

Your Hidden Paycheck

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With all the money that companies spend in benefits for employees, are companies getting the bang for their buck from the benefit packages offered? Are your benefits fostering employee loyalty and productivity or are people just waiting for a better offer to leave? Studies show that year after year, employees who are satisfied with their benefits are more likely to be satisfied with their jobs. This holds true especially in a recession which has impacted workers differently at different stages of life, with varied financial implications. Additionally, companies are under increasing pressure to reduce labour costs and remain viable while still offering employees compensation that can be viewed as competitive. Benefits can comprise a significant portion of labour costs and therefore in recessionary times the concept of increasing benefits packages may seem ludicrous. However, balancing business costs and benefits needs does not have to be about spending more — it's about spending differently.

A solid benefits package can be a plus to any organisation—but only if employees know and understand what is available to them. Most employees—young and old—feel that benefits like health insurance, pension plans and dental insurance are important, and yet many employees lack any knowledge of how much their health insurance costs. Overwhelmingly, research found that employees simply did not know how much their benefits were worth. If they don't know the cost, then it stands to reason that they have underestimated the benefit provided. By raising the profile of the benefit packages, even without increasing the benefits, employers can gain employee loyalty.

The focus on education and guidance is an excellent avenue to express concern for employees while not expanding the budget. The new work paradigm has meant that employees have to look at benefits differently. They are now required to become more engaged in efforts to improve their health and in building financial security for today and tomorrow. Persons can no longer rely on government for financial security during retirement. Even though many employees recognize that they must accept more responsibility for their financial security, taking action is a challenge. Employers are well positioned to support employee efforts through education and guidance towards making the right choices that will secure their future financial wellness.

Group medical plans are only a portion of total employee health-related costs. When expenses such as direct costs for disability benefits and paid leave attributable to employee illness and injury, and indirect costs for recruiting and training replacement workers when ill or injured employees are absent for extended periods of time are added, the total health related costs are pushed upward. There's a lot of research to support the premise that wellness programs, when they are done well, benefit everybody. The employees win because they are in better health. Their families win because their loved ones have

more energy and feel better. And the company wins because it enjoys reduced health-care costs, lower absenteeism, higher morale and reduced turnover. At least one third of all medical expenses are for illnesses or injuries that could have been much less serious or prevented altogether.

Wellness programs are now widely accepted as a way to help control company health care costs and improve productivity by reducing absenteeism. However, many employers do not measure the impact of the program. If this is your chosen strategy, devise a measurement system to track if the expense justifies the resulting benefit. Remember that these programs work best when senior leaders are on-board, they are integrated into the culture and support systems and easy access are factored in.

Flexibility is now the buzzword of business. Telecommuting, work from home days, flexible hours, compressed work week and virtual offices have been widely incorporated in developed countries. Research suggests that the higher an organization rates itself on flexibility offerings, policies and impacts, the lower the organization's voluntary turnover rate. However, do not be fooled into thinking that the policy is the beginning and the end, rather the importance of training managers to work with employees on flexible schedules as well as empowering employees to thrive on flexible schedules should be incorporated in order to reap the benefits of flexibility. This may not be an easy thing to implement in an organisation and factors such as union and employee buy-in, impact on customer service and supervision of the system.

Whatever strategy you choose to adopt, of primary importance is engaging employees on the best way their benefit package can serve them and the associated costs.