

# How to Boost Employee Income and Wellbeing on a Budget

What to do when company-wide pay rises aren't an option anymore



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## Introduction

Hi there,

I'm Dom Taylor, Director of Enterprise at Reward Gateway. I've been lucky enough to spend close to the last decade partnering with hundreds of leading companies on their engagement journey. One area I've become increasingly passionate about is helping businesses find new ways to enhance their Employee Value Proposition (EVP) to support people when they need it most. And every year I notice an increased focus on enhancing the employer brand, a huge focus on mental health, worklife 'balance' and wellbeing. It all comes down to making employees' money go further through innovative platforms to support their key goals of supporting and retaining top talent.

This has come into focus more and more as we navigate through the COVID-19 pandemic, where the burdens of financial stress and other wellbeing areas came into the spotlight, and I believe this focus is here to stay.

A well-rounded benefits offering can positively impact your overall EVP, reinforce your employer brand and offer your employees (and their families!) the support that they need through challenging times.

In this eBook, I'll share some of my learnings, along with client case studies and tips to support you and your organisation as you review or build out your employee benefits offering. Hopefully this will provide you with some inspiration to create a market-leading EVP for your people.

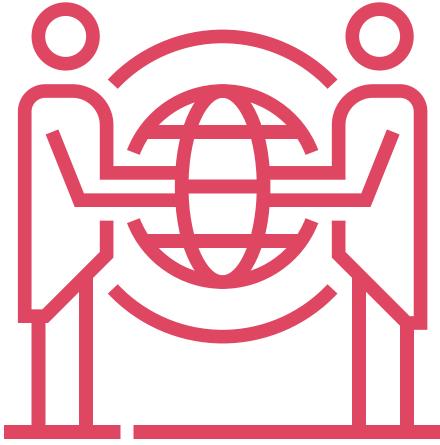


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# Supporting Employees Through a Difficult Economic Climate



In a survey conducted amongst 3,000 adults in the UK, 77.5% said that the recent pandemic has made them **realise the importance of having savings** to fall back on. In addition, 73% of those surveyed from 'HR Director' said that whilst having a pension and saving for the future was essential, having easily accessible savings is now equally important.



What's more, recent findings from
Forrester point to 13% of UK adults
seeing their income reduced due
to COVID-19, and half of these
respondents are reducing spending to
an absolute minimum, with some even
missing critical bills or loan payments.

While your employees may be struggling financially, businesses everywhere are also facing a difficult economic climate with the downturn from crises such as the COVID-19 pandemic heavily impacting organisational budgets.

Coming from this are typical cost-cutting measures, such as limited pay reviews or bonuses and a hard focus from Leadership Teams on how to minimise companywide expenses. Organisations that will rebound from these limitations have to find new ways to support employees, leaning on creativity and innovation to break through their budgetary constraints. It's important to remember that while businesses everywhere may be faced with challenging circumstances, your people need support, too.

One of the ways that employers can be the hero that their people need is ensuring the benefits and programmes that they have in place are relevant and make the most impact for employees, whether that's by stretching their disposable income or helping positively influence their wellbeing.

With financial stress for your people at an all-time high, and many companies reducing or eliminating pay rises, a low-cost programme like a discounts scheme can quickly fill that void with employees saving up to £300 annually\* in grocery savings alone.

\*Based on average employee savings across Reward Gateway discounts programme, SmartSpending™

# What's on UK executive teams' burning platforms in 2020?

Our team is privileged to partner with over 1,800 companies, including some of UK's best employers. We have found five consistent priorities for executive teams in 2020 and beyond, some of which have now become even more important during the pandemic response most organisations have had to put in place:

1	Retaining and motivating key talent with flexible remote working and new demands on frontline workers
2	Increasing employee connection and engagement aligned to mission and redefined strategic objectives
3	Stabilising and supporting employee wellbeing and company culture
4	Minimising costs to save the organisation money to free up funds for business continuity and growth
5	Discovering cost-effective ways to <b>enhance Employee Value Proposition</b> , positively reinforcing employees and thanking them for their contributions

# How HR innovators are enhancing their EVP with discounts, benefits and wellbeing programmes

So how can an employee discounts programme address these pressing issues? Best employers recognise in today's employment market that competitive salaries, learning and development opportunities and flexible working are a given. They look to further differentiate their EVP and employee wellbeing in ways that provide real meaning to their prospective and current employees and their biggest influencers - their families. The EVP tool that sets them apart is a comprehensive programme that makes a real difference in the affordability and mental, physical and financial health of everyday life.

