

THE RIGHT MESSAGE

Benefits are a major investment, but many employees remain unaware of their true value

Benefits are expensive and companies expect to see more successful recruitment, more motivated employees and improved staff retention in return. However, to achieve this it is not enough to just spend lots of money on benefits. It must be spent wisely.

In recent months, all the talk in the employee benefits business has been about flexibility. While offering staff choice is certainly a good idea, companies must also think about how they communicate their benefits package to their workforce. Quite simply, this is because the best benefits package in the world will not achieve its aims if no one knows about it.

How to communicate

Fortunately, companies have ample opportunities to communicate their reward strategy to their employees. Janet Paxton, human capital

management manager at CedarOpenAccounts, a financial software provider, says, "The secret is continual and consistent communication. Today, the company intranet, seminars and information booklets are all popular. You should take advantage of every opportunity where employees are trained or assessed on company policy, such as induction and performance appraisals, to provide verbal updates on employee benefits."

While it is important to use every available channel, it is equally important to engage the audience. For Jonathan Watts-Lay, director at JPMorgan INVEST, this is about making it interactive. "One of the most common mistakes is to communicate reward strategies solely through brochures or intranet sites. Very often we find that messages delivered in this way are overlooked or, even worse, misunderstood," he says.

"Many companies could find that they are

spending a lot of time, effort and money on a communications programme that doesn't deliver," Watts-Lay adds. "We draw the distinction between information, which is passive, and education, which is interactive. To avoid passive information being overlooked, we would recommend educational programmes."

Lose the jargon

Another reason why employees ignore company messages about complex benefits such as pensions is that they tend to be delivered in incomprehensible technical jargon. Jon Pittham, director at Cullen Financial Planning, says, "Staff often see pensions as complicated and it is clearly a huge mistake to set up a fantastic scheme, then allow workers to get confused or, worse, to forget it exists. Communications should always be straight to the point and jargon-free to ensure that

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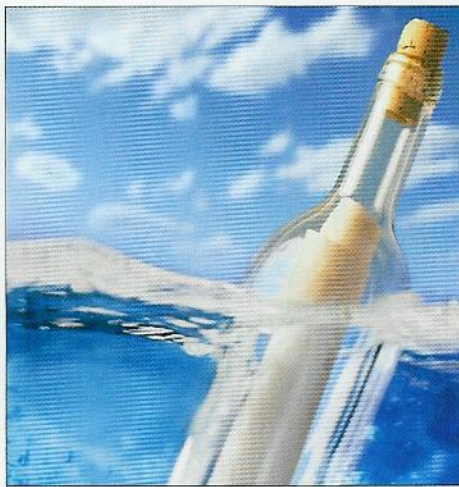
the message is conveyed without confusion."

Ultimately, as well as informing staff of benefits, companies need to market them. Many choose to apply marketing principles to these communication campaigns. Sally Winter, marketing manager at employee benefits consultancy You at Work, says, "It is vital to segment your audience. A 25-year-old paying off a student loan will have different priorities to a 55-year-old, empty-nester, so your choice of communications channel and message should reflect this. If you can't do this properly, then enlist the help of your marketing department."

Finally, an important development in this area has been the emergence of Total Reward Statements. Stuart Stroud, senior consultant at Baker Tilly Financial Services says, "Employees find it hard to understand the monetary value of their benefits. Providing them with an annual total reward statement allows them to see very clearly the value of each benefit and of the total package."

Clear understanding

By doing all of this, a company will ensure that its employees have a very clear understanding of the value of the benefits that they are receiving. Some companies might worry that this process will



simply expose the paucity of their benefits packages, but the majority will see it as a small investment that will maximise the return of their significant investment in staff benefits.

In 2005, PricewaterhouseCoopers realised it needed to put more effort into communicating its reward strategy to its employees. Toni Graves, head of reward and recognition, says: "People are vital to our business and benefits are a key

mechanism for motivating them. However, the money we spend on benefits is wasted if no one is aware of them.

"We realised we needed to invest resource in demonstrating that there is a fair allocation of reward, in motivating our staff through potential reward and in ensuring that they didn't take for granted the benefits they already receive."

It involved the marketing department from the outset and brought together a previously disjointed set of benefits under a new 'Life' brand. It then embarked on a series of roadshows around the country, explaining to employees how benefits worked and how they could get the most from them. These events were supported by information booklets.

In the assurance business, PwC trained around 120 partners so that each could deliver around half a dozen of these presentations locally. The results were remarkable. At the start of the process 40% of employees said they understood the link between performance and reward and only 36% felt they were fairly rewarded. After it, those figures rose to 70% and 71% respectively. ■

Alex Blyth

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