



Innovative ways to

elevate your employee benefits and HR strategies for 2023

Johnson Fleming

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Foreword

Act now to improve your benefits offering for 2023

Now, more than ever, we're seeing huge shifts to the way we work and live, from widespread hybrid working, to managing the cost of living crisis and the healthcare crunch. That's why this Autumn is a crucial time to ensure your benefits are still supporting your people effectively, and adding value for your business. The current landscape is complex, so you need to start now if you want to implement an improved benefits strategy for 2023.

Benchmarking isn't the whole story

We'll always encourage you to benchmark your benefits against those of your competitors. After all, it could make the difference between you, or your competitor, winning the battle for the best talent.

But... simply benchmarking against your competitors and matching their offering may not be enough in these difficult times. You need to look at the external factors that are affecting your people's wellbeing, and also at your own data points.

By taking a close look at these factors, you can design a benefits strategy that elevates your business, rather than merely keeps you in line with the competition.

- Are we retaining the talent our business needs?
- Are we offering the right benefits to attract the specific talent our business needs?
- Are we offering support to our people through the cost of living and healthcare crisis?
- Are we keeping our workforce happy, healthy and productive?



David O'Reilly

Head of Benefits Consulting



Our expert advice for your 2023 employee benefits strategy

In this guide, we asked six of our employee benefits, HR and financial planning experts to explore ways you can help mitigate the current wider issues that are impacting your people and your business, and highlight some of the emerging themes that we think you should consider for your 2023 benefits and HR strategies.



Claire Gibson
Employee Benefits
Consultant



Ravi Punn
Employee Benefits
Consultant



David Pinner
Employee Benefits
Consultant



Steve Foulger
Director of HR
Services and
Organisational Design



Sue Foxley
Executive Coach
and Senior Career
Consultant



Nick Frost
Wealth
Management
Consultant



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Supporting your people through the healthcare crunch and the cost of living crisis



Helping your people manage their **finances**



David Pinner
Employee Benefits
Consultant



Financial education and discount portals

The cost of living has increased dramatically this year, and salaries have not kept pace. While company-wide salary increases might be unrealistic, you can help your people understand their spending and do it wisely. Access to financial wellbeing services that help them manage their budget or get a better mortgage deal (such as a series of webinars or workshops) or providing access to a discount site to offer cheaper everyday purchases such as supermarket shopping, electricals, broadband or fuel, do come at a cost, but is a great way to help when giving all employees an inflation-matching pay rise isn't an option.

Employee assistance programmes

Employee assistance programmes (EAPs) are a must-have employee benefit for your business. They're usually either low-cost or included as part of another insurance or benefit product, but are often under-used by employees. You might be surprised to discover all the financial resources your EAP offers, such as confidential debt advice, a financial helpline, and counselling. Make sure you promote these services to your people and encourage them to make good use of them.

Salary sacrifice

Salary sacrifice is an efficient and cost-effective method of paying for employee benefits. It happens when your employee makes an agreement with you to give up part of their salary in return for a non-cash benefit. With the reduced salary, both you and your employee save on National Insurance contributions and income tax. Salary sacrifice is commonly used to boost pension contributions, but employees can also give up salary in return for benefits such as, Cycle to Work, and low-emission car schemes.



Helping your people access **healthcare** and **wellbeing** services

Virtual GP services

Many employers are beginning to feel the knock-on effects of the pandemic on their employees' wellbeing, with long waiting lists for NHS care and increasing numbers of employees being unable to work while they wait for treatment. With warnings of a 'capacity crunch' in UK healthcare, now could be the perfect time to implement a virtual GP service.

These types of solutions offer 24/7 access to a GP, which helps to diagnose and treat employees, and support them to be productive again as quickly as possible. This is a tangible benefit which also helps employees deal with any anxiety related to their illness.



