



Reward Gateway
the employee engagement people

How to Support Employees in a Difficult Economic Climate

Finding meaningful benefits for your people when company-wide pay rises aren't an option



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Introduction

Hi there,

I'm Jon Fulluck, Head of SMB Consultancy at Reward Gateway. I've been lucky enough to spend the last decade partnering with hundreds of leading companies on their engagement journey. One area I've become increasingly passionate about is helping businesses find new ways to enhance their Employee Value Proposition (EVP) to support their people in the ways they need it most.

And every year I notice an increased focus on enhancing the employer brand, a huge focus

on mental health, work balance and wellbeing, and making employees money go further through innovative platforms to support key goals of attracting and retaining top talent.

This has come into focus more and more as we continue to navigate through the recent cost of living challenges, where the burdens of financial stress and other wellbeing areas have come into the spotlight.

A benefits platform that provides a unique, low-cost tool to deliver a high impact on value propositions and reinforce employer

brands to employees and their families can help ease these challenges.

In this eBook, I'll share some of my learnings, along with client case studies and tips to support you and your organisation as you review or build out your employee benefits offering. Hopefully this will provide you with some inspiration to create a market-leading EVP for your people.

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Supporting Employees Through a Difficult Economic Climate



In a **recent survey**¹ conducted by Reward Gateway, we've found that over 3 in 5 (61%) of employees surveyed agree the stress from the cost of living increases is negatively impacting their work.

With inflation building, it's likely that organisational budgets will be heavily impacted. Coming from this are typical cost-cutting measures, such as limited pay reviews or bonuses and a hard focus from Leadership teams on how to minimise company-wide expenses.

Organisations that will rebound from these limitations have to find new ways to support employees, leaning on creativity and innovation to break through their budgetary constraints.

¹ 2022 Reward Gateway Survey

It's important to remember that while businesses everywhere may be faced with challenging circumstances, your people need support, too. One of the ways that employers can be the hero that their people need is by looking at their benefits and wellbeing programs to positively impact and influence employee disposable income and productivity.

In this book we'll sneak behind the curtains of the best employers to discover how benefits programs, combined with other innovative strategies, can successfully help employers through a challenging climate, with their people – and their business – coming out on top.

In fact, when properly implemented, a benefits program can increase employee income up to 8% for less than 0.1% of payroll*.

*Based on average employee savings across Reward Gateway benefits program, SmartSpending™



What's on Australian executive teams' burning platforms in 2022?

Our team is privileged to partner with over 2,500 companies, including some of Australia's Best Employers. We have found five consistent priorities for executive teams, some of which have now become even more important:

1	Retaining and motivating key talent with flexible remote working and new demands on frontline workers
2	Increasing employee connection and engagement aligned to mission and redefined strategic objectives
3	Stabilising and supporting employee wellbeing and company culture
4	Minimising costs to save the organisation money to free up funds for business continuity and growth
5	Discovering cost-effective ways to enhance Employee Value Proposition , positively reinforcing employees and thanking them for their contributions

How HR innovators are supporting their people through the cost of living crisis

So how can an employee benefits program address these pressing issues? The right kind of benefit can give employers a competitive edge in their overall retention and attraction strategy.

Best employers recognise in today's employment market that competitive salaries, learning and development opportunities and flexible working are a given. They look to further differentiate their EVP and employee wellbeing in ways that provide real meaning to their prospective and current employees and their biggest influencers – their families. The EVP tool that sets them apart is a comprehensive program that makes a real difference in the affordability and mental, physical and financial health of everyday life.

Innovative employers maximising their employee benefits find it a powerful tool to:



Gain a competitive edge in their overall retention and attraction strategy with an attractive, meaningful benefit



Enhance the competitiveness of their EVP and impact overall employee retention



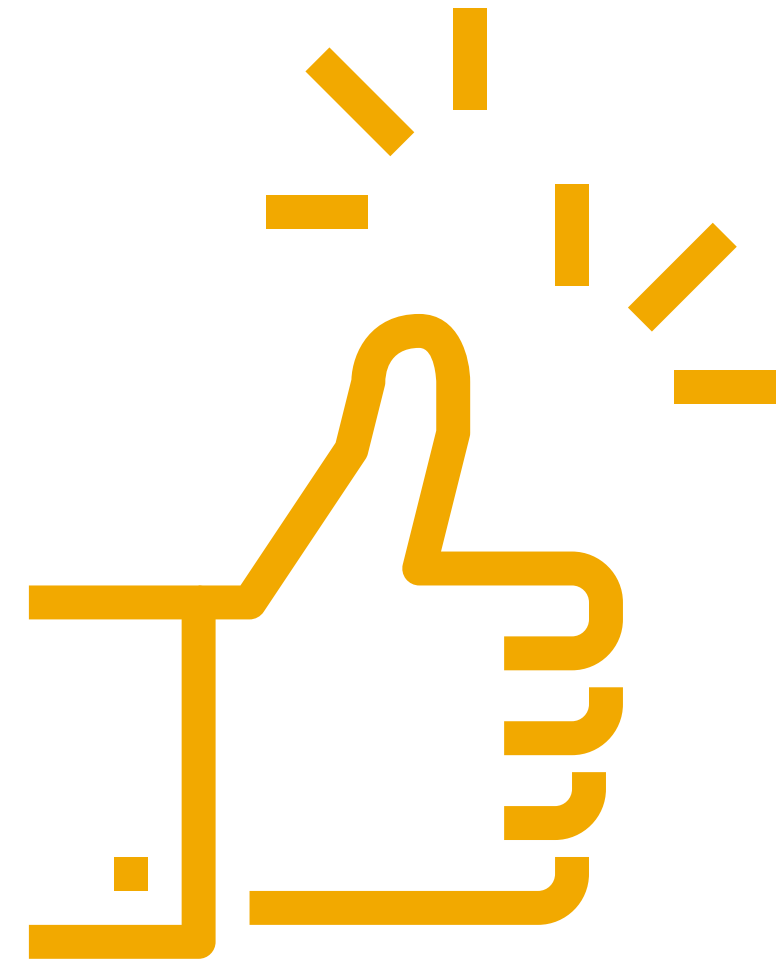
Reduce the impact of below-expectation pay reviews



