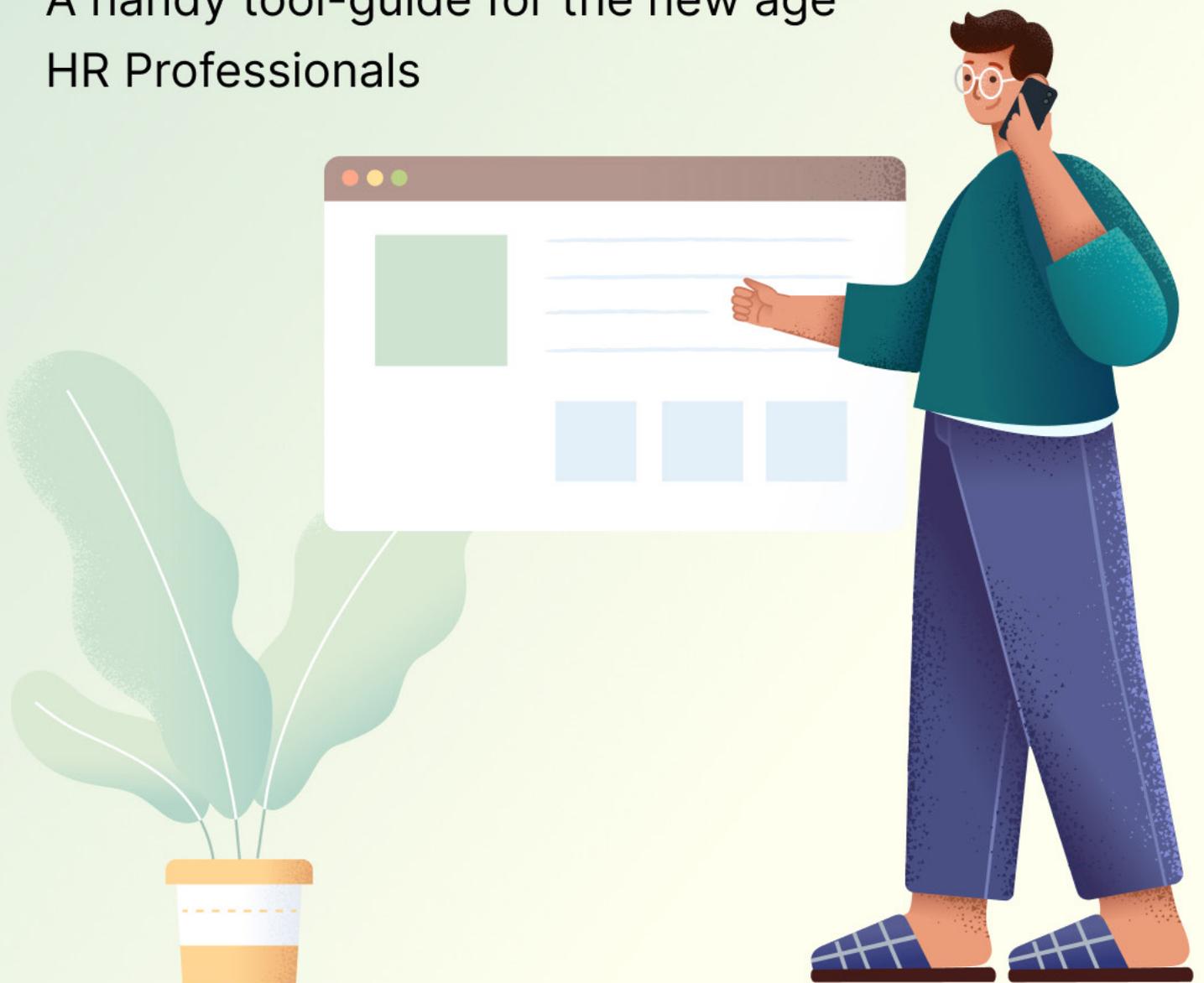


How to choose the best employee benefits?

A handy tool-guide for the new age
HR Professionals



Choosing employee benefits that attract and retain the right talent can be tricky in changing times. Loop Health has made it easy for you with this handy guide.

In this guide, you will find:

- A comprehensive understanding of what is included in employee benefits.
- Step by step guidance in helping you make a plan of action for your team.
- Latest trends in the industry and how they affect the choice of employee benefits.