Innovative employers maximising their employee benefits find it a powerful tool to:



Gain a competitive advantage to retain ambassadors who will be critical to a business's rebound



Enhance the competitiveness of their EVP and impact overall employee retention



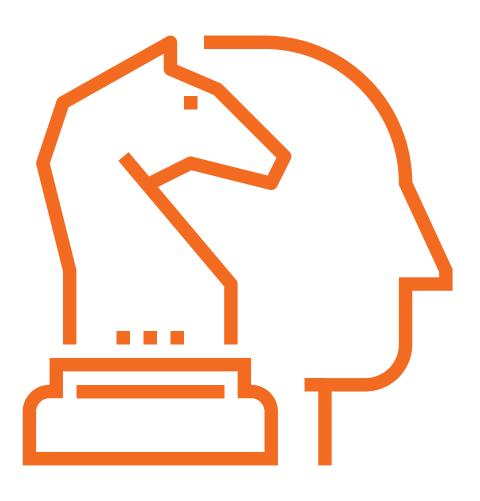
Reduce the impact of below-expectation pay reviews



Put savings and disposable income back into employees' wallets

Coupled with the power of access to employer benefits, hundreds of wellbeing videos and articles, employees will truly feel that their companies are putting their best foot forward to show they care.

# How Employee Benefits Can Enhance Your EVP



Imagine providing your employees with hundreds of pounds each year to put in their back pocket for a fraction of what you typically spend on payroll. Modern employee discounts programmes can provide your employees with an ability to increase their incomes with access to instant discounts at hundreds of leading retailers in the UK and Ireland in a variety of ways including:

- Everyday savings on groceries
- Special discounts for indoor and outdoor entertainment like gaming consoles or sporting equipment
- Savings on materials for DIY projects around the house

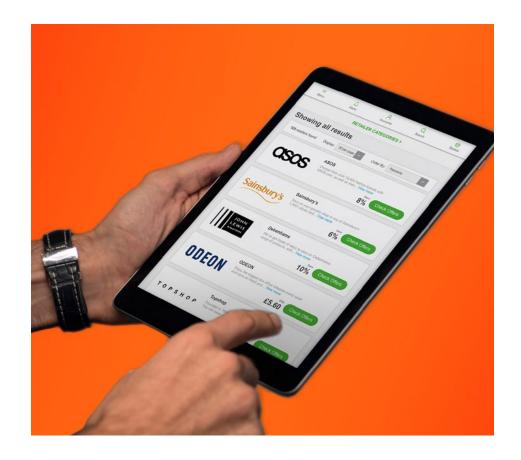
The right employee discounts programme provides an opportunity to deliver more value to the employees than it costs to implement – which is a budget amplifier that will have your CFO smiling.

Employee discounts programmes provide a strong tool to create a high-impact, costeffective enhancement to your EVP, which can be a relief for many UK employees who are concerned about their finances.



A recent survey from the Mental
Health Organisation points to
up to one-third of UK adults
worrying about their finances,
including bill payments and debt.

An effective employee discounts programme provides a tool to relieve your employees cost of living pressures, enhancing your EVP to both employees and their families. This provides an opportunity to positively reinforce your employer brand to your employees' biggest influencers in employment decisions – their families.



### Show me the money!

So how much can your employees save? Employees typically save between £500-1,000 per year depending on their lifestyle.

This table shows the impact of an employee benefits programme to an employee's bottom line:

Groceries	Fashion	Broadband & TV	Dining	DIY
ASDA	asos	sky	COSTA	B&Q
TESCO	PRIMARK*	BT	THE DINING OUT	Wickes
Sainsbury's	NIKE	Virgin media	JUST EAT	
Save up to £300 annually	Save up to £100 annually	Save up to £128 annually	Save up to £240 annually	Save up to £150 annually

<sup>\*</sup>Based off of average spend of £100-300/month per category with average discounts and cashback on programme as of 2020

## Impact your employees bottom lineno salary review required!

Pay reviews are often in the spotlight, with cost minimisation on the agenda, even more so in 2020, with most executive teams. But an effective pay review is more than just the review process, it's about aligning your total EVP to your company strategy.