Put savings and disposable income back into employees' wallets

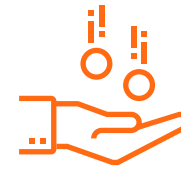
Coupled with the power of access to employer benefits, hundreds of wellbeing videos and articles, employees will truly feel that their companies are putting their best foot forward to show they care.

How Employee Benefits Can Positively Impact Employees' Day to Day



Imagine providing your employees with an 8% increase in their disposable income for less than 0.1% of payroll. Modern employee benefits programs can provide your employees with an ability to increase their incomes with access to instant discounts at hundreds of leading retailers, Australia-wide, in a variety of ways including:

- **Everyday savings on groceries and petrol**
- **Special discounts for indoor and outdoor entertainment like gaming consoles or sporting equipment**
- **Savings on materials for DIY and Gardening projects around the house**



The right employee benefit program provides an opportunity to stretch your employees' disposable income by 3-8%, for less than 0.1% of payroll.

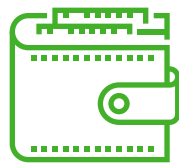
Now that's a return on investment that will have your CFO smiling.

With the recent cost of living increases, Australian households are feeling the pinch on their wallets. McKinsey's research shows that 40% of households are adjusting to a decline in household income, leading to a forced reduction in discretionary spending.

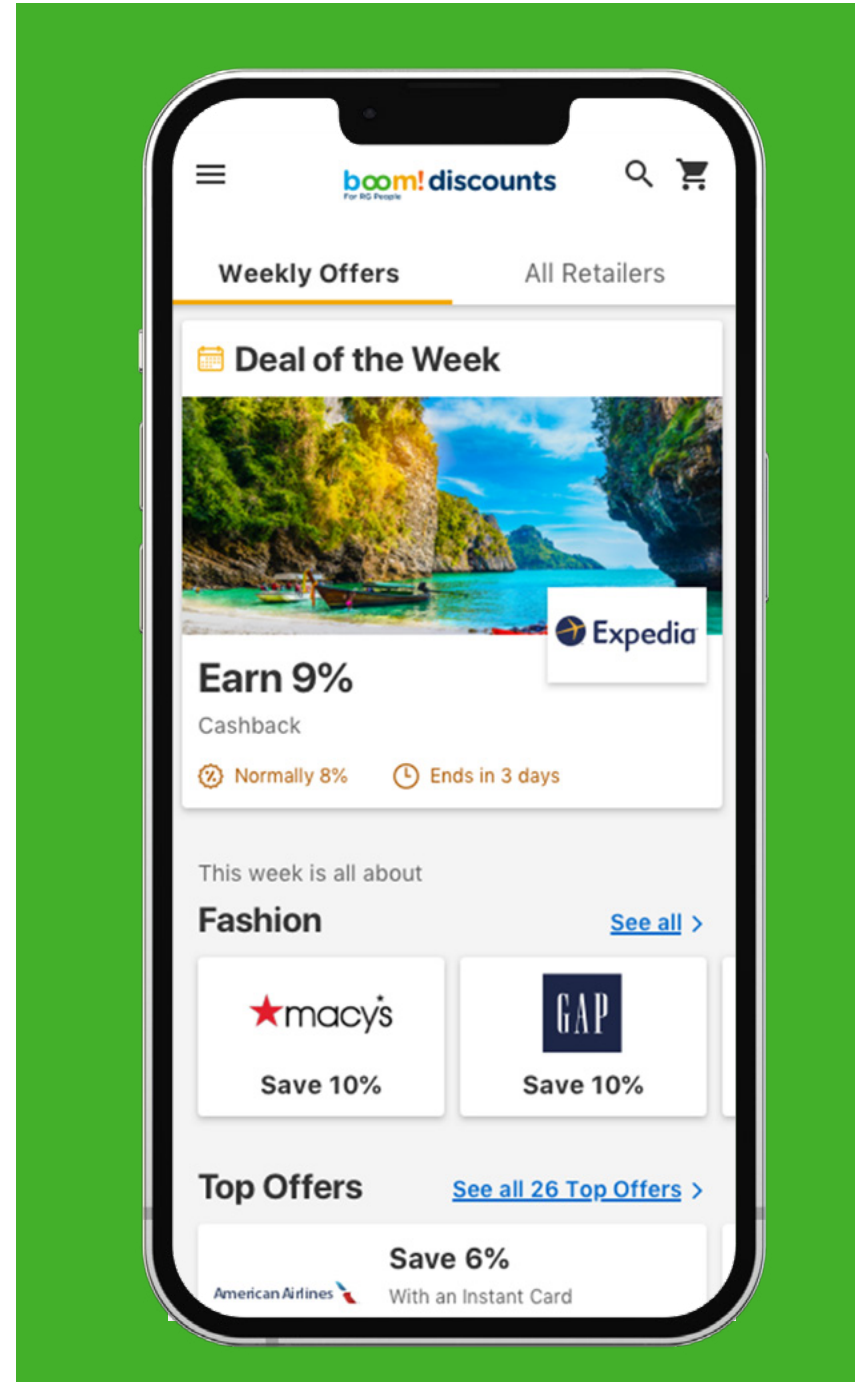
An effective employee benefits program provides a tool to relieve your employees' cost of living pressures, enhancing your EVP to both employees and their families. This provides an opportunity to positively reinforce your employer brand to your employees' biggest influencers in employment decisions - their families.

