

Johnson Fleming

Rethinking employee benefits benchmarking

Our consultants share their thoughts on why your 2024 employee benefits strategy shouldn't be based purely on benchmarking



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Foreword

“to be unique, you need to think unique”

Over the course of 2023, the team and I have worked with businesses of all sizes to support them with their employee benefits strategy all over the globe. A topic that keeps coming up when talking with our clients is ‘who should we be basing our strategy against in our sector?’ and ‘what are your other clients doing?’, but our answer always remains the same. Whilst a strategy based purely on benchmarking (just copying what the market is doing) will help you get amongst your competitors, what it won’t do is help you stand out from them.

If you want to be unique, you need to think unique – what will differentiate your business? What makes you a company that people really want to work for? Really think about the type of people that can help take your business to the next level; what are the characteristics of these people, what makes them tick and, importantly, what are they looking for from an employer? Once you answer these questions, then we can start exploring benefits and perks that reflect your values and appeal to these people.

With that in mind, **we wrote this guide to show you the advantages of basing your employee benefits strategy on the needs of your business**, walking you through how to really set your business apart from the competition and how you can become a trend setter, rather than a trend follower in 2024.



Tania Parmar
Client Relationship Director





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1. The importance of diversity

Why aim for a diverse workforce?

It is now more important than ever for modern businesses to recognise the advantages of employing a diverse group of people. Diverse workforces have been found to be 35%¹ more likely to have financial returns above their industry median, proving that a strategy with a commitment to diversity at its core can lead to real benefits for your business growth, and should not just be treated as a box-ticking exercise.

Two-thirds of people also say that an accepting and inclusive workplace is important when searching for new roles², so failing to recognise the benefits of diversity could not only make you less competitive within your industry, but less effective at attracting and retaining the best people.



Gurdip Memmi
Employee Benefits Consultant



35%

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The war for talent

It has become vital for businesses to maintain a strong presence in the job market, due to the workforce shortages and “war for talent” we are seeing as a result. Applicants are more demanding and selective, meaning employers must do more than ever to attract the best candidates and be able to call themselves an ‘employer of choice’³

This has had a significant impact on employee benefits strategies of businesses, with nearly half (48%⁴) of UK companies reportedly increasing their investment in employee benefits, to not only compete but to win the “war for talent”.

1 Why Diversity Matters | McKinsey

2 Workforce Diversity Report 2022 | YouGov

3 Winning the War for Talent | UKRI

4 Zest Benefits

2. “What are the next big employee benefits trends?”

What does your business need to offer to hold its own in this “war for talent”?

Some of the main employee benefits trends we have seen both in the UK and internationally, and expect to continue into 2024, include:

- ✓ Mental health
- ✓ Financial wellbeing support
- ✓ Family forming benefits
- ✓ Menopause support

However, when we think about what's best for your business' growth, is the answer following the crowd and offering an identical package to the rest of the market, or should your focus be on standing out in your sector or community?

Having a strong business identity, belief in your values and a PeopleFirst culture are all things your business should consider. It is about asking yourselves, “why would people choose to work for us over competitors?” and looking to embed a flexible, sustainable and ‘fit for purpose’ Employee Value Proposition.