Providing cash is one of the most expensive benefits you can provide an employee, with high costs for the employer combined with limited impact (post tax) for the employee.



### 3 budget-friendly options to boost employee financial wellbeing

- Consider a programme such as Salary
   Finance that can assist with employee
   loans to pay off high-cost debt or provide
   a safety net for financial emergencies.
- 2. Offer a **Work from Home bundle** for your people that includes a one-cost offering that employees can expense, for instance, £50 towards a new desk chair, or £25 for an ergonomic laptop stand.
- 3. Congratulate and **motivate employees with a mini-bonus**. Even if a pay rise isn't in the cards, a one-time bonus is a fixed cost that can still put a smile on employees' faces.

# Rounding out EVP with Powerful Salary Sacrifice Benefits



When salary sacrifice is a part of your overall benefits and wellbeing strategy, the business wins in NI savings, and your employees will love the variety of offers they can engage with.

For employers, a strategic salary sacrifice programme can be a costneutral boost to your EVP, with the NI savings making up for any cost in investment. Savvy HR leaders are using those savings for new programmes that can positively influence the business.

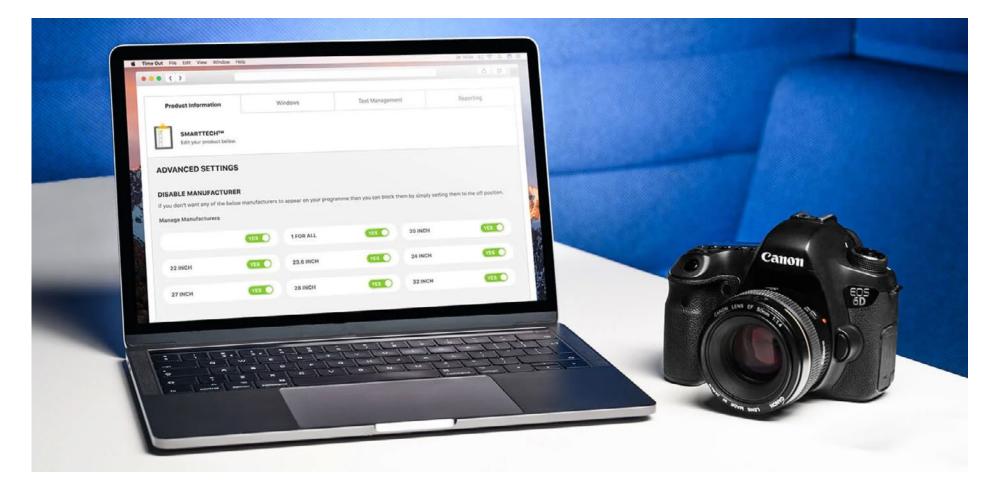
For employees, a salary sacrifice programme can be a big benefit in easing their financial burden, alongside other initiatives to help stretch their disposable income. Ask your employees what they need and you may be surprised at what they'll tell you and what problems you'll be able to solve with even a limited budget.

Here are a few ways to use salary sacrifice to ease financial burdens for your employees:



### Making technology and white goods purchases easier

Whether employees want to upgrade or replace their technology, or urgently finance a replacement washer/dryer, these can take a back seat during pressing financial times. Ease the burden by offering free financing with a technology salary sacrifice benefit like SmartTech™.



# Look ahead to postCOVID-19 commutes and introduce Cycle to Work

Cycle to Work benefits both employers and employees – your people can pay for a new bike pre-tax, straight from their paycheque, and employers benefit from NI contribution savings.

Plus, with Reward Gateway, employers can implement more than one salary sacrifice scheme in one centralised system, making approvals easy for time-poor HR teams.

As of last year, Cycle to Work has been used by 40,000 employers in the UK, helping more than 1.6 million commuters, but I see that number rising dramatically as we look at new modes of commuting that help us stay safe. We've seen this in our own client base, with more than £1.1M spent in April alone on new cycling equipment.