Ravi Punj

Employee Benefits
Consultant



Private medical insurance

Private medical insurance is fast-becoming a dealbreaker benefit for many job seekers, given the current NHS backlogs. People are also dealing with conditions which may have started during lockdown, but which they put off seeking treatment for, which is further adding to waiting times. When you also consider that working from home has potential to cause musculoskeletal issues for people working at unsuitable workstations, it isn't hard to see how valuable this benefit is to your people.

Cash plans

Giving your people access to a health cash plan means they can access dental, optical, and various therapy treatments without having to worry about the cost. A cash plan refunds these costs (up to the cover amounts) and can even include an option to pay privately for a referral to a consultant, meaning your people can avoid long NHS waiting lists. Some cash plans will even reimburse any policy excess your people need to pay for hospital treatment through their private medical insurance.

Wellbeing strategies

Look at encouraging employees to take breaks, offer yoga sessions or walking challenges, or even implement a 'no-email hour' every day, or a meeting free day once a week. If you can, a company-wide 'thank you day', where everyone gets a few extra hours off to spend with their loved ones, is a great boost for morale. You could consider setting up a social committee to create events throughout the year, or have community initiatives or charity days to encourage employees to both take a break and take positive action for charities at the same time. Involve your people and try and appoint champions for wellbeing - even better, have one of your Exec team champion it!

Upskill your managers to spot the signs of mental health issues, and consider implementing mindfulness workshops. If you have benefits that include mental health support, contact the provider and see what services they can offer for you and your employees.

We can help you build a wellbeing strategy that brings all your wellbeing benefits, and initiatives together, to maximise the use of your wellbeing benefits and craft an overall employee proposition that is both compelling for your current employees and attractive to potential new hires.



Building a recession-proof strategy for your business



How to restructure well - in four steps



Steve Foulger

Director of HR Services and Organisational Design



In July, the Bank of England warned the UK will fall into recession, as it raised interest rates by the most in 27 years. The economy is forecast to shrink from October this year until the end of 2023.

Of course, this isn't good news for businesses and job seekers, as people stop spending money, firms downsize and make redundancies, and unemployment increases. However, the recent 'Great Resignation' means that this time around, employers may be reluctant to make redundancies and lose people from their business, and if they can't avoid a restructure, they want to ensure they retain both the right talent and the confidence of their people.

HR needs to ensure that the organisation emerges from the other side of a restructure as smoothly as possible. They'll be key in communicating to employees what changes are coming and how they will affect them. HR will also be essential in ensuring that these changes are successfully embedded across the organisation.

1. Planning

Plan flexibly

The planning stages can make or break a restructuring process. This is where you need to be analysing the impact on your people and devising an engaging communications plan. An often-cited survey by WTW (formerly Willis Towers Watson) reported that a surprising 75% of change programmes are actually unsuccessful over the long term. However, the key to success is most often effective planning and design. And it's important to remember that an imperfect but flexible design, that allows for changes during the consultation period, will always beat a perfect but inflexible design.

Bring in external partners

Be sure at this stage to recognise the capabilities you have in-house, and start those crucial conversations with external consultants if you need to. You may even find that they help you to identify an alternative solution that could avoid restructuring altogether.



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2. Launch

Create compelling, transparent communications

The 'Go Live' announcement is a crucial phase in the restructuring process. To avoid impacts on morale, you should create engaging launch collateral that gives your people as much information as possible up-front, and be prepared to respond to employees as and when they have questions.

It's important to keep your people in the loop and explain how any changes impact them individually, and work with them and their managers to manage change sensitively.

Make sure you have some positive news - this might be an increase or change in employee benefits, or it could be that those leaving will be getting outplacement support.

Invite input and take it slowly

Set out straightforward parameters that everyone can understand, and be clear where you need more input, ideally from those who are impacted. Plan enough time for meaningful consultation and changes to the proposal – a common mistake is to try and complete consultation too quickly.

It is crucial that you engage all of the potentially impacted stakeholders. That might be business owners, leaders, shareholders, those at risk (and their families), 'survivors', trade unions, and employee forums.





