

Focus group feedback

# NMG Benefits Benchmark Focus Group Event



OUR PEOPLE YOUR ASSET

HR . Benefits . Strategy  
15 February 2018

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CONTRACT



## SIX KEY QUESTIONS

1

What does the perfect service model look like for HR as the responsible part in managing employee benefits (EB)? What is required that would lead to the most efficient way of fulfilling this role?

2

Should employee benefits form part of the HR (or company) strategy and how can benefits best be incorporated?

3

Communication is often raised as a key component in benefits provision, yet is perceived to be lacking or unclear. What is the ideal communication strategy to communicate benefit value from an HR perspective?

4

In company reorganisations, acquisitions or new strategy implementations, why HR is often involved as a service function, but not always as a driving partner?

5

Is there still value in enlisting the services of employee benefits consultants in future, with online tools, google, robo-advisors and marketing directly to customers by product providers?

6

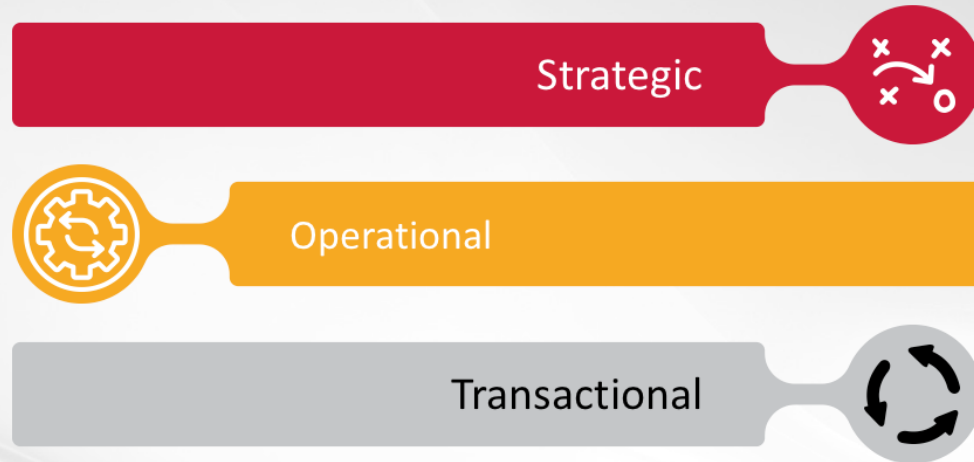
It can be difficult for HR to convey the value (or non-monetary value) of benefits, such as study support, additional leave, discounted company products and on-site medical services. How can this best be done?



1

What does the perfect service model look like for HR as the responsible part in managing employee benefits?  
What is required that would lead to the most efficient way of fulfilling this role?





HR Consists of three pillars. **More focus needs to be on the human capital strategy** which includes an effective employee benefits model.

Often, HR gets caught up on the administrative side and, mostly, focus on the transactional and operational pillars.

Ensure sufficient buy in from C-suite. **Make sure the CFO buys into the model.** Speak the **same language as the CFO** and show the **bottom line effect** of the strategy. HR may not be experts in every field, but also brings the advantage of **neutrality** to the table.

HR and Finance need to be **aligned strategically**. HR reporting into Finance may not always be effective. Finance reports on history. HR has to look forward too, e.g. succession planning, recruitment.

**HR should have their own voice** and needs a seat at the table. HR should **participate in setting the strategy**. Ensure that the benefits model is aligned with the business strategy and the needs of the employees.

- Hold EB educational sessions with staff. Address low event attendance with incentives, e.g. launch competition or include lunch.
- Younger employees still need to be educated on basics such as their payslip (CTC vs Basic). They definitely won't just understand their benefits without guidance.

## EB Education



- Have monthly goals/themes on employee benefits and include these in their desk calendars, on posters even in bathrooms.
- There is a need for regular assessment of value to employee.

## HR awareness - In your face



- The service model can be greatly improved by efficient use of new IT developments.
- There is a lack of implementation of technology in managing and providing benefits.