At Reward Gateway, we offer a suite of salary sacrifice benefits, including:









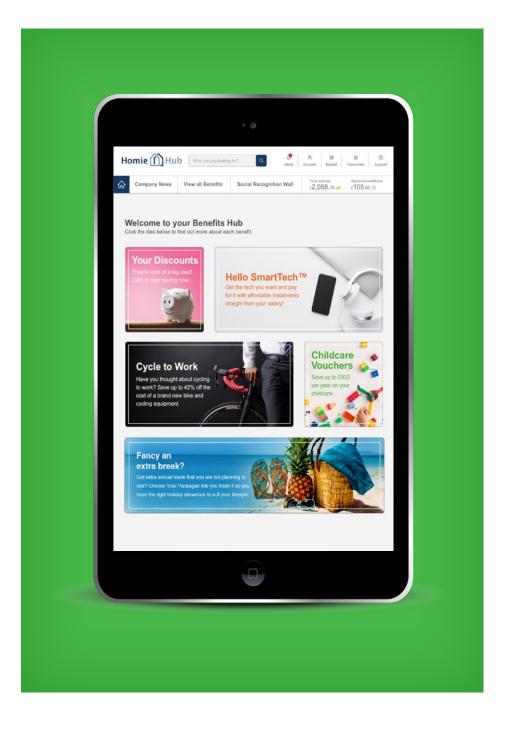
Our salary sacrifice benefits can all be automated and managed through one centralised platform, branded and tailored to your business needs.

### Reducing benefits administration

Expanding your employee benefits portfolio should always be top of mind when it comes to improving an organisation's EVP, but the headache that comes from administering so many different benefits is a challenge I often hear about.

That's why as part of our offerings, we can administer your employee benefits through one centralised system, completely tailored to what you have on offer, even if those benefits aren't through Reward Gateway.

Employees can find what they need to enrol or adjust their benefits in one, unified place, reducing the HR hassle and giving your teams back valuable time.



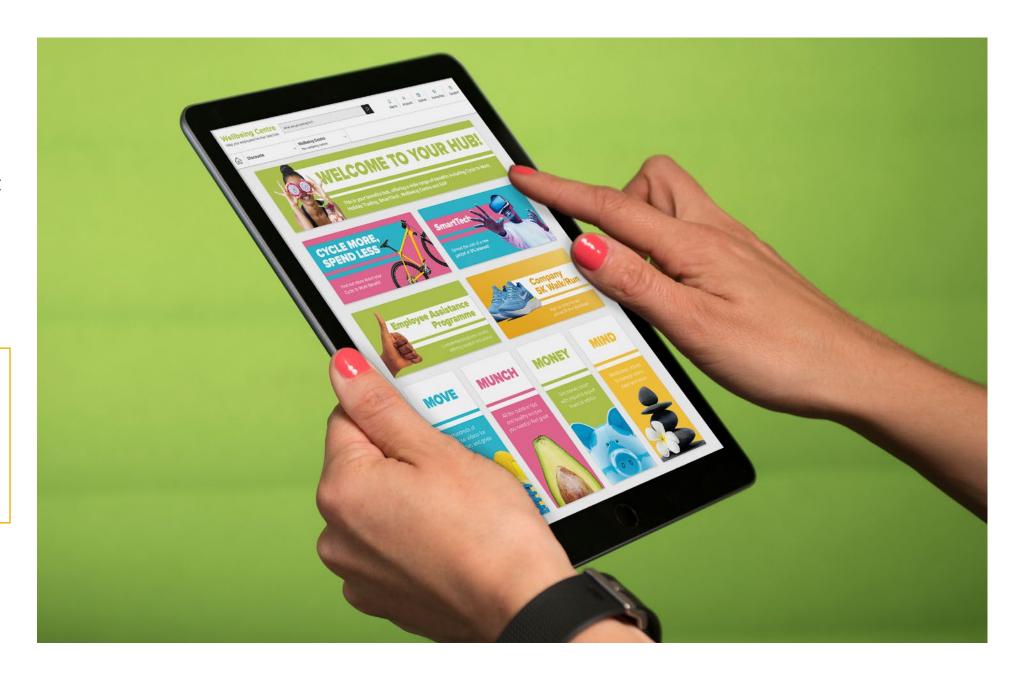
# Putting the Focus on Wellbeing



According to a recent Metlife study, more than 70% of employees agree that employers have a responsibility for the health and wellbeing of their employees. To help boost the employer brand and support employees through wellbeing, HR leaders need to find ways to innovate and support their people, which can be particularly challenging amidst tightening budgets.

COVID-19 has deeply impacted financial stress for employees, impacting their productivity, engagement, and their physical and mental health.

While the easy solution could be to give employees a pay rise to help with their new burdens, it's a costly endeavor for the organisation, especially ones that need to save every pound to ensure its business continuity and growth.