3. Delivery and implementation

Keep people informed

The strong communication from the launch needs to be maintained throughout the delivery and implementation stage. This is crucial as changes start to take hold and your people's working lives are affected, so you should schedule meetings with impacted employees. Often the best ideas for changes to the plan come from those who are directly impacted. Keep a track of all suggested changes, and keep everyone informed of those suggestions that are being considered as part of the consultation.

Train managers to 'own' the changes

Line managers and senior leadership must be able to lead through change effectively, and be able to authentically 'own' the potentially hard messages being delivered to their people. They may need coaching in how to do this. This might involve expert consultancy support, through role playing or scripting. Avoidance is not an option, but finding ways to get comfortable with doing the best you can for your people is crucial.





4. Embedding and review

Review regularly and often

Like an agile project, you are unlikely to be able to just flick a switch. By looking after your leavers, conducting honest and frank exit interviews, and working hard to make the new solution effective, you give yourself the best chance of a smooth transition. A 'lessons-learned' wash-up is crucial to identify further improvements to refine the change. Mapping and utilising the employee benefits and support available through this journey are crucial. Your people will engage more with your employee assistance programme during these difficult times, and will value additional HR support services like outplacement support.

Train and motivate your people

After the restructure has taken place, it needs to be embedded in your organisation. This means regularly checking that your people are motivated and have the skills to fulfil their new roles, and ensuring that the values of the organisation and the rationale behind the restructure are being lived up to.

Buy-in and understanding are crucial

There will be challenges while newly-formed teams make the changes happen, and even the best planning will need to be iteratively reviewed. Mostly, it will just need a tweak or a solution-focused meeting. More inherent failings tend to arise from ignoring better ideas in the planning or consultation stages.



Retaining your top talent through tough times

When it comes to recession, employee retention plays a big part in minimising losses for your business. When the market is unstable, people tend to feel financially stressed and unsafe, and are therefore more likely to jump ship. With recruitment having been so hard in the post-Covid period, losing key people during challenging times may place a real strain on your business.

The recruitment, training, and onboarding costs related to hiring a new employee will stretch an already tightened budget, on top of the fact that a high-performing, knowledgeable, talented person has just walked away from your business.



David Pinner

Employee Benefits Consultant



Cost-effective benefits to retain your talent

It is tempting to consider cutting back on employee benefits spend during lean times, but if that means you struggle to retain and recruit the talent your business needs, it can be a costly mistake.

If you can't avoid streamlining your benefits spend, it is possible to provide an attractive package of employee benefits without blowing your budget. Here are our suggestions for some cost-effective benefits your people will love:

'Cycle to Work' scheme

Enables employers to lease a pushbike, adapted bike or e-bike to an employee (with the option to eventually purchase), and reduce tax and NI payments for both employee and employer via salary sacrifice.

Electric car scheme

Basically the same as the Cycle to Work scheme but for ultra-low emission cars. Although company cars have lost their appeal due to the benefit-in-kind tax, ultra-low emission cars make a really attractive salary sacrifice benefit.

Shopping discount portals

Very popular with employees, these discounts can really add up and be hugely valuable for your people, and if you host them on your benefits platform they can encourage uptake of your other benefits too.



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Holiday trading scheme

Helps employees achieve a better work/life balance and reduces employer salary and NI costs at the same time.

Employee assistance programmes (EAPs)