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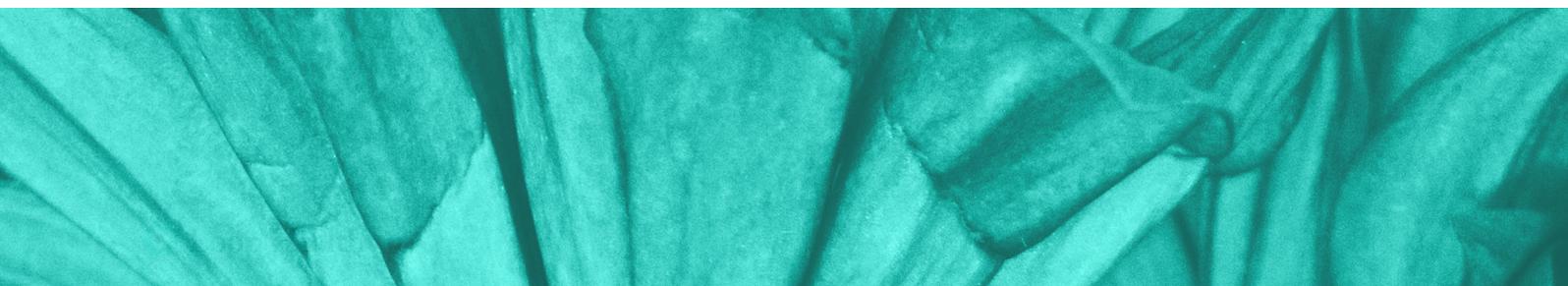
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Introduction

Employee benefits – Relevance and Importance

“All work and no play makes Jack a dull boy.”
We’ve heard this proverb often and felt it too.
Work is only good when the worker is enjoying it.

As the world goes through a whirlwind of change in the way people work, produce and engage with each other, it is time for the new age HR professionals to think again about how they interact with their employees.

People are the most important resources an organization has, and to keep them healthy, happy, productive and engaged with each other is a challenge many HR professionals deal with every day.

These are some of the questions we are going to answer in the next few pages.

- In the digital future, when more and more people are going to be working remotely in isolation, how does the HR professional think of providing the right employee benefits? What are the special benefits that employees going to need in the future?
- What will keep people motivated to keep coming back to work and produce good quality work day in and day out?
- What challenges are going to be faced by recruiters in making a plan of action to implement the 'Benefits plan' for all employees?
- What are the latest trends in the industry and how does one go about foreseeing the future?
- And finally, in conclusion, how does one measure whether the benefits plan is actually working on not?



What are Employee Benefits?

'Benefits' is not a new word. In normal situations, it means an advantage or profit gained from anything. When applied in the context of employees and workers, however, it means anything extra that is above and beyond the basic salary and wages.

Also called fringe benefits, these are the perks and goodies that companies provide to entice and keep employees working, producing, growing and engaging within the company.

Why do we need Employee Benefits?

An organization only grows when it invests in the well being of its people. Benefits not only attract new talent for building a good knowledge base, it also ensures retention of key people so that they stay put and not hop on to the side of the competition. Also, in the longer run it helps in maintaining the brand reputation of the organization as caring and supportive. Ultimately it helps organizations cut down on unnecessary expenses spent on hiring, recruiting and training people again and again. Providing exciting employee benefits helps your company in myriad ways. Some of them are -

1 Attracting Personnel

Attracting the right talent is a challenge for any company and making them stick with you is a part of it. Not all talented people are attracted by paycheques alone. Salary is a crucial part of negotiation but a recent SHRM study finds that benefits are the top three considerations while looking for a job.

2 Employee Retention

It is very important for the employees to be engaged with the organization, especially when they are working remotely and not meeting their fellows physically. Less quantifiable benefits and perks like no reporting time, free refreshments, extra holidays also help in employee retention.

3 Aligning business and employee needs

Rewarding employees for their productivity is extremely important. Helping them reach their personal goals is as important as aligning them to the company goals. Benefits can be a great tool to reward this understanding of alignment between personal and business goals.

4 Strategic tool

There are a limited number of talented employees, and multiple players in the market. To make sure that your organization is loaded with highly talented folks, employee benefits should be used as a strategic tool to have a competitive edge over other players in the market.

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Exploration

Various types of employee benefits

There are a number of different types of benefits offered to employees, based on the type of industry. But all of them are not the correct fit. Selecting the most relevant ones with the long-term goal of its impact on employee retention and recruitment is essential. All of employee benefits can be categorized into 4 types –

- Benefits for financial Security
- Benefits at work
- Benefits for Health and wellness
- Lifestyle Benefits

Benefits for financial security

Financial security is one of the main reasons people work for. Here are some of the main types of financial benefits offered –



Pensions

Usually associated with employees of government organizations, pensions are a form of payment done with respect to the fact that a person might need money after retirement. But in recent times, it is witnessed that there is a shift in policy and pensions are now not a part of benefits for government employees. Administrators are finding it hard to offer this type of benefit because of the fall in stock market, high inflation and higher life expectancy.



