But there's good news too: the desire for change is clear and small changes can deliver real value to both employers and employees. Our report looks at what can be done to ensure every employee is engaged, motivated and productive.

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