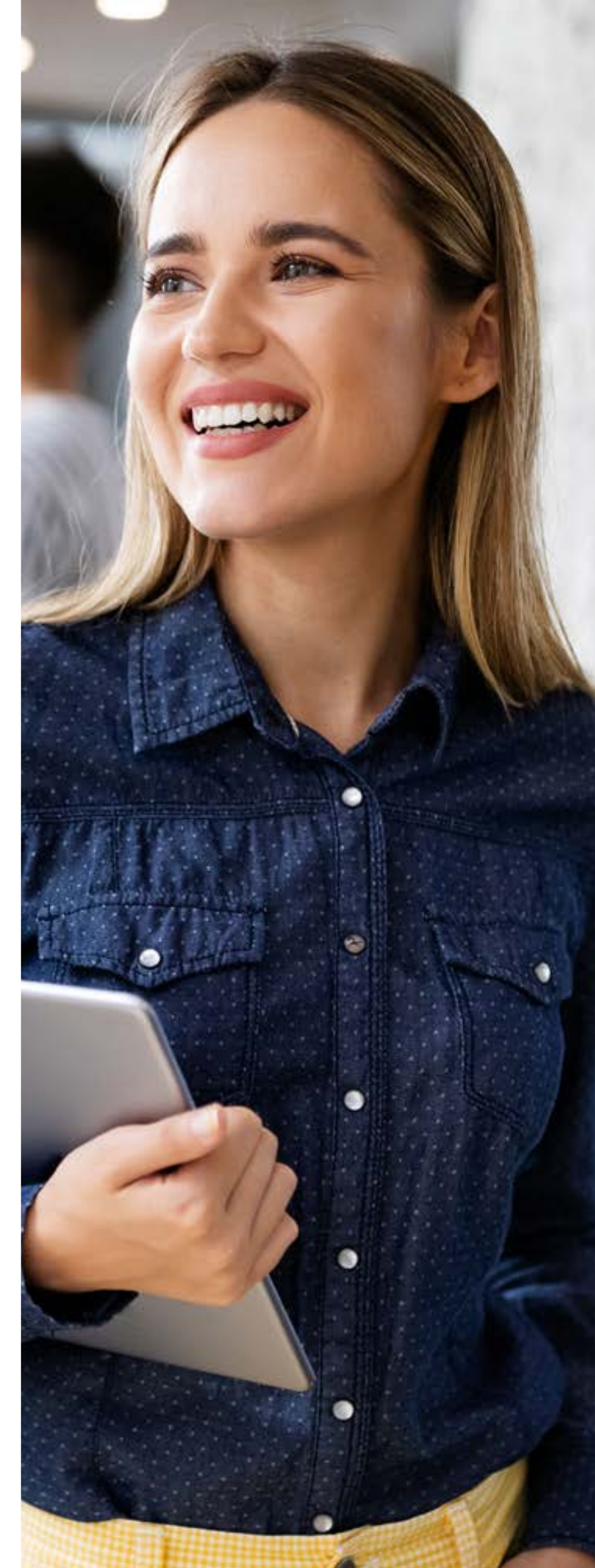
Comparatively inexpensive to implement, an EAP provides your people with access to a confidential advice helpline, which typically includes counselling, financial, debt, legal, and childcare information and physical and mental health services and support.

Increased leave entitlement

A useful retention tool, increasing annual leave entitlement for all, or in line with length of service, encourages your people to stay with you and shows you appreciate the need for work/life balance.

Voluntary benefits

Voluntary benefits allow employees to buy discounted products or services, such as life insurance, critical illness, legal protection, and family income protection, through their employer out of their own taxable pay or via a salary sacrifice arrangement.



Benefits engagement helps improve retention

If you're not communicating with your people and showing them how valuable your employee benefits and supportive workplace culture are, you're missing a prime opportunity to enhance your employee value proposition (EVP).

Ensuring that your benefits are appreciated by your people plays a crucial role in helping you to attract and retain talent. That's why it's so vital to have a robust benefits engagement strategy that will help your people understand their benefits, and link them to feeling valued. That perceived value will affect what they say about your business (both externally and internally), and how potential new talent will view you as an employer.

Executed well, your benefits engagement strategy can make a huge difference to talent retention in your business. Easy access to a great suite of benefits, an employer who takes the time to explain them, and to personalise benefits communication to each individual person's needs, means that your people feel looked after, supported and valued. We can undertake a retention and attraction audit and look at both your employee benefits and wider employee engagement, to give you certainty around what it is in your business that attracts and detracts.



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Innovative ways to support your people that you should consider for 2023



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Fertility support and benefits



Steve Foulger

Director of HR Services and Organisational Design



Do you need a fertility policy?