Travel Support

Organizations usually have tie ups with travel agencies or travel advisors for cheaper ticket prices as they are booked in bulk for business travels. The same relationship can be leveraged by the organization to offer interest free annual traffic loans to their employees for personal reasons. The repayment amount can be collected in monthly installments in the form of deductions from the employee's salary.



Maternity/ Paternity Pay

This benefit has become a must have for organizations. Apart from the legally mandated maternity benefits structure, organizations should invest more as it will help in attracting and retaining skilled female talent. Full or half pay during maternity leave is a topic worth exploring for organizations. If organizations are worried about employees not returning after a certain number of days post maternity, a clause can be inserted about repayment of that money.



Share schemes

Giving a share of your profits to your employees is one of the many beneficial tools of building loyalty and interest among the employees, beyond their job role limitations. Various options for offering financial benefits are commissions, performance bonuses, stock options, ESOPs, shares, insurance plans, etc.





Benefits at work

These are the benefits that are offered by employers at the place of work. These cannot be compromised at all if the productivity needs to be maintained. These include flexible working hours, training and skill development, food and beverage options etc. Apart from these basic things, the new millennial workforce doesn't conform to norms or traditions. They demand highly flexible working hours and believe that they are more productive when there is no 9 to 5.

Benefits for health and wellness

These are the most important of all the benefits because the productivity of the workforce depends on their health and wellness. The pandemic has proved that everybody needs care and support and it is the best practice for employers to spend and give enough attention to how their employees are faring health-wise – whether physically or mentally. Some of the main types of benefits in this category are –



Employee health insurance

This is the number one type of benefit offered on behalf of companies.

Considering the insurance is going to prevent mishaps and cover and calamities or diseases for employees in the long run, it is best to look out for options that suit the specific needs of employees.



Additional medical benefits

These include mental health offerings like chat with therapists, counselors and mental health professionals who can guide and help the employees during times of stress and pain. Organizations also tie up with third party platforms to provide other medical benefits like free medicine up to a certain amount, free and unlimited OPD benefits, dental and optical coverage and so on.



Gym Membership

Most modern folk need to spend enough time on their fitness to keep themselves productive and active in the time of work. Whether the organizations tie up with independent gym outlets or subsidize the membership for local gyms, this benefit has become very common among young companies.



Sick Leaves

These are exceptional leaves that are given to employees in situations they are sick and not able to come to work for any health problem. As the health issues increase indefinitely, these are the times when sick leaves can not be compromised. It is better to have employees take an off when they need it than make them come to work in decreased productivity.

Lifestyle benefits

Work benefits like free coffee, unlimited food, vacation days off etc. are benefits that a lot of companies are offering nowadays, with growing need for flexibility that increases creativity and productivity. Some of these are -



Vacation

Who doesn't like long days off in the routine 9 to 5 job? Vacation leaves are predominantly given to well performing employees who undergo a lot of stress. It improves the overall blood pressure and mood levels of the workers and acts as a nice stress reliever. It prevents the risk of heart disease and illnesses and helps keep focus on the work rather than getting distracted every now and then.





Retirement Plans

The retirement benefits mainly consist of the employees' leave encashment (employees are allowed to accumulate leaves and exchange them for cash on their retirement), retirement gratuity, and the amount that they were contributing to their provident fund account throughout their service.



Paid Parental Leaves/ Childcare facilities

This benefit is none other than giving the employees the extra points of being a parent and taking care of children. These include maternity/ paternity and other kinds of responsibilities that are supposed to be fulfilled at different stages of life.

Some of the other things to add to these benefits are –
Pet-friendly office, free food and beverages, movie-concert and match tickets, free library membership, clubs.

For more information about the types of benefits, please visit www.loophealth.com

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Action

Making an actionable “Benefits” plan for your workforce

While all these benefits plans might seem amazing and attractive to employees, putting them into action and making sure they are applied in the right way is more important.

Benefits plan has an impact on employee's health, satisfaction and wellness. It is very important for the organization to properly plan and strategize the approach to offering benefits with respect to budget and conditions. Because benefits are both short- and long-term success tools, therefore setting up metrics to measure its effectiveness is important.

One of the common mistakes that organizations make is to believe that every benefit is going to motivate the employee and help the organization save cost. That might not be the case every time. The need for employee benefits will change from employee to employee. An action plan can be made in the following steps –

Step 1: Identify the Organization's Benefits Objectives and Budget

An important first step in designing an employee benefits program is to identify its objectives. This will provide overall guidance in establishing the selection and design of the benefits program.

The organization's business and/or HR strategy will help guide the development of the benefits objectives, as these objectives should help achieve the overall strategic goals. Factors such as employer size, location, industry, budget and collective bargaining agreements should be considered in the development of the benefits objectives.

Step 2: Conduct a Needs Assessment

A needs assessment should be conducted to determine the best benefits selection and design based on the needs and wants of the employees. It may include an employer's perception of employee benefits needs, competitor's benefits practices, and tax laws and regulations.