Impact your employees bottom line - no salary review required!

Remuneration reviews are often in the spotlight, with cost minimisation on the agenda of most executive teams. But an effective remuneration review is more than just the review process, it's about aligning your total EVP with your company strategy.



Providing cash is one of the most expensive benefits you can provide an employee, with high costs for the employer combined with limited impact (post tax) for the employee.



Insights

Be an HR Hero

Employee benefits provide an innovative opportunity to stretch your employees' disposable income and reduce the impact of below-expectation remuneration reviews.

The ROI of employee benefits makes great business sense.

It makes HR Heroes out of those who are increasing their employees' disposable income by 3-8% for an average investment of less than 0.1% of payroll.

Making a difference for your people

So how much can your employees save? Employees can save up to **\$4,000** depending on their lifestyle and shared savings. This table shows the impact of an employee benefits program on different employee demographics.

Annual Savings	Single	Couple	Family
Petrol	\$214	\$225	\$911
Groceries & household	\$390	\$450	\$1,300
Dining/take-away/entertainment	\$533	\$500	\$422
Retail	\$630	\$950	\$860
Cinema tickets	\$20	\$48	\$64
Sports/theatre/attractions	\$25	\$90	\$147
Travel	\$450	\$350	\$480
Total Annual Savings	\$2,232	\$2,613	\$4,184

*Based on Australian average spending statistics and savings available in Reward Gateway's SmartSpending™ program.

Retailers that drive everyday usage - and maximum savings

Employees can save at hundreds of leading retailers to align with their shifting priorities, including:



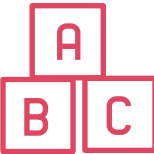
Cost of Living



Travel



Home



Kids and Families



Putting the Focus on Wellbeing



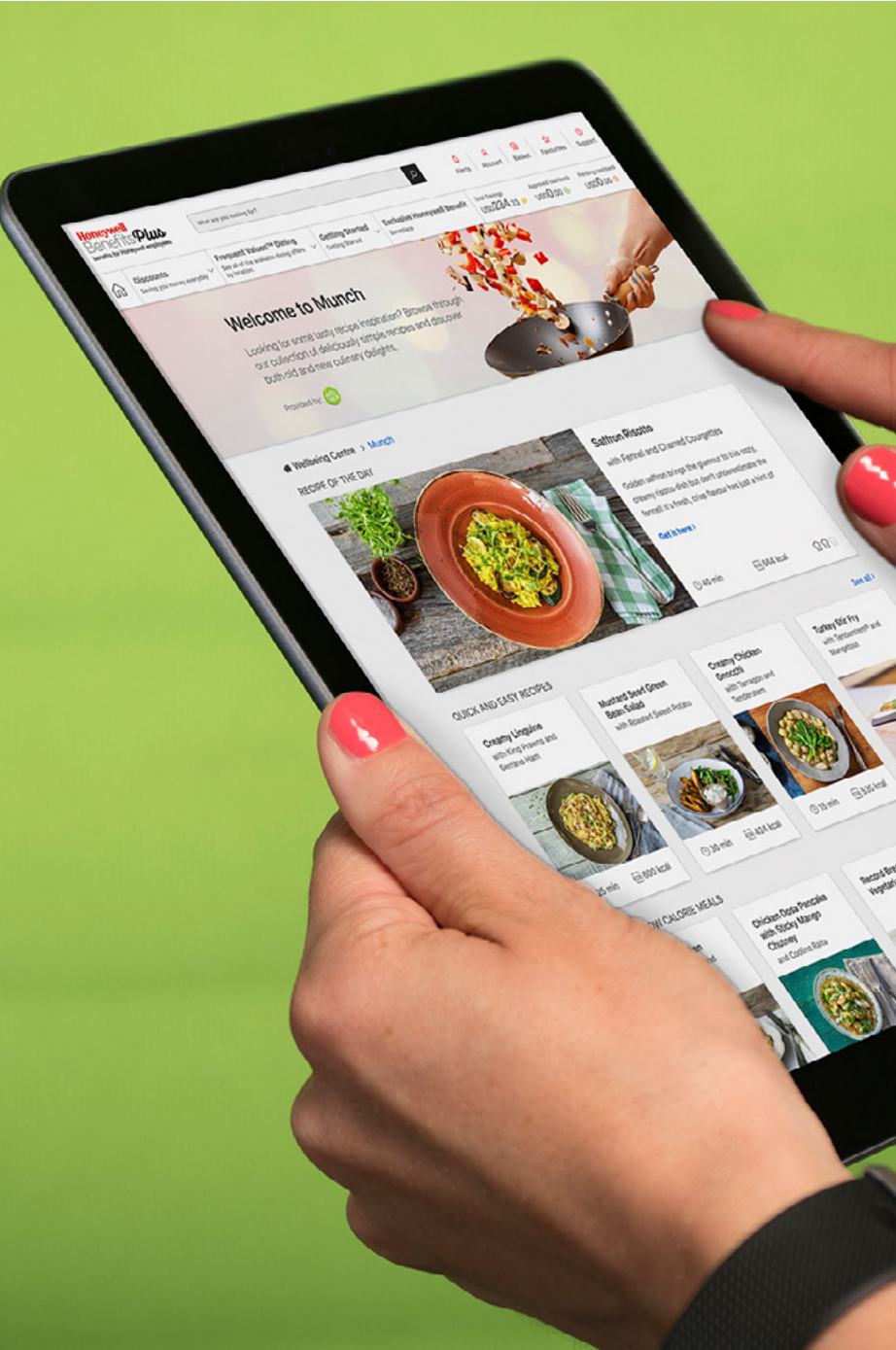
According to Reward Gateway research, the need for employers to step up and support their employees with day-to-day wellbeing resources is critical, with **almost four in five (79%)** employees stating it's important their employer offers financial wellbeing resources and tools. This number grows with it comes to mental wellbeing (84%) and even physical (80%).

