

Rethinking Employee Benefits - tailoring rewards for true impact



When it comes to employee benefits (EB), the traditional suite of offerings has begun to fall short of addressing the diverse needs of today's workforce. While the standard medical aid, provident fund, and group risk cover may cater to certain demographics, a vital segment of employees often gets overlooked: blue-collar workers and those earning lower incomes. The intrinsic and extrinsic benefits that constitute EB must become more than a checkbox exercise and need to now be structured to have purpose and to make an impact. This means it's time for HR executives and people managers to adopt a nuanced approach to benefits and rewards by considering the specific needs of different income levels within their organisation.

The gap in employee benefits leaves behind those who need it most

When it comes to employees in the mid- to high-income brackets, existing EB packages are generally robust, encompassing medical aid, retirement savings funds, and various insurance coverages. However, the same cannot be said for those earning more modest incomes. These employees receive at best funeral benefits and smaller savings accounts, but a significant gap remains in addressing their comprehensive needs.

To bridge this gap, EB programmes must evolve to be more inclusive and aligned with the earning capacity of each employee. It's not just about the generic offerings; it's about tailoring programmes that resonate with individual journeys and foster engagement across all income levels and functionalities

within the business.

“For lower-income employees, access to health protection as an employment benefit can no longer be overlooked. A primary health care plan, costing around R250 – 300 a month, can make a substantial difference in both physical and financial health. By subsidising a portion of this cost, companies can contribute to the well-being of their workforce without imposing a financial burden. Wellness days can also be a key strategy for understanding and addressing employees’ physical and mental health needs. Beyond BMI checks and blood sugar screenings, incorporating services like mental health counselling, family planning assistance, and financial management support can provide immediate value to employees.

The power of rewards in employee motivation

The focus should not solely be on financial benefits. Rewards are more than just a feel-good addition to an EB programme; they tap into fundamental psychological principles that influence behaviour. When employees are recognised and rewarded for their achievements, it reinforces desired behaviours and improves overall performance. There are different types of rewards that can be effective, each with its own strengths. Financial rewards, such as bonuses, commissions, and profit-sharing plans, directly tie compensation to performance and can be highly motivating for many employees. Social recognition, encompassing public praise, awards, and peer-to-peer recognition programs, can boost morale, foster a sense of community, and encourage collaboration. Additionally, developmental rewards, including opportunities for training, mentorship, and professional development, demonstrate a commitment to employee growth and future success.

However, to implement effective reward programmes, employers must actively seek feedback from their workforce. An anonymous or direct feedback session can unveil critical insights into what employees truly value. But it’s important to keep in mind that there are more rewards than time off or financial bonuses. Here, it’s important to create a blend of rewards that employees can use outside the workplace to supplement their income and enhance their overall well-being. Employers can partner with specific vendors or service providers to offer a diverse range of coupon or discount rewards tailored to their employees’ interests and preferences. Examples of such rewards can include:

Grocery vouchers

Transport benefits.

Access to services such as electronic device repairs

Airtime

Or workplace childcare during school holidays.

These types of rewards allow for a fixed cost savings buffer that allows more dispensable income to be retained and therefore offsets some of the EB costs subsidy from the employee’s side.

From one-size-fits-all to tailored rewards

A well-designed EB programme will incorporate a variety of reward types to cater to diverse employee

preferences and motivations. The key is to move away from a one-size-fits-all approach and design EB programmes thoughtfully, aligning them with the capacities and aspirations of employees. It's about understanding that rewards should not only be about the present but should also contribute to employees' growth throughout their journey within the organisation. The success of EB programmes relies on their ability to be both an attraction and retention tool. Employers must convey a genuine commitment to the well-being of their entire workforce, from the top performers to the support staff.

Tailoring benefits for employee impact

An inclusive approach ensures that every employee, regardless of their role or income level, feels recognised and valued. The effectiveness of an EB programme lies in its ability to be dynamic, inclusive, and aligned with employees' diverse needs. Health and financial support are non-negotiables, and rewards should extend beyond the workplace to make a real impact on employees' lives. By actively engaging with staff, tailoring benefits to specific income levels, and adopting a thoughtful, inclusive approach, organisations can create rewarding EB programmes that not only enhance employee satisfaction but also contribute significantly to the overall success of the business.