Step 3: Formulate a Benefits Plan Program

Once the needs assessment and gap analysis are complete, the employer will need to formulate the new benefits plan design. Using the data collected from all resources in Step 2, the employer can begin to formulate benefits offerings in order of priority. Then the employer will determine the cost of providing the prioritized benefits and evaluate it against the benefits budget.

Step 4: Communicate the Benefits Plan to Employees

The communication strategy is a critical component to the benefits planning and management. Employee understanding of the benefits is critical to employee buy-in. Although the employer is obligated to provide communications to comply with laws regarding disclosure of various benefits plans, such as a summary plan description, communications should go beyond the legal requirements.

Good benefits communication objectives should include:

- Creating awareness and appreciation of the new or existing benefits and improving employee financial security.
- Providing a high level of understanding of the benefits offered.
- Encouraging wise use of benefits.

Step 5: Develop a Periodic Evaluation Process to Determine Effectiveness of Benefits

Periodically reviewing the benefits plan program is another important step in the benefits management process. The benefits program must be assessed on a regular basis to determine if it is meeting the organization's objectives and employees' needs.

4

Latest trends

Industry insights and changes

It is apt to say that remote working is the now and the future of most white collar jobs. Companies who never considered remote working have now updated their policies. In 2020 and 2021, employees know the pros of remote working and want to keep it that way during this year.



1 Flexibility and remote working

Paid time off as you wish was difficult to imagine before the pandemic.

Nowadays, to keep your star employees in your current organization, employers are coming forward with this benefit. When employees are having a lot of time-off means they can focus on maintaining a work-life balance.

2 Enough paid time off

According to studies, 1 in every 4 employees suffers from depression. It results in employees taking leaves from the office due to mental illness. Some employees feel the pressure of the work or feel isolated while working from the office or home. Go for mental health programs that are easy to understand by the employees, and employers need to reduce the work pressure and promote work-life balance.

3 Mental health programs for employees

Employees often complain that they have less time to spend with their families. Employers can judge the relationship between the employee's productivity and offer leaves as the employer wants.

4 Provide employees with more family time

Employees often complain that they have less time to spend with their families. Employers can judge the relationship between the employee's productivity and offer leaves as the employer wants. It allows the employees to spend a lot of time with the child and elderly care. Another trend is paternity leave that gets offered with maternity leave.

5 There will be an ongoing focus on care-giving support

We'll see increased later stages of disease and cancer. Among its many casualties, COVID-19 has caused one huge —and a too-little-discussed— problem: Employees have delayed or ignored regular care, avoiding doctor appointments, routine exams and cancer screenings.

5

Conclusion

Measuring the impact of Benefits

Measuring the outcomes of the employee benefits package is important for any business. The organizations need to know that their employee benefits packages are meeting certain objectives and business goals.

Part of the reason that so many businesses don't measure the outcomes of employee benefits is that they simply don't know how to collect data on it. Here are the few methods to measure it –

1 The need to focus on outcomes rather than ROI

It can be difficult to accurately work out the financial return of employee benefits for an organization. This is why companies may benefit more by focusing on outcomes instead of return on investment (ROI).

2 Employee key performance indicators

A vital aspect of measuring outcomes of employee benefits is the level of employee engagement in a company which can be measured through Key performance indicators (KPIs). This includes measurable indicators such as, average task completion rate, revenue per employee, profit per employee, overtime per employee, and employee capacity.

3 Staff turnover

Another reliable way to measure the success of employee benefits packages is to take into account staff turnover rates. If employee benefits are translating into reduced staff turnover rates, then this is linked to other key components of your business goals, such as reducing losses (e.g. the time and cost of training new employees), greater employee engagement, satisfaction, loyalty and higher profit margins.

4 Absence statistics

If a strategy undervalues or ignores employee wellbeing, this can lead to an increase in absences related to poor mental health. If, on the other hand, your employee benefits include flexible working opportunities or wellness and health benefits, this can translate into improved employee wellbeing and, in turn, fewer work days lost due to issues like stress, anxiety and depression.

5 Employee satisfaction surveys

One clear way of assessing the outcome of your employee benefits strategy is to conduct employee satisfaction surveys. An effective employee satisfaction survey should ask questions that employees find relevant, such as:

- Do you find your work meaningful?
- How would you rate your work-life balance?
- Do you feel valued at work?
- Do you feel there is room for personal growth?



Founded in 2018, **Loop Health** is the first health insurance provider with an in-house medical team that helps you care for your employees. Health benefits should be simple, useful, and holistic. We're on a mission to bring quality and value back together in healthcare.

To know more about the latest updates on Loop Health, please visit www.loophealth.com

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