While the easy solution could be to give employees a pay rise to help with their new burdens, it's a costly endeavor for the organisation, especially ones that need to save every dollar to ensure its business continuity and growth.

To help boost the employer brand and support employees through wellbeing, HR leaders need to find ways to innovate and support their people, which can be particularly challenging amidst tightening budgets.

The cost of living crisis has deeply impacted financial stress for employees, impacting their productivity, engagement, and their physical and mental health. While the easy solution could be to give employees a pay rise to help with their new burdens, it's a costly endeavour for the organisation, especially ones that need to save every dollar to ensure its business continuity and growth.

In fact, half of employees surveyed want to see their employers increase their investment in employee benefits (50%) and wellbeing (49%).



Budget-friendly employee wellbeing initiatives

Luckily, there are several ideas employers can consider to introduce budget-friendly employee wellbeing initiatives. Here are a few ideas:

- Offer **access to on-demand videos and articles to support all pillars of employee wellbeing**, from financial to mental and physical. Employees can pick and choose what to engage with, and can access helpful wellbeing support at any time.
- Introduce **new ways for employees to save on their own bottom line** through employee benefits programs to help them save on everyday items like grocery, petrol and popular retailers.

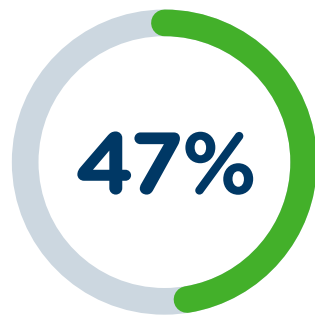
- Provide a **free Employee Assistance Program (EAP)** so your people have a safe space to go to when they're in need of extra support during challenging times
- Add a **wellbeing allowance benefit** to give a little extra money towards wellbeing initiatives of your employees' choosing.

Wellness should always be on your employee engagement agenda. The right wellbeing programs can:



The Employee Benefits Gap





Managers



Employees

Around **47%** of managers say their employees are highly satisfied with the benefits they are offered – but in reality, only **30%** of employees place a high value on these benefits, according to a recent Metlife survey.

Why the gap?

Employees expect more from their employers. Businesses everywhere are stepping up with innovative and new programs to expand how they can support their people. That's why putting the right set of benefits and programs in place is critical. Employees expect:

- **Extensive range of benefits**
- **Choice of benefits that best suit their lifestyle**
- **Immediate redemption methods**
- **Instant accessibility**
- **Benefits that apply to entire workforce, no matter what level or location**

HR executives just haven't had the resources to source, build, implement and communicate benefits solutions that keep pace with the employees' expectations.

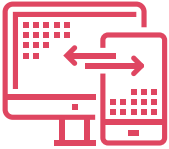
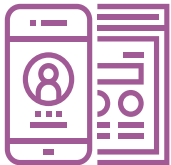

The great news is there are **outsourced employee benefits solutions**, such as our SmartSpending™ and employee engagement platform, that can provide you with access to hundreds of employee benefits at leading Australian retailers plus the ability to integrate your existing employee benefits into one centralised platform, for increased awareness and adoption.

For time-poor HR teams this provides an instant boost to your EVP.