## Budget-friendly employee wellbeing initiatives

Luckily, there are several ideas employers can consider to introduce budgetfriendly employee wellbeing initiatives. Here are a few to get started:

- Offer access to on-demand videos
   and articles to support all pillars of
   employee wellbeing, from financial
   to mental and physical. Employees
   can pick and choose what to
   engage with, and can access helpful
   wellbeing support at any time.
- Introduce new ways for employees
  to save on their own bottom
  line through employee benefits
  programmes to help them save on
  everyday items like grocery, DIY
  projects and popular retailers.

- Provide a free Employee Assistance Programme (EAP) so your people have a safe space to go to when they're in need of extra support during challenging times
- Add a **wellbeing allowance benefit** to give a little extra money towards wellbeing initiatives of your employees' choosing.
- Introduce a **Cycle to Work** salary sacrifice scheme to help employees save on new cycling equipment
- Deliver instant access to **free financing for in-demand technology products** or whitegoods so employees can make big purchases, worry free

Wellness should always be on your employee engagement agenda - the right wellbeing programmes can:



Reduce absenteeism



Decrease overall business costs



Help build a healthier, more engaged workforce



Improve your overall EVP



**Enhance your employer brand** 

Creating a World-Class Employee Benefits and Wellbeing Programme for Your People



### Five critical elements for a world class-employee benefits programme

The 2019 UK Benefits Trends Survey from Willis Watson demonstrates the need for increased engagement and understanding of how to put in place a leading employee benefits programme, with only 12% of respondents saying their current digital tools are being effectively employed, and only 36% understanding the need to tailor their benefits portfolio to meet their workforce's needs.

We know that leading benefits programmes include:

1	2	3	4	5
Extensive range and powerful employee experience	Engaging communications	Real-time employee support	24/7, instant accessibility	Increased management reporting and reduced admin

Now that we've established the ways leading employers use tailored and well-communicated employee benefits and wellbeing programmes to support their employees, let's take a look at how you can start building one for your organisation.



# 1. Extensive range and powerful employee experience

Your people are all different, so your benefits range should be, too. Ideally a benefits programme should offer financial, lifestyle and wellbeing initiatives that gives your employees choice of the benefits that best suit their lifestyle, and empowers employees to decide what they want to do with their benefits and how they want to use it.

On-demand benefits like online discounts, Cycle to Work and holiday trading are examples of giving your employees ultimate choice and range in benefits.

Benefits should always be relevant for the employees in your business. For instance, you may have a high concentration of new parents at your organisation – wouldn't it be great to offer them articles on parenting, and discounts to baby retail stores to ease the financial burden of being a parent?

Or, you may have a newly remote workforce who wants to find alternatives to their typical gym near the office. A wellbeing hub that promotes all aspects of wellbeing can help support employees looking to be their best selves, in and outside of work.

World-class programmes should offer your people access to benefits that deliver the same consumer experience people expect today – one that is mobile, personalised and on-demand.

Hosting benefits in a unified engagement platform that can be segmented to each individual employee profile can help.



### 2. Engaging communications

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

When our team of consultants and I ask companies how they communicate their benefits and wellbeing programmes, 'poorly' is the most common response we hear. Lots of companies find benefits they already have listed as wish list items on their engagement surveys. While this is more than frustrating for HR teams, it does represent an exciting opportunity to amplify awareness of existing and new benefits and boost your EVP.

World-class employee benefits programmes have tools to raise awareness and adoption of your benefits built into their core. Create a communication plan to ensure you delight your current and prospective employees. This could include elements such as benefits expos, webinars, launch videos, postcards to home (for family-wide engagement) and more.



#### Insights

#### Maximising an all-in-one centralised hub

HR budgets have always been tight, but in a challenging economy, it can be even harder to get that elusive checkmark of approval from your Leadership team. That's why it's critical for HR to find ways to do more, with less.

Capitalising on an all-in-one solution that brings together the best of benefits, recognition, communication, wellbeing, surveys and more, with valuable insights to help prove the ROI of programmes and initiatives can bring benefit programmes to new heights, without the hefty price tag to match.