In recent years we have seen many changes that widen the support around important employee lifecycle events, from shared parental leave, to increased focus around menopause, to additional support around miscarriages. Right now, there is a ground swell for change around fertility.

Whether the law changes, whether the guidance changes, whether the advice changes, we think this one is a safe bet, and it's safe to say that it will be tested through both current legislation and as the dynamics of bringing up children becomes ever more diverse.

With the current candidate-led job market, it could be a smart and proactive move for your business to implement fertility support and benefits now, ahead of the curve.

There are many businesses grabbing the initiative to resolve this gap, and ensuring that they are supporting people who need the extra help. It is baffling that we can have so many changes and support for anyone who actually becomes pregnant, but so little for those trying to make this their reality. If you want to be ahead of the trend, and have best practice solutions in place for supporting your people, this should form part of your 2023 review.

1 in 7 couples may have difficulties conceiving

NHS, 2022

You would be hard pressed to find many companies who already have a specific policy for fertility, but it's hard to imagine a business where one of their employees hasn't needed this kind of support. A policy is a good starting point, but it is only part of the picture. Over the years, we have seen hundreds of different policies, and for every company to have a copy of every policy would just be unworkable, and would mean a set of policies going unread or adding no real value. I firmly believe that, as fertility impacts a such a high proportion of people, having an agreed policy and approach in place can really bring added value for your business and your people. It is an area that has been overlooked for too long, but this is changing - and quickly!



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90%

of employees
who face fertility
challenges
will leave their job
for a company that
offers fertility benefits

Fertifa, 2022



Claire Gibson

Employee Benefits Consultant



What benefits options are available?

According to leading UK reproductive health benefits provider, Fertifa, 88% of employees who feel unsupported during IVF treatment either leave, or consider leaving, their job, and 90% of employees who face fertility challenges will leave their job for a company that offers fertility benefits. Those are some remarkable figures, and highlight just how powerful your retention ROI could be from implementing reproductive benefits solutions for your people.

There are a wide range of options available to your business, to offer differing levels of fertility support:

- At a basic level, these benefit solutions offer reproductive health education modules for your people, and management and leadership training, healthcare assessments and screening, discounted fertility treatment options, and access to dedicated fertility advisers.
- As an enhancement to your offering, you can also choose to add employer-funded fertility treatment, whereby you set an allowance per employee to use against their reproductive health requirements. Some providers will even manage this process for you!



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Menopause support and benefits

Supporting a fast-growing demographic in your workforce

Embedding menopause as a mainstream topic across an organisation can generate engagement, improve gender parity and ensure that you stand out as an employer of choice, where both your current and future talent can thrive. Many businesses have already seen the benefits of committing to a menopause awareness programme in conjunction with other initiatives around wellness, mental health, and general employee support. It is no longer a taboo subject and people are getting more and more comfortable talking about it. To make a real difference and change, we have to get everyone feeling comfortable about the subject, or we risk long term negative impacts on our businesses.

To put the size of this issue into focus, it's important to remember that 1 in 3 women in the workplace are of menopausal age. This equates to roughly 4.4 million women aged 50-64 in the UK workforce (ONS,2019), and the fastest-growing demographic.

When you consider that 8 out of 10 peri-menopausal women are also working in some capacity or other (UK Gov,2022), the number of women affected begins to scale up dramatically.

Reviewing your approach to menopause support is an investment in future generations of women in the workplace, plus, organisations who have more women at the top perform better financially. If organisations increase retention among female staff, not only can they increase the knowledge base and bottom line, but they can increase diversity at senior levels too.



Steve Foulger

Director of HR Services and Organisational Design



In the current recruitment climate, providing this kind of support could make a vital difference to your business's ability to attract and keep these highly capable and experienced people.

1 in 3 women in the workplace are of menopausal age

ONS, 2019



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Claire Gibson

Employee Benefits Consultant



What benefits options are available?

Again, there are options for varied levels of support solutions here, ranging from a fixed-fee-per-employee, pay-as-you-go product, and inclusions in standard medical insurance products, to a full suite of menopause health education modules and training, screening services, and employer-funded treatment and consultations.

