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How to Develop and Implement an Effective Employee Benefit Strategy



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Whether you're a managing director, chief executive or HR professional, you'll know that recruiting quality staff plays a significant role in the overall success of a business. But how do you keep great employees on board, and stop them from jumping ship? One of the main solutions to this ever-occurring dilemma is by developing and implementing an effective employee benefit strategy.

Energising and engaging staff is more important than ever before, and in the absence of a pay rise, businesses need to find alternative solutions to motivate their employees, retain their workforce, and ensure optimum wellbeing to enhance productivity. It therefore pays to know that bespoke benefits can actually bring loyalty and build teamwork more effectively than cash bonuses.

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1. Mental and Emotional Health

Maintaining a healthy workforce is vital in ensuring your team is happy and motivated, and essential in ensuring optimum productivity. People who are mentally and emotionally healthy are not only in control of their emotions and behaviour, but are able to handle life's little challenges, build strong relationships, and recover from setbacks.

When an individual takes care of their mental and emotional health, they benefit in all aspects of life – whether at home or at work. It boosts their mood, builds resilience and – most importantly of all – adds to their overall enjoyment of life.

What is emotional health?

Mental or emotional health refers to an individual's overall psychological wellbeing, and encompasses the way they feel about themselves, the quality of their relationships, and their ability to manage their feelings and deal with difficulties.

Good mental health isn't just about the absence of mental health issues, such as being free of depression, anxiety, or other psychological conditions. In actual fact, mental and emotional health is all about the presence of positive characteristics which allow an individual to live life to the full. In order to maintain these characteristics, it's important to pay attention to an individual's – or employee's – needs and feelings.



2. Physical Health and Fitness

Engaging in regular physical activity may be one of the most important things an individual can do for their health, and there's a growing bank of research to suggest that exercising for 30 minutes or more at least five days a week can lower the risk of heart disease, improve bone and muscle strength, and help control your weight.

A healthy diet also contributes towards a healthy body, and that includes plenty of fruits and vegetables which relax blood sugar levels largely responsible for overeating. Most people should aim for at least four cups of fruits and vegetables each day, including foods like spinach and other dark leafy vegetables, or any produce that's red such as raspberries and bell peppers, or yellow or orange like melons, bananas and carrots.

Those of us who participate in regular physical activity and eat well, do so to improve the current and future level of our health. We strive toward an optimal state of wellbeing, and as our lifestyle improves, so does our health, and we experience less disease and sickness.

How does physical health affect our mental wellbeing?

We all know physical health is important to keep our bodies fit and well, but a lesser known fact is that exercise, rest and quality nutrition is also connected to emotional and mental wellbeing. When an individual improves their physical health, they'll automatically experience greater mental and emotional wellbeing.

Did you Know? Exercise not only strengthens our heart and lungs, but also releases endorphins – powerful chemicals that energise us and lift our mood.

3. Stress: The Number One Cause of Absenteeism

All sorts of situations can cause stress. The most common involve work, money matters and relationships with partners, children or other family members. It is the number one cause for long-term absenteeism, and can bring about a whole host of mental and physical symptoms including anxiety, depression and headaches.

Despite the statistics, if employers place a great emphasis on employee wellbeing, stress is also very avoidable.

There are a variety of steps employers and employees can take to reduce stress levels in the workplace. These include:

- Taking responsibility for improving physical and emotional well-being
- Avoiding pitfalls by identifying knee jerk habits and negative attitudes that add to stress
- Improving communication to enhance relationships between management, workers and co-workers



4. Prevention, Early Intervention and Protection

Whilst no one plans to get sick or hurt, most people need medical care at some point. And with wellbeing a significant factor in determining whether people stay with their current job or look for something else, how do we – as employers – protect the emotional, mental and physical wellbeing of our staff?

We've all heard the saying: prevention is better than cure, so it should come as no surprise that an effective wellbeing strategy should be based around the three key pillars of prevention, early intervention and protection.