Claire Gibson
Employee Benefits Consultant

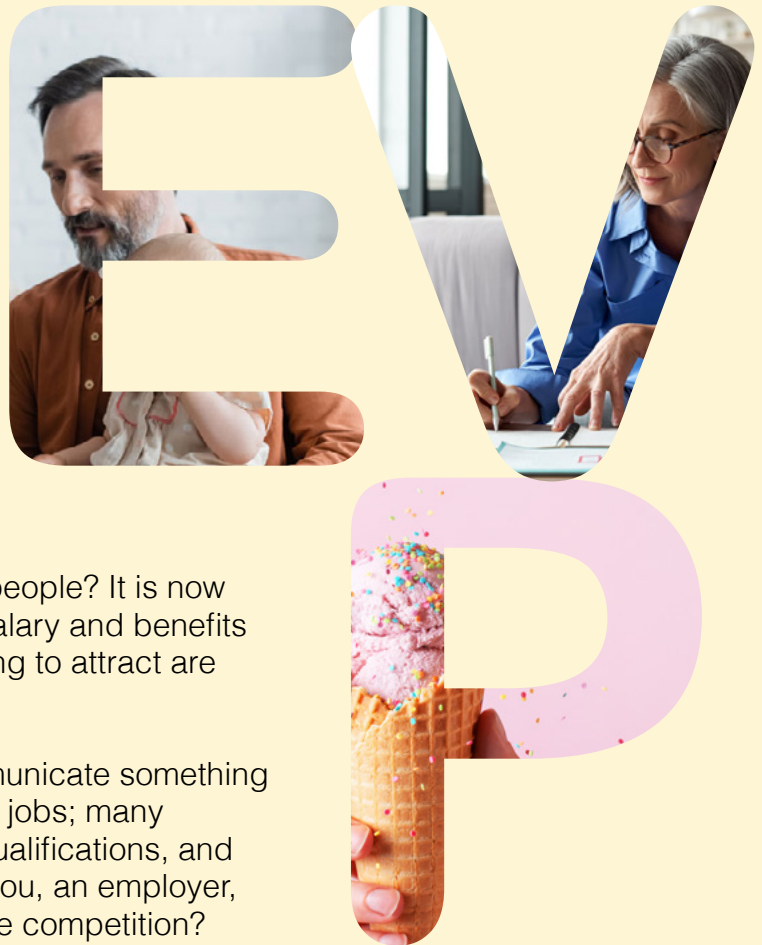


Your Employee Value Proposition (EVP) is important

Your EVP is the front door of your business. Why would people look at it? What are the benefits and rewards your business offers to its people? It is now more about the total package, not just salary and benefits - your employees and those you are trying to attract are looking for far more from their employer.

Ironically, candidates may have to communicate something very similar to an EVP when applying for jobs; many applicants will have degrees, relevant qualifications, and experience, but what can they bring to you, an employer, that means you should hire them over the competition?

Your EVP helps to demonstrate why a position in your business is better when compared to similar positions with other companies. Benefits like a competitive salary and a good pension are now rarely unique enough to earn people's commitment and loyalty long-term. When people are invested in the direction and purpose of a business, and see their own values and attitudes reflected in the work environment, that is what makes it harder for them to find more suitable employment alternatives. Therefore, an effective EVP should shout about these elements of your business just as heavily as it does the actual employee benefits that it offers its people.



3. Creating your strategy

Where do you want your employee benefits strategy to take your business?

When mapping out the goals and targets that your employee benefits strategy should help your business achieve, there are certain areas of your business that you should be paying particularly close attention to.

Here are three key areas of consideration:



People

workforce demographics, work/life balance, succession planning



Culture

PeopleFirst culture, values embedded in day-to-day business, flexible & agile working, communication.



Benefits

benefits which add value to each person, tailored and fit-for-purpose.

Benefits, culture, and values are important to employees but may not necessarily help to attract the talent that will help take your business to the next level. Bringing your EVP strategy to life and embedding it as part of the company's DNA is now considered a "must-do".

Authentic 'invisible' incentives

Organisational authenticity is a phrase linked to many of the ideas in this guide. It's about 'sticking to your guns' and committing to an EVP that not only offers people physical benefits, but 'invisible' incentives that make the thought of working for your business more attractive.

An authentic EVP should work alongside your employee benefits offerings to look after your people's core needs:

Physical

- ✓ Flexible working that accommodates for stress, burnout, and tiredness

Social

- ✓ Open communication and approachability across everyone in the business
- ✓ Hiring people to help create a team that works well together to effectively and consistently action your strategy

Mental

- ✓ A culture that allows people to bring their true, best selves to work.
- ✓ Caring for and investing in the development of your people, both inside and outside the office

Financial

- ✓ Advice to support people in managing their personal wealth (retirement, financial and mortgage advice)
- ✓ Flexible working to reduce the commuting costs of your people.

Emotional

- ✓ Strong, clear values and morals that align with those of the talent you're looking for.
- ✓ A clear vision and purpose that people can see themselves proudly contributing to
- ✓ Courage of your convictions – going above and beyond to do what your business feels is right

By basing your employee benefits strategy on being more of a follower than a leader, you may be weakening your business' authenticity and sense of purpose, which 70% of the modern workforce values in an employer

4. Bringing your strategy to life

How to turn your thoughts into action

Now is the time to start putting your ideas into practice and thinking about how your business can set itself apart, beyond just the employee benefits programme.

When is an employee benefit a *real* benefit?