By providing access to a specialist menopause-trained GP, these solutions mean that a menopause diagnosis could be made and acted upon potentially years faster than an NHS diagnosis, opening up quicker access to treatment, and limiting the impact on mental health and difficulties in maintaining workplace performance.



44% of women wait over a year for NHS menopause treatment

Balance, 2021



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Holistic retirement planning support



Sue Foxley

Executive Coach and Senior Career Consultant



How can your business benefit from helping people to retire well?

While it may seem counterintuitive that offering your people support to retire can help your business retain and recruit talent, it's really anything but.

By implementing support for your people to plan both financially and transitionally for retirement, your business can benefit from:

> **Developing the culture**

encouraging open conversations so that all parties can plan better

> **Better retention rates**

doing the right thing for your people, which may encourage those considering retirement to stay with you for longer, or return after taking a break

> **Gaining a competitive edge to attract talent**

strengthening your employee value proposition

How employees are supported through the entire employee lifecycle can increase the attractiveness of your business. Retirement support is part of that lifecycle and is key to having open conversations, and can even facilitate effective succession planning.

Helping people think about their future plans makes it okay for people to consider what is important to them – maybe it's not quite the right time to go, or maybe even time to return after a break, thus not losing that valuable knowledge base. This is particularly crucial right now, as people over 50 have been driving a huge segment of the Great Resignation by leaving the workforce to retire early, taking all that knowledge and expertise with them.

We know that employees can be advocates and champions of an employer's brand, and sometimes we underestimate that retirees are the creators of much of our intellectual property and are ambassadors for our culture. They often have influence within a large network and become mentors to people at the early stages of their careers. Your business could really be missing something in quietly letting people go without support at this pivotal employee lifecycle stage.



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Retirement isn't just about squaring your finances

The best retirement support is so much more than financial planning alone. Helping people to think about and design this next stage of their lives on an emotional, personal and psychological level is key to ensuring that our highly experienced, valuable employees feel empowered to make choices - sharing their plans openly with their organisation, thus allowing everyone to benefit and to plan for the future.

Holistic retirement support covers a whole range of areas such as health, our identity, a sense of structure, hopes and dreams, communication with others, and the possibilities about extending our working lives in new, more flexible ways.



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Financial planning for retirement