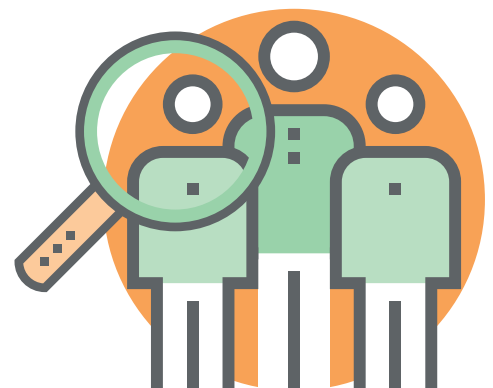
Rather than treating a condition after it has progressed – impacting an employee's productivity or even their ability to work, preventive care focuses on preventing disease and maintaining proper health.

To look after your employees, and ensure you're not only proactive when resolving health issues faced by your employees, but focused on making sure their wellbeing is a priority at all times, think about the following points:

- **Flexibility** | Offering flexible working patterns can not only ensure staff are more productive, but more likely to feel less stressed and tired. What's more, statistics show that people who work from home on occasion clock up more hours (outside normal working hours), are more positive, and are more likely to not take time off
- **Investment** | Spending money on health and wellbeing in the workplace can actually be an investment in the longer term. For example, introducing healthy food in the canteen or installing bike racks to encourage cycling to work, can encourage staff to engage in a healthy lifestyle

4. Prevention, Early Intervention and Protection

- Staff Benefits | From healthcare plans to discounted gym membership, wellness incentives can encourage employees to take better care of their health, and in return help increase motivation, productivity, and morale
- Education | The workplace is one of the best environments to encourage a healthy lifestyle, so whether it's informative posters around the office or actual wellbeing seminars, staff can take the tips they've learnt at work and implement them at home
- Monitoring | Make sure you monitor your staff and know when they're not their usual self. Whether they're overworked, stressed, or on the brink of an illness, introducing measures to prevent this is far better than cure
- Training | Train senior level staff members to know the signs of staff anxiety in the workplace, and encourage them to be proactive when it comes to supporting employees who may be vulnerable
- Lead by Example | It's all very well encouraging a healthy lifestyle, but make sure it's something you implement too if you haven't already, your employees won't take it seriously if you don't.



5. Employee Benefits vs. Costs of Absenteeism

Employee benefits and return on investment

There are very few companies that know what their return on investment is from their employee benefits package, and whilst some employee benefits can represent a significant cost for employers, there are a number of no-cost and low-cost options that businesses can offer their workforce:

- **Flex Time** | A large number of employees find themselves working around the clock – whether they're checking their emails early in the morning, or tying up a project late at night. A company can reward this work ethic by giving a little flexibility in working hours. This arrangement also works well for those that have family commitments
- **Fitness Incentives** | Healthy employees are good for a business's bottom line – not only are they more productive, but they are less likely to take sick days. While employers might not be in a position to install an on-site gym, they can offer discounts and incentives for local gyms or sports clubs
- **Healthy Snacks** | Everyone needs to eat, which makes free food a universally loved benefit for staff. Having a constant supply of fresh fruit, nuts and fruit teas, for example, is a great way to ensure employees are getting some of the nutrients they need to stay fit and healthy

5. Employee Benefits vs. Costs of Absenteeism

- Health Care Plan | A comprehensive health care plan offers preventative care that can keep employees healthy and working. If staff don't get preventative care and yearly check-ups – at the optician or dentist, for example – employers could end up having more employees out of action for long periods of time, potentially with a serious illness.

The financial impact of absenteeism

With employee absence costing UK businesses an estimated £30 billion a year in wasted wages, lost working days, and decreased productivity, absenteeism is simply not an issue that can be ignored.