## Drive Technology



- In the perfect service model there must be flexibility in package design – core benefits vs extra.

## Drive benefit design



## HR Education

- It would help to have a dedicated employee benefits specialist in HR that can focus on employee benefits. (dependent on the size of the organisation).
- Have a wingman – EB consultant.



## EB Communication

- A one size fits all model will not work. The model needs to be customised to suit the needs of the employees as well as the needs of the employer.
- Staff do receive and read the robot letters, but don't know what to do with it. Solve through one-on-one consultations for individual attention and correct choices.



## HR insights

- Insights and knowledge to share with other units (e.g. Finance): Nurses leave for educational benefits of children, not only salary.
- Close the loop – ensure you get feedback from business units.



## Management support

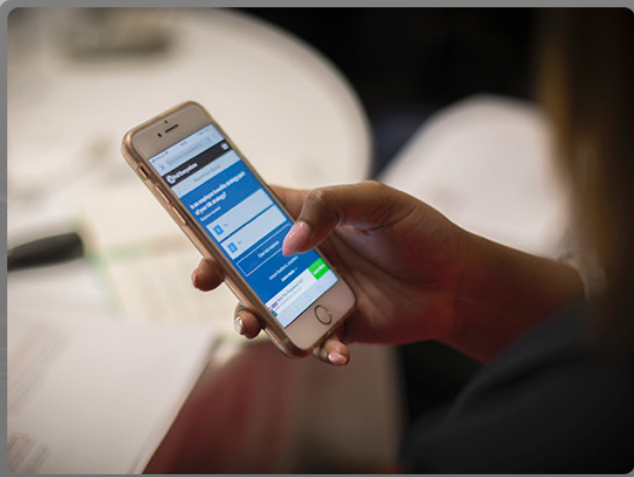
- Management needs to buy into the model to support requests for training or awareness.
- Ensure they also receive training on employee benefits, how to handle it and what HR support is available.



2

**Should employee benefits form part of the HR (or company) strategy and how can benefits best be incorporated?**

We agree with the statement made “Benefits impact people and people impact strategy”.



“Benefits are not only part of recruitment strategy. It’s ongoing and should be managed in this way”

- ▶ A resounding **Yes!** Benefits must form part of the strategy.
- ▶ HR is responsible for *people* who, at the end of the day, are responsible and accountable for the execution of the business strategy.
- ▶ HR, in many organisations, is a fancy word that talks to personnel administration. So much untapped potential is missed.
- ▶ There is currently a big gap between benefits and strategy. This needs to be bridged with consideration, given the different groups of employees e.g. white collar, blue collar, generations.
- ▶ Aligning benefits with strategy promotes satisfied employees, leading to employee engagement (they care about me).
- ▶ Executive and Management teams need to start pulling HR into broader strategic business issues and decision making.
  - Until human capital is on the balance sheet, this is difficult to achieve.

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**How to do this?**





3

Communication is often raised as a key component in benefits provision, yet is perceived quite often as lacking or unclear to the recipient. What is the ideal communication strategy?



Start with putting the *human* back into Human Resources. Engage with your people and walk the talk.

People do not read long stories anymore and get bombarded with e-mails. Long worded e-mails are not effective.

Keep it simple. It is not about the bells and whistles, but about a clear message that people understand. Benefits are often seen as unimportant but necessary. If this is the view, address it head-on.

There are a lot of constraints such as budget, timelines, lack of interest or leadership support – here are some tips from the focus groups

**HR needs to be “in your face”.**

## Guidelines for making your employee communication “land”

We need to go back to basics.

Consider the language used – keep it simple and clear. Avoid jargon.

Multiple approaches :

- Posters
- Face to face interaction
- Desk drop
- Push messages. Screen saver.
- Voicemail, call waiting message

Link up the different communication approaches. Same message and feel.

Inclusivity. Consider the entire workforce and their differences when developing a communication plan.

Benefits should be included in new employee induction – get their attention and awareness right from the start.

Make use of digital solutions, e.g. webinars or e-learning that can be accessed on multiple platforms.