Nick Frost

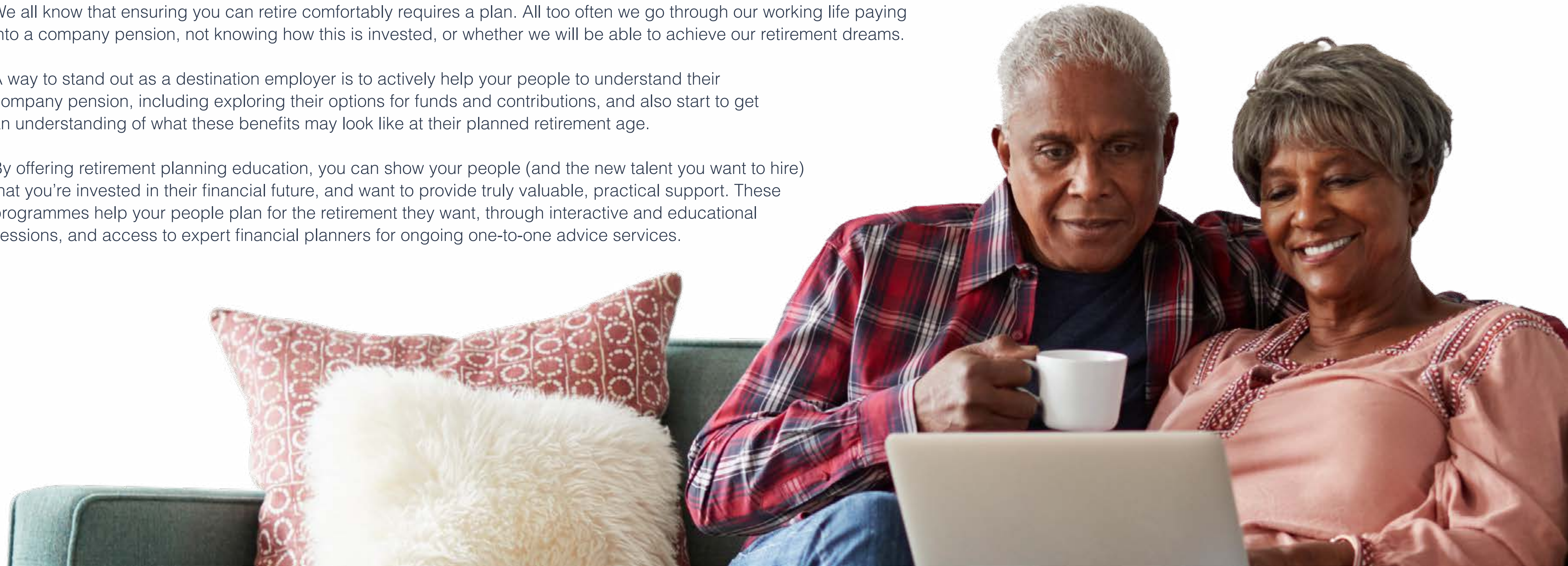
Wealth Management Consultant



We all know that ensuring you can retire comfortably requires a plan. All too often we go through our working life paying into a company pension, not knowing how this is invested, or whether we will be able to achieve our retirement dreams.

A way to stand out as a destination employer is to actively help your people to understand their company pension, including exploring their options for funds and contributions, and also start to get an understanding of what these benefits may look like at their planned retirement age.

By offering retirement planning education, you can show your people (and the new talent you want to hire) that you're invested in their financial future, and want to provide truly valuable, practical support. These programmes help your people plan for the retirement they want, through interactive and educational sessions, and access to expert financial planners for ongoing one-to-one advice services.












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Key retirement questions we can help your people to answer

-  Do the illustrations from your pensions show that you have enough income and capital?
-  Do you want to take a tax-free cash amount or do you need higher regular income?
-  Do you need to include a pension for your partner, or only for you?
-  Do you need an increasing income?
-  Is the investment strategy of your plan appropriate for your attitude to risk?
-  Does poor health mean you can take an enhanced annuity?
-  Do you have multiple plans with different benefits that you can take at different times?
-  Do you have state pension forecasts?
-  Have you considered all other sources of income you may have?

We can **elevate** your benefits and HR strategy

The current landscape is complex, so you need to start now if you want to implement an improved benefits strategy for 2023. Get in touch today, and find out how we can help you to ensure your benefits and HR strategies are:

- offering support to your people through the cost of living and healthcare crisis
- retaining and attracting the talent your business needs
- keeping your workforce happy, healthy and productive
- robust enough to support your business during challenging economic times.

Email: enquiries@johnsonfleming.com



Putting it all together

The workforce has experienced massive change in the last two years... hybrid working, emerging healthcare and wellbeing issues, a candidate-led recruitment market, and huge increases in the cost of living.

Ensuring that your benefits support the mental, physical and financial wellbeing of your people has never been more important, and building an attractive employee value proposition is a great way to gain an edge over your competitors in the battle for talent.

Coupling this with overarching wellbeing and HR strategies will put you in the strongest position. Your organisational culture, design, and development need specialist support and attention, alongside your employee benefits.

Luckily, the right partners can help guide you through every step of the process to find the right benefits and communication strategy to fit your operation, and help you continue to review and improve, year after year.

Find out how we can help you develop a strong benefits, HR, wellbeing and employee engagement strategy to keep your organisation moving forward and your people thriving.

Employee benefits

www.johnsonfleming.com
enquiries@johnsonfleming.com

HR solutions

www.connor.co.uk
info@connor.co.uk

Wealth management

www.nfp.co.uk/wealth
wealth@nfp.co.uk

Johnson Fleming

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