

## FLEXIBLE BENEFITS

### INDUSTRY INSIGHT



**Phil Ainsley**, senior manager, employee benefits at Equiniti, says that while employers must get the best out of their flex schemes through using technology, it's only part of the answer, not the whole solution

# Facing flex

Britain's flexible benefits schemes have been around for over 15 years and the speed of adoption is gathering pace. The challenge for employers is now to keep flex plans fresh and relevant for a diverse workforce, while ensuring they are cost effective to implement and run.

To get the best out of their schemes, organisations should ensure that they are deploying technology properly, implementing communication effectively and measuring the return on their investment.

Technological advances have helped transform the management of perks by improving efficiency of delivery. But technology should be considered as a means to an end and people interfaces are ignored at your peril.

Cutting edge organisations have harnessed technology to develop integrated benefits portals for staff that pull together all elements of reward, including flexible benefits. These help communicate the value of the package enjoyed by employees by linking total reward statements with benefits in a dynamic yet consistent way.

Simple online calculators and modelling tools can be used to bring flex schemes to life and improve employees'

understanding of the value of the benefits available, particularly in relation to any tax and national insurance (NI) savings. When employees understand the true value of tax-efficient benefits their take up will increase, resulting in greater savings for the employer as well as the employee.

Communication of flex involves much more than brochures, posters, a website and emails. It includes all touch points which contribute to an employee making a benefits decision, such as face-to-face discussions with managers and interaction with the employee helpline. It is important the brand and message remain consistent at all times.

If one of the main drivers behind implementing flex is to appeal to a diverse workforce, the scheme will be less successful if it is communicated to all employees in the same way. By taking time to understand the demographics of your workforce, you may discover a need to segment your employees by geography, division, life stage, language or previous selections in order to ensure each employee receives relevant communications that they understand and are excited by.

Understanding how your employees

access information outside the workplace and their preferred methods of communication will help this process. For instance, organisations with young or technology-savvy staff are adopting modern marketing techniques to promote their benefits schemes such as text messaging and podcasts.

Measuring the return on benefits investment is critical to obtaining internal buy-in for flex. However, while calculating savings on NI contributions may be relatively easy, less tangible benefits require more creative measurement. Use of surveys, particularly face to face or by telephone, will enable you to capture employees' thoughts and provide feedback. You can also prove that employees are more engaged in terms of better attendance, productivity or lower staff turnover.

For larger organisations with multiple locations and complex structures managing a flexible benefits scheme is a complex undertaking and many are outsourcing administration to a third party. This can reduce cost, improve quality and facilitate organisational change, while leaving human resources free to focus on strategic decisions that add value to their organisation.

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