Emails – catch attention with subject lines.

Communication opportunities on pay slip.

Have a face promoting benefits awareness – influential person in the company.

Involve department heads – include them in training.

Onsite helpdesk or one-stop virtual helpdesk (desktop link, app). Videos on intranet or company app.

Make use of incentives. Can be small, but make it real.

Actively help employees to understand provider websites or apps.

Budget constraints are real. Executive buy-in and understanding of its value

Be there first. Avoid the rumor mill, especially when introducing changes.

## CONTENT

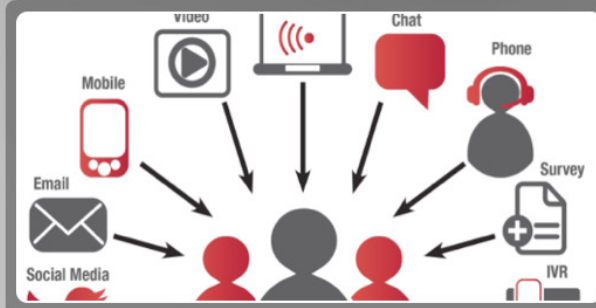


### Simple and clear.

Importance of using clear language, layman's terms. No acronyms or jargon. Consideration to be given to lowest level of understanding. Make use of examples and case studies (from own workforce) to make it real. Keep it relevant, e.g. link in to current events in the news.

# Have a plan!

## CHANNELS



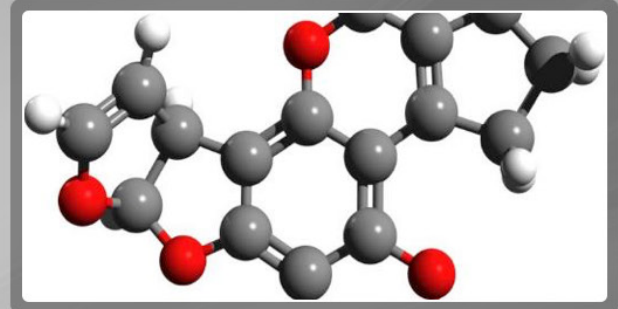
### Be relevant to your audience.

Try to avoid emails – they are hardly ever read. E-learning to be leveraged e.g. crash course on remuneration and benefits via voice overs; story telling; questions to answer (e.g. test) with minimum score required to go to the next level. Use incentives to encourage e-learning.

Include in induction sessions, understand the importance of face time with employees. Use of a pay slip calculator, especially when there are benefits or tax changes.

Alternative approaches, e.g. aim communication to employer spouses.

## STRUCTURE



### Create a hype!

Use various forms or communication approaches. Make use of site visits and face-to-face meetings. Consistency of the message is important. Prepare video clips on all employee presentations to ensure that the same message reaches everyone. Place focus on executive or management engagement to drive participation – buy-in from the top is crucial. Use digital enablers such as push messages on screens (think about all screens), “Did you know” on screensavers and big screens in the corridors can be used. Push message for “pop up” screens on PC’s.

4

In company reorganisations, acquisitions or new strategy implementation, HR is often involved as a service function, but not as a driving partner. How should this be addressed?



## Some comments from the HR industry

“Seen only as data source, not strategic advisor”

“always last to get told”

“only involve HR to get information”

“Come in at the back end of the process”

“Last resort, rather than include from the start”

“only involve HR if we don’t have enough information on benefits”

Although the group agreed that HR should be a strategic partner, this could be difficult in practice to implement. **HR needs to be “in your face”** and constantly highlight HR’s value in any transaction.

Learn to speak “corporate talk”, go into these conversations with your business hat and only then take the conversation to an HR level. Make sure you understand the business. Build strategic relationships.

The low frequency of corporate transactions may make it difficult to build up experience. Make sure you understand the numbers, or ask and interrogate until you do.

HR practitioners should own their space, especially on topics such as remuneration and reward. Don’t run away from these topics.



The company culture and the position of HR within the business will generally determine how HR is perceived and included in corporate transactions. Participants in a driving role as HR shared some of their experiences in lifting HR's profile in M&A transactions.