### **Communicating for Success**

I love seeing creative communication strategies for driving programme success, such as using benefits champions to lead the way in adoption. It's a great bottom-up way to communicate and build trust in the programme. Here are a few of my examples of innovative communication strategies:

Tower Hamlets Homes	M&S EST. 1884	ST. JAMES'S PLACE WEALTH MANAGEMENT
Teaser campaign aligned with new platform identity 'THHbuzz'	Launched new platform in stages, first launching discounts and wellbeing in January and then new benefits in February	Expanded employer brand with a wider colour palette, including new fonts and a contemporary look
Gave 'staff champions' pre-access to online platform to help colleagues post-launch	Segmented platforms to specific employee locations	Ran video demos of platform so all employees could join, from any location
Brought new brand to life through innovative 'honey-themed' merchandise and swag for employees	Switched existing tech financing and cycle to work schemes to Reward Gateway offerings for elevated employee experience	Distributed KitKats to staff members with postcards signed by company directors to 'take a break' and check out the platform



3. Real-time support

One thing you should be obsessive about when building a world-class employee benefits programme is user/employee experience.

In particular, providing support when your people need it the most. Here at Reward Gateway we analysed usage patterns across our 5 million users globally and found that prime usage times were during:

- Commuting hours morning and evening commutes
- Evenings
- Weekends

These statistics reflect my personal experience, as I tend to do my grocery shopping in the evenings to make sure I avoid the crowds.

Support is important to me when I'm actually accessing my benefits, not 9-5 Monday to Friday. It's because of this usage information that we moved our employee servicing at Reward Gateway to 24/7/365.



### 4. 24/7, instant accessibility

Want to really ramp up your benefits? Consider how you can provide instant accessibility. Instant accessibility empowers your employees (and their families) to access their benefits at any time, on any device.

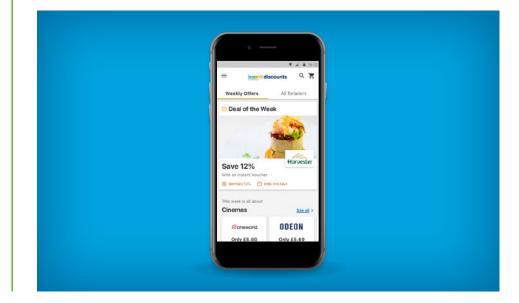
Technology has enhanced the ability for employers to provide their employees with mobile-optimised platforms or specific benefits apps that busy employees can use on the go. What this means in practice is you can stretch your employees disposable income (and gain positive reinforcement of your employer brand) in real time, when they are buying their kids' football boots, shopping for groceries or booking their next long awaited international holiday!



### Benefits access at your fingertips

Put access to benefits and discounts in the palm of your employees' hands with a mobile experience. Our dedicated SmartSpending™ app lets employees access a mobile app which is tailored to match your employer branding to complete in-store and online shopping and receive discounts or valuable Cashback.

Plus, any of the Reward Gateway benefits and wellbeing products are mobileoptimised for the best experience, no matter where your employees are.





# 5. Increased management reporting and reduced admin

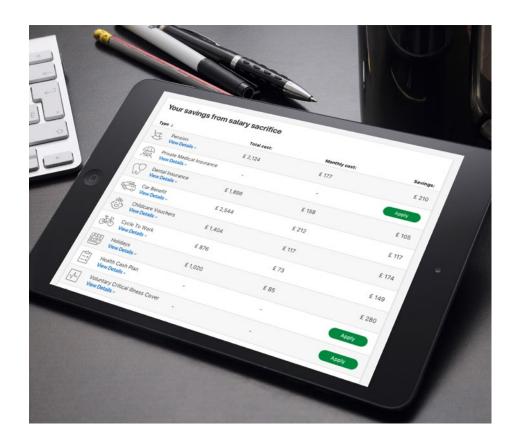
You've developed an extensive benefits range, provided choice, delivered real-time access and an amazing user experience and implemented an effective communication plan. What now?

Now it's time to keep your finger on the pulse of your benefits and wellbeing

programme with management reporting.
Reporting on your benefits programme
can range from spreadsheets to real
management information apps. Whichever
method you use, look for ways to track
adoption segmented by your user groups.

Ideally your benefits reporting would have a realtime dashboard showing you programme metrics such as page views, employee spend, employee savings, period-on period metrics, top benefits and more. It is a myth that leading employers' campaigns to their employees are all successful. Best employers have plenty of misfires. The difference is they have reporting tools at their fingertips that means they can fail fast and pivot, trialling different communication and benefits mixes for their different employee demographics.