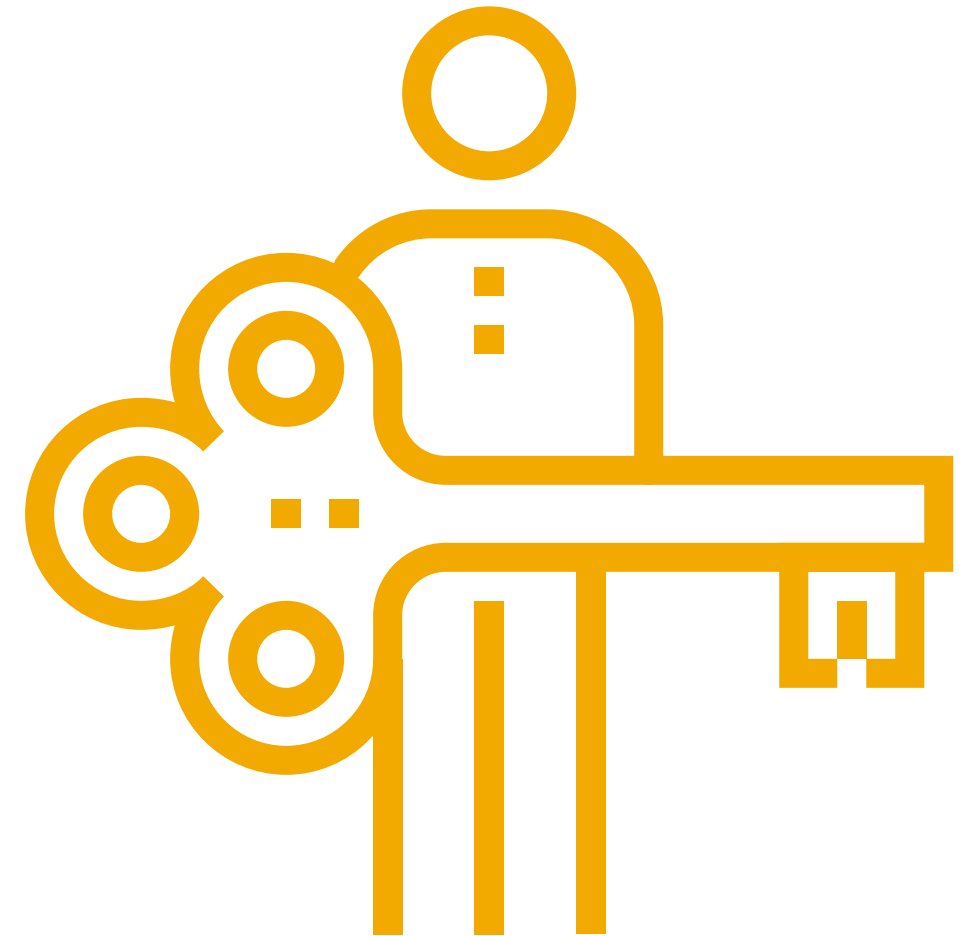
3 key elements of leading benefits programs

Research indicates that less than half of Australian employers offer a comprehensive employee benefits program to increase their EVP and attract and retain key talent in their industry. Leading benefits programs include:



	<p>Enhanced employee experience, providing access to benefits, via any device at any time. No more waiting for benefits to arrive in the ‘snail mail,’ employees now redeem benefits instantly via their phones.</p>
	<p>Reduced administration, technology enhancements means HR teams are no longer burdened with administration of their benefits programs, allowing them to focus on core business.</p>
	<p>Increased management reporting for real-time ROI. HR now has real-time reporting and stats on their return on investment of their benefits program. This provides visibility of the take-up, savings and impact per employee, while a real-time wellbeing dashboard lets managers see what content is being read by employees most. Reward Gateway offers this for its discounts and wellbeing products at no additional cost.</p>

Creating a World-Class Employee Benefits and Wellbeing Program

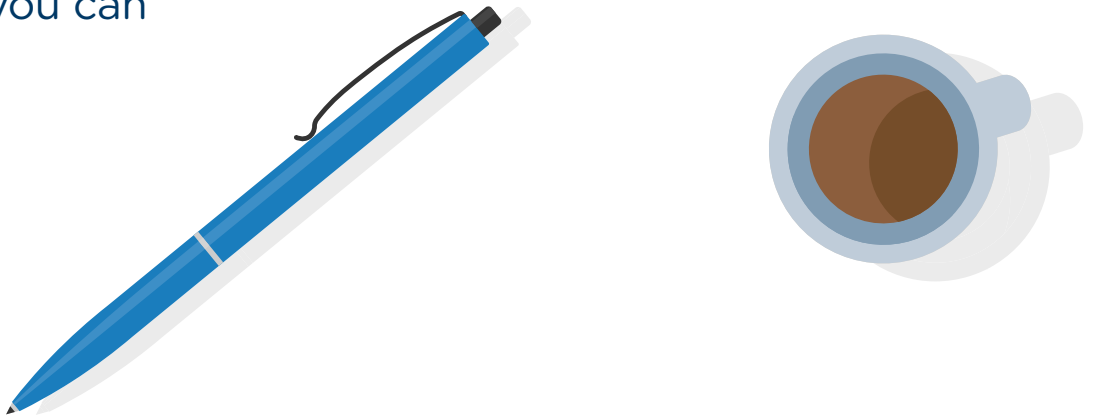


Five critical elements for a world class-employee benefits program

1 Extensive range	2 Engaging communications	3 Real-time employee support	4 Instant accessibility	5 Real-time management reporting
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Now that we've established the ways leading employers use tailored and well-communicated employee benefits and wellbeing programs to support their people, let's take a look at how you can start building one for your organisation.