- ▶ Be proactive. Participate in detailed due diligence. Don't forget about payroll take-on.
- ▶ Own the communication lines, especially on benefits such as share options. Talk tax impact. This will get attention.
- ▶ Learn to communicate HR values within a business context.

### HR as a driving partner – actively involved in leading change

Participate in the due diligence team

Draw up a flight plan for employee benefits in the transaction

Change management driven by HR

HR should be visible

HR to steer focus groups with new teams

Meeting with new people joining the business unit to create a sense of belonging

Drive down to details, e.g. who do I report to? Where will I sit?

Consult with business on employee benefits

Hold information sessions on EB

Develop booklets, crib sheets and FAQ on benefits

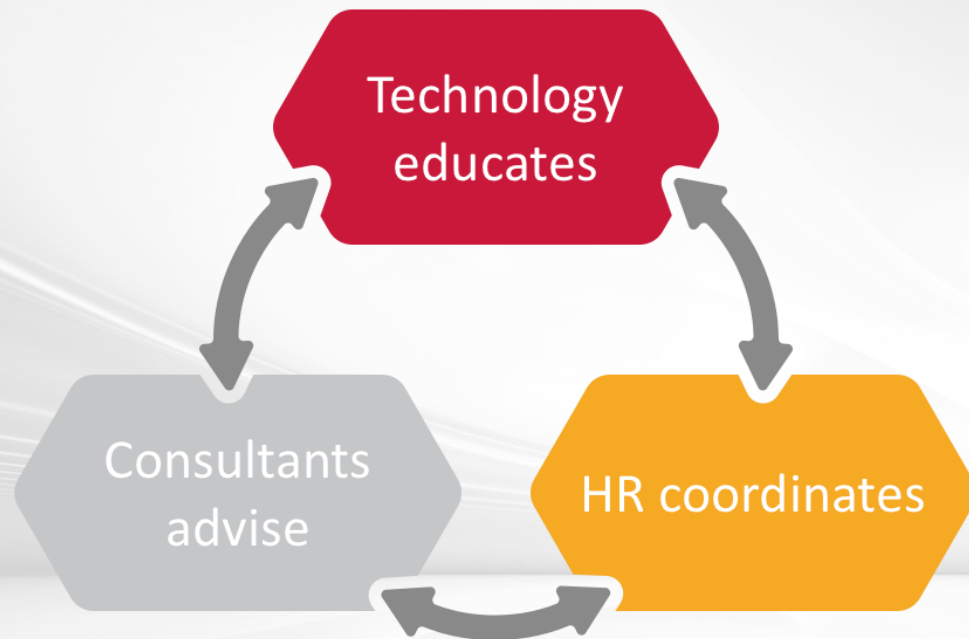
HR business partners to sit in the business units

Don't relay communication on paper only

Daily visits to acquired teams for a month prior to day-1

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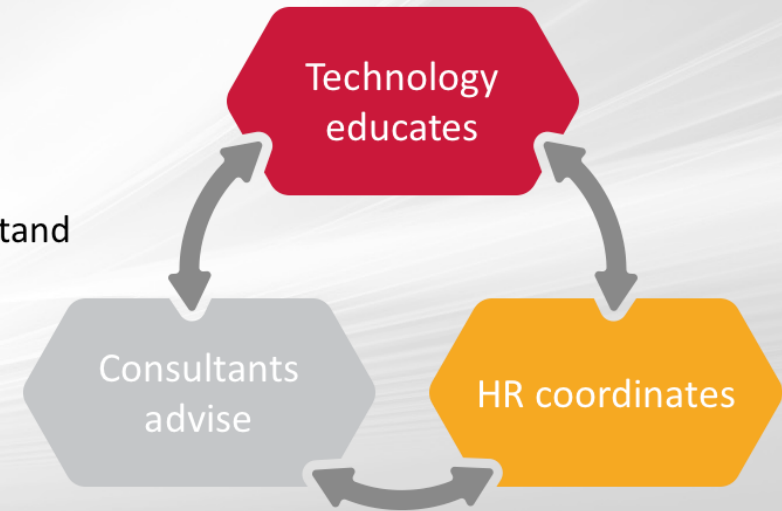
Is there still value in enlisting the services of employee benefits consultants in future, with online tools, Google, robo-advisors and marketing directly to customers by product providers?