A tailored approach to benefits is vital. What is offered to your people must be useful to them and should make people feel like their individual needs are being considered – a broad, “one-sized” approach to benefits is no longer relevant and can alienate people that don’t feel considered.



Ravi Punn

Employee Benefits Consultant

Think about what benefits will be valued *most* by the groups of people your business needs:



People with no dependants may prefer:

- ✓ Discounts and subsidiaries for everyday expenses
- ✓ Financial advice
- ✓ Access to mental and physical wellbeing support
- ✓ Free access to professional development and support with career progression
- ✓ A 'work from anywhere' approach to flexible working



People with young families may prefer:

- ✓ Financial and mortgage advice
- ✓ Private medical insurance that extends to partners and children
- ✓ Flexible working hours to maintain a positive work-life balance
- ✓ Income protection benefits



People at later stages in their career may prefer:

- ✓ Generous pension contributions
- ✓ Retirement planning advice
- ✓ Eldercare support
- ✓ Menopause support

Appealing to the *most* people vs appealing to the *right* people

When putting your strategy into action, it is important to make sure that you're **prioritising the quality of people in your workforce** rather than the quantity of people you're attracting and retaining:



Quantity

- Your employee benefits strategy is subject to change based on what the rest of the market is doing.
- As a result, your values aren't very consistent or clear to your stakeholders.
- A lack of authenticity and identity can limit your ability to set your business apart from the competition, causing recruitment difficulties and high employee turnover.



Quality

- You know what types of people your business needs and you offer benefits that add the most value to these people, both inside and outside the office.
- Your values are strong, and you have a clear business identity and vision.
- You accept that, while it may not appeal to everyone, what you stand for will be valued by the people that your business needs, and that's what matters.
- Your corporate behaviour and image is consistent and recognisable, which can help build authenticity and encourage likeminded people to buy into your business over your competitors.

*“build **trust** among your stakeholders and deliver your services more efficiently and profitably”*

Employee benefits strategies need full buy-in

No matter how much preparation and thought goes into the designing of your strategy, if it is not backed by everyone within the business, it makes it much harder to turn your strategy into a success.

The word that links every element of your employee benefits strategy is consistency. If your employee benefits, values, identity and culture are obvious, and align with the people your businesses needs to attract and keep, it will enable you to build trust among your stakeholders and deliver your services more efficiently and profitably.

Strategic planning will also not bear fruit overnight. Your employee benefits strategy will, by its very nature evolve, but will need to be kept under review ensuring it remains fit for purpose.

5. Strategy design and implementation

Making it count, the first time

While you can manage and oversee these strategies yourself, having a business partner like Johnson Fleming by your side can help alleviate stress and make the process more seamless from start to finish.

We'll work with you, ensuring all the elements of your benefits strategy work in harmony together, linking the wider elements, such as ESG, DEI&B, CSR, and your EVP.

Our consultants provide an end-to-end service, from crafting and evolving your strategy, to using our risk management and brokerage skills and provider relationships to find the best solutions for your needs. Wherever your business is on its journey, we'll be there to support you when you need it.

- ✓ Consultancy
- ✓ Brokerage
- ✓ Management
- ✓ Engagement



David O'Reilly
Head of Consulting



We're now part of NFP

Business insurance, risk and people solutions

In 2020 Johnson Fleming joined NFP. NFP has spent more than 20 years building teams of professionals, in over 400 offices around the world. Here in the UK and Ireland, we have over 500 employees across 15 offices and our 8,000 people have the knowledge and expertise needed for success, whatever the location.

Solutions for your business

We offer a complete package of complimentary services for your business, tailored to your industry, and designed to support and protect your most valuable assets - your property, your people and your customers.

- ✓ Global employee benefits
- ✓ HR consultancy and people development
- ✓ Commercial insurance
- ✓ Health and safety

Solutions for your people

Alongside our extensive range of business services, we are also able to fully support you and your people with a portfolio of personal and individual solutions.

- ✓ Investments
- ✓ Mortgages
- ✓ Retirement planning
- ✓ Personal protection

www.nfp.co.uk
enquiries@nfp.co.uk

Let us help you rethink your employee benefits strategy

Get in touch today to see how we can help you create, implement and measure an employee benefits strategy that delivers long-term value to your people and your business.

 enquiries@johnsonfleming.com

 01527 571 300

 www.johnsonfleming.com