1. Extensive range

Your people are all different, so your benefits range should be, too. Ideally a benefits program should offer financial, lifestyle and wellbeing initiatives that give your employees choice of the benefits that best suit their lifestyle.

For instance, you may have a high concentration of new parents at your organisation – wouldn't it be great to offer them articles on parenting, and discounts to baby retail stores to ease the financial burden of being a parent?

Or, you may have a newly remote workforce who wants to find alternatives to an overly-packed gym. A wellbeing hub that promotes all aspects of wellbeing, from physical to mental and even financial, can help support employees looking to be their best selves, in and outside of work.

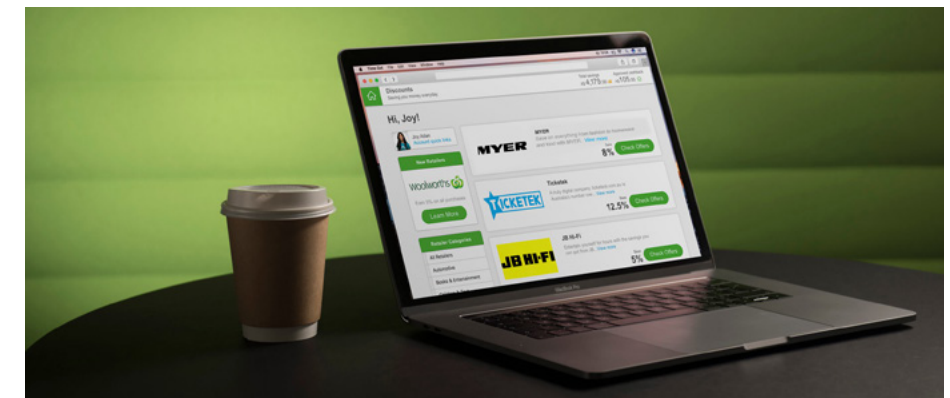


Insights

The importance of being 'retailer independent'

Closely tied to the extensive range is the ability to select benefits that have the biggest impact for each employee. Employee selections should be able to change as their circumstances do. When reviewing employee choice, ensuring independence is important.

World-class employee benefits are retailer independent, and don't generate profits from the sale of products to your employees. This is in stark contrast with the employee experience, when your benefits are perceived as pushing products, such as those aligned with a bank or financial institution.





2. Constant communication

A recent Metlife study showed that while 68% of employers believe they educate their employees about their benefits programs, only 31% of employees feel they have sufficient information to choose the option that meets their needs.

When our team of consultants and I ask companies how they communicate their benefits and wellbeing programs, ‘poorly’ is the most common response we hear. Lots of companies find benefits they already have listed as wish list items on their engagement surveys. While this is more than frustrating for HR teams, it does represent an exciting opportunity to amplify awareness of existing and new benefits and boost your EVP.

World-class employee benefits programs have tools to raise awareness and adoption of your benefits built into their core. Create a communication plan to ensure you delight your current and prospective employees. This could include elements such as benefits expos, webinars, launch videos, postcards to home (for family-wide engagement) and more.



Insights

Think ahead of the Christmas curve

If you are launching or re-launching a benefits program, the good news is that they are both cost-effective and relatively simple and quick to implement, with the average program implementation period being two months. There is one time of the year when you can amplify your employee benefits communications and get the maximum bang for your investment in your people. To maximise staff takeup over the holiday season, companies should have plans to put in place new income-boosting benefits before September starts.