- Participants felt that consultants should be **guiding** companies in terms of the best fit benefits and providers. This needs to be **proactive**, currently it's reactive.
- Another viewpoint is that outsourcing strategy to an independent advisor doesn't make sense.
  - The view is that existing benefit consultants are best positioned to assist the employer, and are currently paid for (should be included in current fee structure).
- All stakeholders need to have structured relationships where we are looking at best practice, and have multi-disciplinary partnerships. This is about **getting the parties together** to make decisions, not necessarily having one consultant.
- Fragmented data and reports are a common occurrence – the consultant should be pulling this **together** for HR to challenge the leadership on benefit decisions.
- Consultants need to stop the “talk shop” and start reviewing data and come back to clients with real solutions.

## Talking points

- Tools will enable, consultants remain essential.
- EB is personal. A personal touch is needed.
- Cost is generally an issue – need to show your value add.
- How can consultants add value?
  - Embrace the role of expert advisor;
  - Develop a strong relationship with your HR contact – understand real needs (KYC);
  - Assist HR to keep up to date with new developments;
  - Regularly test the sustainability of benefits offered;
  - Help drive providers adaption of new technology (market pressure); and
  - Consider total benefits package, not individual view only.
- HR expects consultant to do background homework – e.g. read news reports, website information - to better understand the client and adapt servicing based on changes within the client.





6

It can be difficult for HR to convey the benefit value (or non-monetary value) of benefits, such as study support, additional leave, discounted company products and on-site medical services. How can this best be done?

## Issues and experience

Where employee benefits value studies have been done, the challenges remained to **ensure understanding** of both management and employees.

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Communication of results can lead to **unintended consequences**, e.g. value of lunch supplies valued at R200 which then becomes a value to bargain on for annual increases, taking the “value” away.

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May be difficult to **convey value** of specific benefits to **overseas** partners e.g. parking or subsidising on-site canteen when cost cutting is considered.

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**Message lost** on measured value of full suite of benefits offered. Staff lack of knowledge of benefits offered or how to use or activate. Difficulty to convey on combined benefit statements.

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Difficulty in **reaching all employees** and keeping value relevant to all staff, especially those “on the road”.

## How to solve

Carefully scope out reasons for valuation exercise – will help with communication of the results in the right way to the intended audience. Remember to take **company culture** into account.

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**Communicate value-add, not rand amount.** Otherwise it becomes a bargaining tool rather than valuing employer paternalism or upliftment of employees.

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Requires a **strong HR position** to defend (country-specific) benefits which have a large practical value and may be difficult to measure. Talk **pro's and cons in clear language** and preferably monetary impact, even if indirect.

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Use **examples from own employees**, e.g. medical gap cover in unexpected situation. Requires **multi-faceted approach**. **Eyeballing** works – avoid email overloads. HR needs to be able to interpret and explain on multiple levels

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**Use technology!** Push messages on screens or employee apps. Examples include screensavers, pop up messages, on-board computers (screens) in trucks. But don't lose the **personal touch**. Use in combination with other channels.

A big THANK YOU to all our participants who enthusiastically shared their views, experiences and advice in the six focus groups

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Reshma Maharaj, Econet South Africa	Liza Bohlmann, Landbou	Phumza Capa, Reutech Solutions
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## KEEP AN EYE OUT FOR...



Feedback from the NMG Benefits Benchmark survey...survey closes end of March 2018

NMG's position paper on HR, benefits, and strategy.



The next focus group event

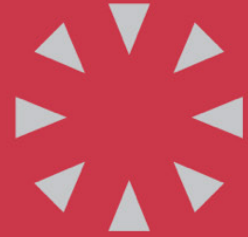


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