

A woman with blonde hair and glasses is sitting at a desk, looking at a laptop. She has her hand to her forehead in a thoughtful pose. The background shows a bookshelf and a plant. The image is overlaid with a dark blue tint and decorative white curved lines.

6 ways Covid-19 has transformed employee benefits

earnd

www.earnd.com
hello@earnd.com

Contents

1. Prevention is better than the cure	2
2. The importance of 'outside lives' has crystallised	3
3. Employee experience is essential	4
4. Wellbeing is about more than mental and physical health	5
5. Return on investment matters more than ever	6
6. A point of difference is necessary	7

1. Prevention is better than the cure

The phrase prevention is better than the cure is top of mind for everyone, with benefits emerging as a way to fix workplace issues before they develop.

For example, during Covid-19 there's been an increase in mental health first aiders within organisations. These are people trained to spot problems among their peers before they turn into significant mental health issues.

Financial management and planning is another example of where businesses need to focus their energy. One in three Australians are unable to access \$500 in an emergency and almost 3 million people in Australia accessed their super early in 2020, taking out \$360bn from their retirement savings. While accessing super early may have helped plug short-term gaps in income, it's likely to have longer-term consequences that could deepen the stress Australian workers feel.

As a result, businesses need to look at what tools they can provide to prevent these stresses from occurring – removing the barriers that stop people from succeeding financially.

According to a report from AMP:

“The research shows that financial education is one of the most used employee benefits when available. In fact, employees place an average value of \$1,300 on financial education provided by employers. Yet only 10 per cent of employees report that they're being offered this kind assistance by their employer.

“There is a very real opportunity for employers to offer more financial literacy and education programs to their people, and increase awareness if they already exist – to help them understand and engage with their finances, set goals, put plans in place, and then achieve their desired financial outcomes through informed decision making.”

2. The importance of 'outside lives' has crystallised

The blurring of work and home lives has become more prevalent. For most people, interrupted video calls are a normal part of the working day and we're much more familiar with people's homes and sometimes even family members.

Research from the [Australian Bureau of Statistics](#) found that 40% of people with a job work from home at least once a week, compared with 25% prior to the pandemic.

People are also working longer hours than they did before the pandemic, with [Atlassian research](#) finding Aussies work an extra 32 minutes per day, starting earlier, finishing later and taking fewer breaks.

Half of those surveyed by Atlassian said it's harder to maintain work-life boundaries than before the pandemic and 23% said they think more about work outside of hours.

This could be part of the reason that employers are considering benefits that better support people's personal lives. Flexibility has become a focus area – driven by the shift to working from home.

Alongside working from home, large firms like [PwC](#) have introduced 'core hours' and [Friday afternoons off](#), allowing employees greater flexibility in scheduling their work around their lives.

For employers, there's a recognition that understanding people's lives outside of work is here to stay. Work-life balance has become so important that [1 in 3 Australians told Seek](#) that it comes ahead of salary and job security when they're considering a new position.

3. Employee experience is essential

In the past few years, the importance of a table tennis table or coffee machine in the office has dwindled. When many in-person experiences stopped during the pandemic this trend accelerated, forcing employers to really consider how they can improve engagement and the employee experience.

Virtual coffee meet-ups and one-to-ones with colleagues have become popular, as has support through the likes of internal communications platforms like Yammer, Slack and Facebook for Business.

But experiential benefits don't have to be limited to experiences with fellow employees. Businesses are also looking at ways they can improve experiences for employees and their families.

Companies such as Modibodi, Monzo and M&C Saatchi have introduced bereavement leave for couples who experience a miscarriage. In May 2021, some of the country's biggest employers like CommBank, Deloitte and QBE became founding partners of the Family Friendly Workplaces initiative — introducing a set of certifiable work and family standards for employers. Other organisations like KPMG, Macquarie Bank, Microsoft and HSBC have also signed on as strategic partners.

4. Wellbeing is about more than mental and physical health

For almost all employees across all industries, job security was on their mind in 2020. This could be part of the reason that we're seeing a significant focus on financial wellbeing, alongside mental and physical wellbeing in the workplace. Stress and anxiety are now the primary cause of absence amongst employees and the leading cause of stress is financial.

Financial stress is proven to impact both mental and physical health. Research has also linked financial stress to short-term health issues like headaches and insomnia, as well as longer term problems such as heart and lung disease, arthritis, diabetes and asthma.

AMP's 2020 Financial Wellness research found that severe and moderate financial stress impacts almost 2 million Australian workers, with one in two people reporting some level of stress about their finances. The cost to the Australian economy is approximately \$30.9bn a year due to distraction and absenteeism. Those that are financially stressed are distracted for 7.7 hours a week and absent for a further 1.2 hours a week through sick days.

Seven in ten workers say they're comfortable receiving information and support from their employer on financial topics, according to Future Friendly. What's more, one in two people say they would benefit from more employer support and would be interested in financial wellbeing programs.

Those who are most interested in these programs are younger workers — with 50% saying they received no financial education in school. It's fair to say that an emphasis on financial wellbeing can make all the difference right now — and there are lots of options employers can look at from financial education to earned wage access.

5. Return on investment matters more than ever

Getting a return on investment (ROI) has never been the only reason for employers to offer employee benefits. Human resources (HR) professionals have also sought to meet employee expectations, keep up with industry trends and provide arrangements that work for their particular workforce needs — be that through flexible working or discounts on petrol.

But as the pandemic has prompted more businesses to focus on their bottom line, HR professionals have had to shift their focus too. They need to be sure the benefits they offer their employees are good for their business too.

Lendlease is one Australian business that has seen a return on investment from their employee wellbeing programs.

The construction company won in the multinational employer category in the Global Healthy Workplace Awards for their focus on nudging healthy behaviour, training employees in mental health first aid and implementing a flexible working policy that included wellbeing leave.

The company's [2017 Global Work Health Insights Study](#), which took employee biometric health assessments to measure the success of their efforts, found that for every dollar invested in the program there has been a return of \$1.09.

Their integrated approach to workplace health and wellbeing led to improved business outcomes including enhanced productivity, reduced absenteeism and improved employee morale and motivation.

6. A point of difference is necessary

Covid-19 revealed just how much employees depend on their employers to support them in a time of crisis. Yet as more companies advertise for roles in a huge post-pandemic push, employers need unique offerings to attract and retain talent.

Just before the pandemic, business outsourcing company TSA Group surveyed their employees and discovered they had a unique opportunity to support their workers — their pay cycle made it difficult for employees to budget.

TSA decided to implement Earnd, as an earned wage access provider that also offers financial education. In the time since, Earnd has become TSA's most popular benefit and is an important point of difference for attracting talent.

Zahra Peggs, Group Executive of People and Corporate Affairs says:

"Earnd is a really important part of our overall benefit offering. The 48% uptake rate among our staff is reflective of that. There's a lot of competition in the market for talent for the roles that we bring on board.

"Providing earned wage access is a real differentiator for us. When people begin to understand what flexible pay can mean for them and how they manage their money, it really changes their perception of what a role at TSA Group can offer them."



Make the switch to earned wage access

[Get in touch](#) • hello@earnd.com