3. Real-time support

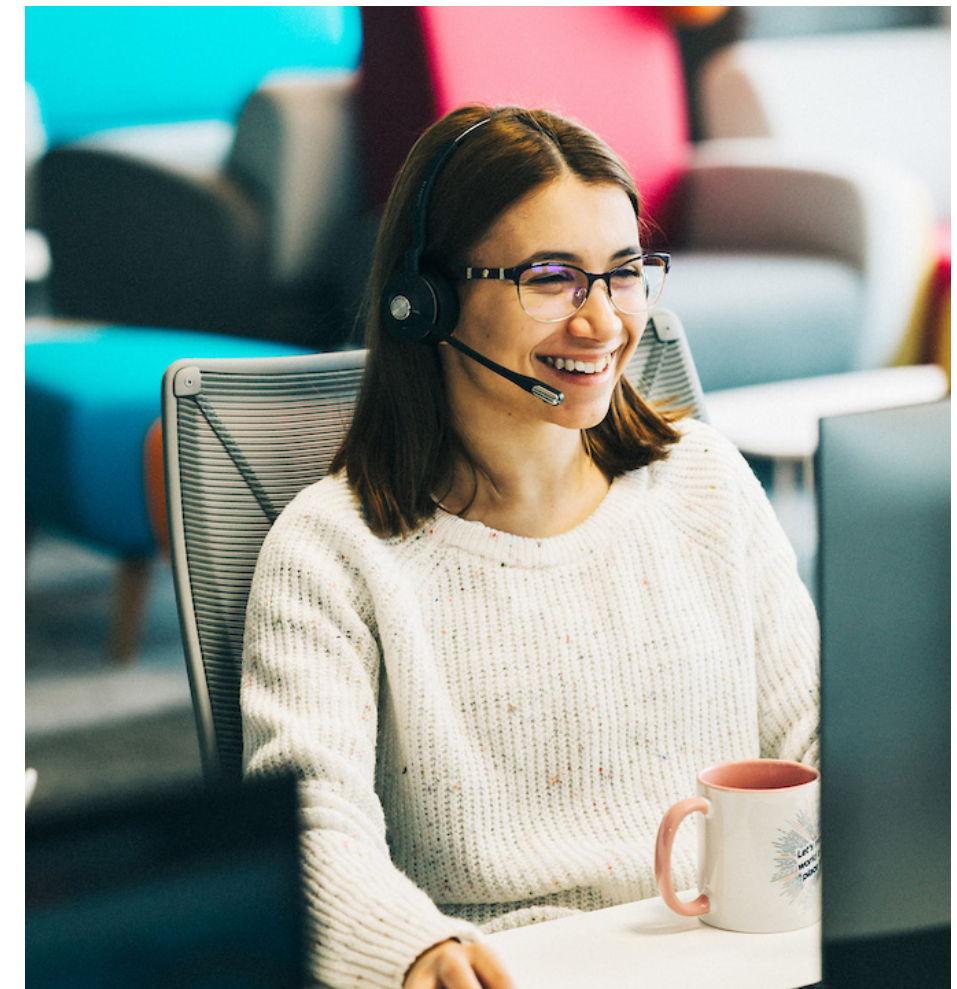
One thing you should be obsessive about when building a world-class employee benefits program is user experience. In particular, providing support when your people need it the most.

Here at Reward Gateway we analysed usage patterns across our 5 million users around the world and found that prime usage times were during:

- **Commuting hours - morning and evening commutes**
- **Evenings**
- **Weekends**

These statistics reflect my personal experience, as I tend to do my grocery shopping in the evenings to make sure I avoid the crowds.

Support is important to me when I'm actually accessing my benefits, not 9-5 Monday to Friday. It's because of this usage information that we moved our employee servicing at Reward Gateway to 24/7/365.





4. Instant accessibility

Want to really ramp up your benefits? Consider how you can provide instant accessibility. Instant accessibility empowers your employees (and their families) to access their benefits at any time, on any device.

Technology has enhanced the ability for employers to provide their employees with mobile-optimised platforms or specific benefits apps that busy employees can use on the go.

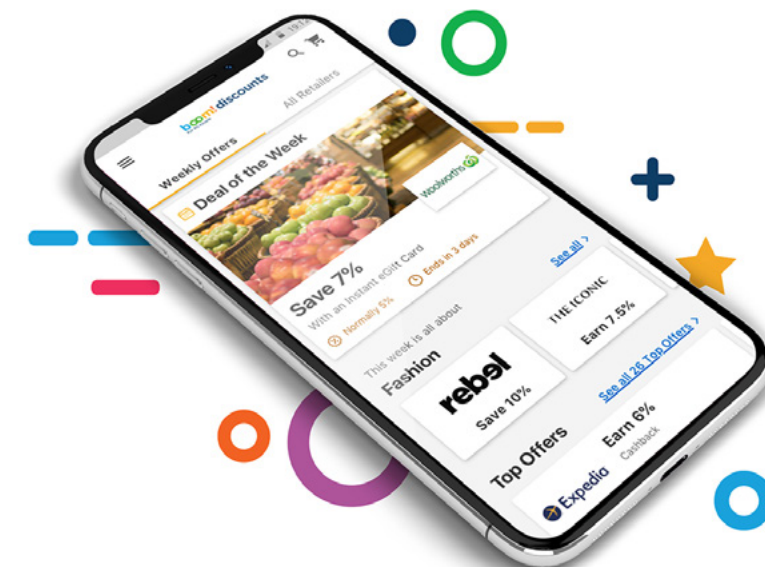
What this means in practice is you can stretch your employees' disposable income (and gain positive reinforcement of your employer brand) in real time, when they are buying their kids' soccer boots, shopping for groceries, filling up with petrol, or booking their next long awaited interstate or international holiday!

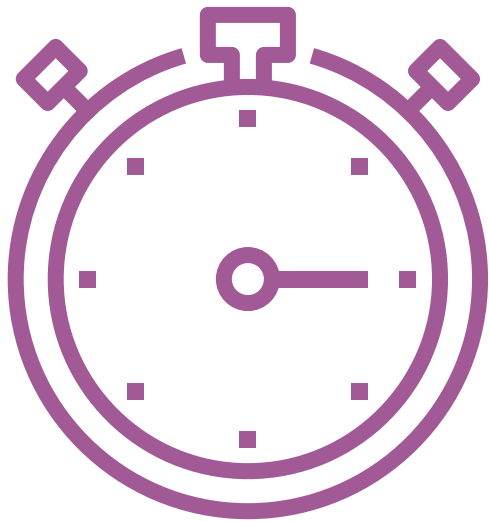


Benefits access at your fingertips

Put access to discounts in the palm of your employees' hands with a mobile app. With SmartSpending™, employees can access a mobile app which is tailored to match your employer branding.