A Total Reward Statement like the one we offer at Reward Gateway can give HR and employees a full picture of their overall EVP, even looking at benefits not on offer through Reward Gateway.



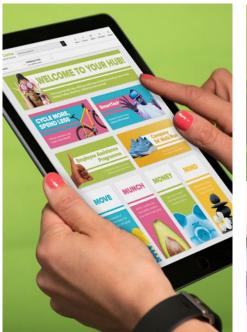
Do you have to achieve all five elements at once? Absolutely not. The most important factor in impacting your engagement with your employees is to start with small steps today, but always with the end goal in mind. Your employee benefits programme does not have to be perfect, and is not a destination, but instead it's an ongoing journey that you enhance over time.

For those who are looking for maximum impact, the more of these five elements you have in your employee benefits programme, the bigger the impact on your EVP, creating an amazing employee experience and building a competitive advantage.











# Conclusion

Employee benefits, discounts and wellbeing programmes form one part of your engagement journey. They provide a unique opportunity to make a high impact, quick win on your executive team's most pressing issues. They support you to increase disposable income, enhance your employees' experience and enhance your EVP.

It's all part of making sure you're there for your people, supporting them in the areas they need it most to ease their financial burdens, and provide them with full access to wellbeing tools to improve their employee experience, in and outside of work.

What's more, the ability to increase your employee's disposable income in significant ways every year will reduce the impact of below expectation pay reviews – especially during periods of cost minimisation. I hope this eBook provided you with some inspiration into how you can become a HR Hero and implement best practice employee benefits programmes.

I wish you the best of luck on your benefits journey and we're always here to help!



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### Learn more

Our benefits programmes and other engagement products are powered by a centralised hub customised for your organisation, making communicating benefits and driving high levels of engagement easy to achieve.

If you're interested in learning more about SmartSpending™ or Reward Gateway benefits to connect, recognise and support your people, please get in touch. We'd love to help you get started.

Get in touch with our team:

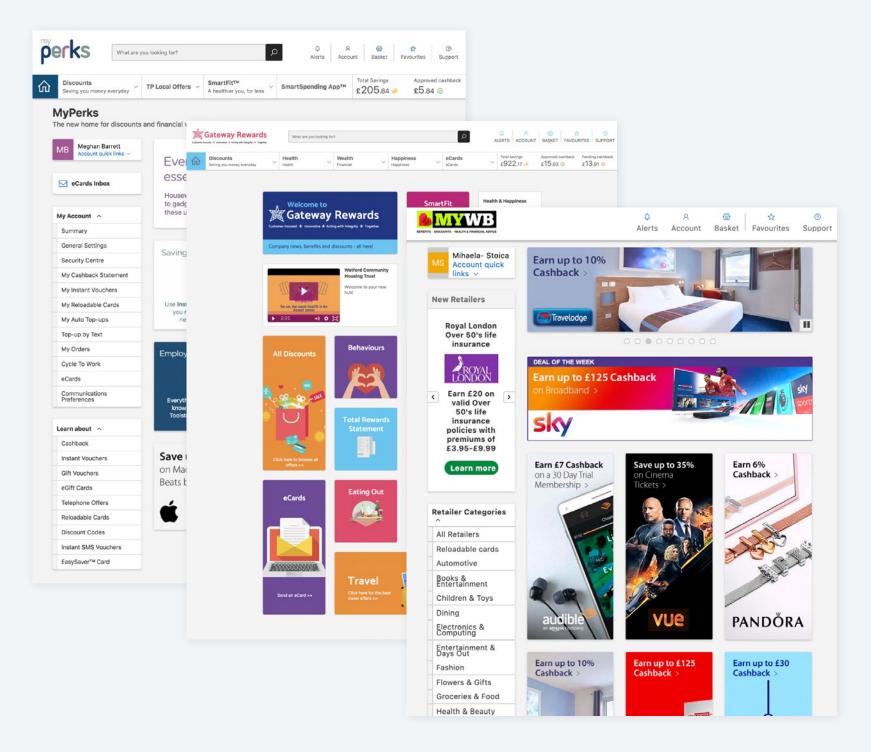


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Reward Gateway delivers the only employee engagement platform with industry-leading benefits, discounts, wellbeing, reward and recognition, communications and surveys, all in one place.