It's important to remember that absenteeism costs are not only incurred through the wages of the absent employee, but in replacement workers, reduced productivity, or even poor quality of goods/services as a result of overtime fatigue or understaffing.



6. Employee Engagement and Involvement at Board Level

Before offering benefits of any kind – whether there are out-of-pocket costs involved or not – it pays for employers to take the time to find out what is important to employees. Managers should regularly ask employees about their views on health and wellbeing within their individual working environments, and involve them in decision making. This way they can see what their team really thinks, and how they can go about improving their benefits package.

Staff Surveys

To gain an insight into how satisfied your employees are with their benefits package, ask them questions such as:

- How happy are you at <insert company name>?
(Very Happy, Happy, Indifferent, Unhappy, Very Unhappy)
- Thinking about your company benefits, please select your level of satisfaction for <health insurance, dental insurance, life insurance, etc>
(Very Satisfied, Satisfied, Neutral, Unsatisfied, Very Unsatisfied)
- Do you have any issues or comments about the employee benefits at <insert company name>?
- Please rate your satisfaction level with <holidays, sick days, compassionate leave, etc>:
(Very Satisfied, Satisfied, Neutral, Unsatisfied, Very Unsatisfied)
- Do you have any issues or comments about the holiday and leave benefits at <insert company name>?

6. Employee Engagement and Involvement at Board Level

Aligning the interests of companies and their employees can make companies focus more on the long term, securing more sustainable growth. What's more, there is a wealth of evidence to suggest that employee ownership and engagement can increase workers' wellbeing and productivity.

Communication and implementation

One of the main reasons for offering employee benefits is to improve staff engagement. However, a large proportion of employers invest in a wide range of employee benefits and fail to communicate them effectively to staff – meaning they aren't getting a return on their investment.

When it comes to benefit packages, employees need to know what their employer provides, otherwise there will be no take-up and, in the case of a health care plan, no wellbeing benefits.

A good benefits strategy, communicated well, can help to manage – and reduce – bottom line costs, and help to build a loyal and more productive workforce. Some techniques for getting the word out include company-wide emails, company-wide presentations, individual sessions with staff, via a company handbook, via a company intranet, an internal newsletter, or even on notice boards in a well-used corridor or in a canteen.



7. Reviewing Your Benefit Strategy

It's important to monitor and review your employee benefits strategy on a regular basis, updating it as staff, finances and tax benefit rules change. Equally, if your programme doesn't appear to be performing, it's probably high time that you reviewed it.

Establish clear objectives and outcomes

Determine what it is you want to achieve, both from an organisational and employee perspective, and consider why the current strategy isn't delivering

Listen

As part of any review or redesign of a benefit strategy, it is essential to consult your employees for feedback on the current offering. What do they like? What isn't included in the scheme that could be? What benefits aren't being utilised?

Adding, changing or removing an employee benefit

Whilst introducing a new employee benefit is a relatively easy process, modifying or removing one is likely to require an element of consultation. Is it legal, for example? Or will you need to consult an external body regarding employment legislation to ensure you're not breaking the law?

7. Reviewing Your Benefit Strategy

Communicate

Many businesses overlook the comms campaign that should accompany the rollout of any new scheme or programme, and – ultimately – if staff take-up is low, no one will benefit

Measuring success

When it comes to employee benefits, return on investment can be obvious and not-so-obvious. Consider areas such as reductions in benefits spend, levels of absenteeism, uptake and engagement, and awareness and appreciation



8. Contact Us

As employers you have a duty of care to your employees, and implementing a health and wellbeing strategy can not only ensure your most precious assets are looked after, but can bring a whole host of benefits to your entire organisation too.

Introducing simple measures really can help decrease employee absence, increase productivity and offer that competitive edge. Remember, happy and healthy employees mean a productive and high performing workforce!

For further information on how to ensure the wellbeing of your staff please call 01902 371011, email enquiries@paycare.org or visit www.paycare.org.

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