They can access Instant Vouchers and Cashback offers for a complete online and in-store shopping experience on mobile. Plus, no matter where the purchase starts - desktop, smartphone or tablet - your employees will be able to finish it via an intelligent shopping basket.





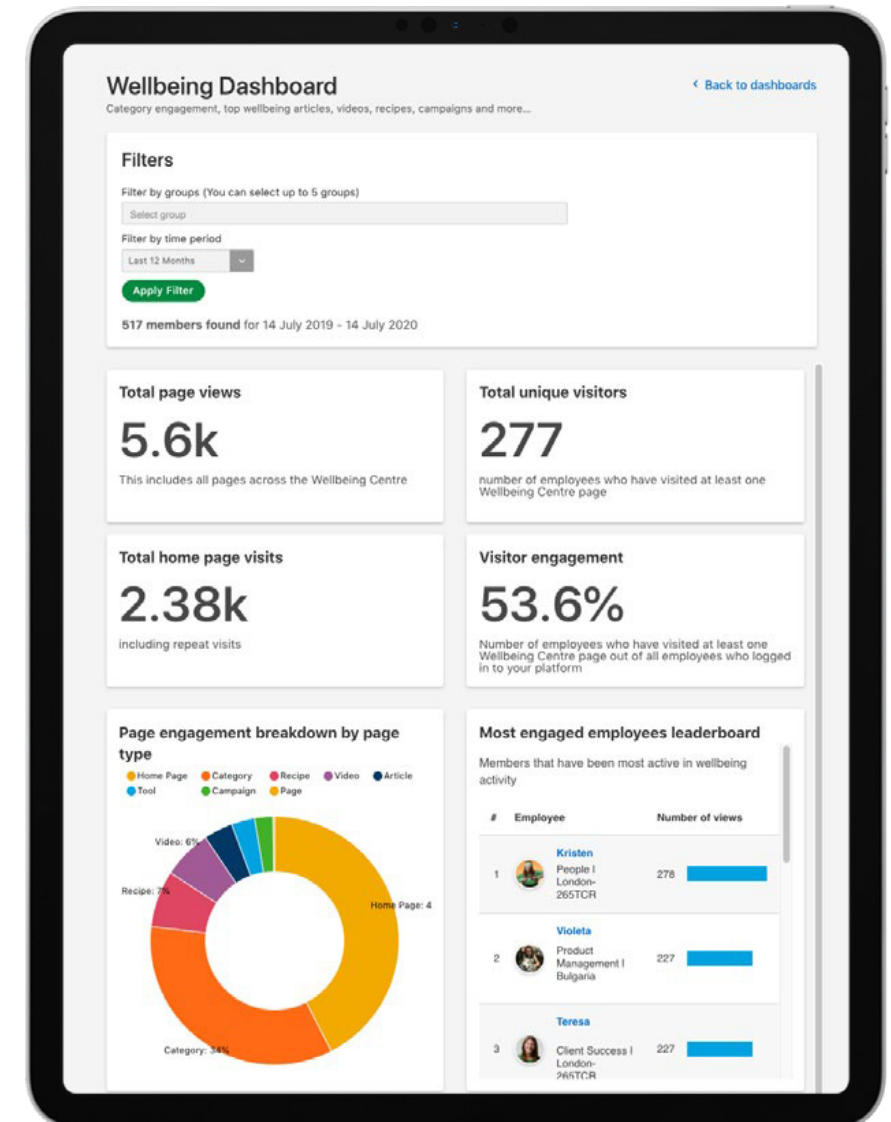
5. Real-time management reporting

You've developed an extensive benefits range, provided choice, delivered real-time access and an amazing user experience and implemented an effective communication plan. What now?

Now it's time to keep your finger on the pulse of your benefits and wellbeing

program with management reporting. Reporting on your benefits program can range from spreadsheets to real management information apps. Whichever method you use, look for ways to track adoption segmented by your user groups.

Ideally your benefits reporting would have a real-time dashboard showing you program metrics such as page views, employee spend, employee savings, period-on period metrics, top benefits and more. It is a myth that leading employers' campaigns to their employees are all successful. Best employers have plenty of misfires. The difference is they have reporting tools at the fingertips that means they can fail fast and pivot, trialling different communication and benefits mixes for their different employee demographics.



Conclusion

Employee benefits and wellbeing programs form one part of your engagement journey. They provide a unique opportunity to make a high impact, quick win on your executive team's most pressing issues. They support you to increase disposable income, enhance your employees' experience and enhance your EVP.

It's all part of making sure you're there for your people, supporting them in the areas they need it most to ease their financial burdens, and provide them with full access to wellbeing tools to improve their employee experience, in and outside of work.

What's more, the ability to increase your employee's disposable income in significant ways every year will reduce the impact of below expectation pay reviews - especially during periods of cost minimisation. I hope this eBook provided you with some inspiration into how you can become a HR Hero and implement best practice employee benefits programs.

I wish you the best of luck on your benefits journey and we're always here to help!



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Reward Gateway empowers more than five million employees to connect, appreciate and support one another to make the world a better place to work. Our unified employee engagement hub provides the best of recognition, reward, wellbeing, surveys, benefits and discounts that support talent acquisition, retention and values-driven growth.

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