



6 ways to support your employees in challenging times.

Emma Browning

Founder & Managing Director of Meraki HR Solutions

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Introduction

“*May you live in interesting times*”. Whether this saying actually has Chinese origins or not, it really does seem appropriate these days. Worldwide, we are experiencing the effects of unrest, supply chain problems and rising energy prices that have set off a soaring price inflation. To add to this, as if the many global challenges aren't enough, there are a number of UK-specific factors that are at play which makes the financial situation we're facing much more difficult. It is in times like these that people turn to their leaders for help and inspiration. So, what can you do, as an employer, to help alleviate the burden of your employee.

The pressures employees are facing today...and their impact on overall employee happiness.

Without wanting to dwell on the negative, it's essential to truly understand what is happening to your employees. The rate of inflation at the time of writing is 11%, and although financial experts say this will go down in 2023, it has signalled the start of an official recession in the UK according to the watchdog Office of Budget Responsibility (OBR). In the chancellor's Autumn Statement, help with things such as energy bills (including an Energy Price Guarantee), national wage increase, and more money to the NHS. On the other hand, council tax charges are set to rise (which could be as much as 5%) as well as other price increases.

Even with the national wage being increased, and businesses following suit by raising wages, it has been claimed that this will not be enough to make a dent in the cost of living. To highlight the issue, data from the Office of National Statistics suggests that although pay increased 6.2% in the first half of 2022, it actually decreased by 2.8% after the inflation rate and the exclusion of bonuses were factored in!

The employees bearing the brunt of the impact are already in the lowest paid sectors, some of which include health and social work, education and retail. People are tightening their purse strings, and some are taking drastic action just to stay afloat. Around the nation, homeowners are considering selling their abode to release some capital, while others might be thinking about selling their car or other belongings to free up some money.

Meanwhile, McKinsey Health reports persisting burnout challenges around the world, while in the UK, CIPD's 2022 Health and wellbeing at work survey report shows that stress continues to be one of the main causes of short and long-term absence. In response to this trend, Health and Safety Executive (HSE), Britain's national regulator for workplace health and safety, recommends managers of employees who show signs of mental difficulties to talk with them at an early stage and use routine management to identify and tackle problems or needs.

Already in 2017, the Government issued an independent review of the role employers can play to better support individuals with mental health conditions in the workplace. One of the recommendations of the appointed commission, led by Lord Dennis Stevenson and Paul Farmer, was to develop mental health awareness among employees by making information, tools and support accessible. Notably, Gartner reports that "although 70% of organisations made additional investments in well-being throughout the last two years, most employees are still not taking advantage of these offerings."

Unfortunately, with a world still grappling with COVID-19 and the urgent climate crisis, as well as political unrest in Europe and the UK, the pressure is only mounting. It is crucial to note that not all employees are affected equally. That's why, when looking for solutions, it is important to know that these must be tailored to individual situations and need.

It's not just about money

For employees who are affected by a financial crisis, this experience can impact all aspects of their wellbeing. When money is tight, day-to-day living is difficult and this can lead to concerns about immediate and long-term financial needs.

There are also employees that belong to the baby boomer generation who say they can't save enough money for their retirement, adding extra stress when they should be looking forward to the time when they can relax and take things at a, perhaps, slower pace. Wellbeing is about financial wellbeing, social wellbeing, physical wellbeing, and mental wellbeing. They are all connected. Even if it were possible for you, as an employer, to double your staff's salaries, you wouldn't have solved every problem. This is why a solution must be based on a holistic approach that takes into account all of these aspects.

The current reality for employers

Of course, as an employer, you are on the receiving end of the financial storm as well. The UK government has promised to cap, to an extent, wholesale electricity and gas costs for businesses (although this can be subject to change), but there are still many other developments to take into account.

With COVID-19 as the catalyst, hybrid work is here to stay. Whether you like it or not – many of your employees like it. In fact, the Office for National Statistics report that 78% of those who worked from home during the pandemic said that their work-life balance improved, with 47% reporting improved wellbeing. It may not be for every job or every individual, but it is safe to say that there is no way back. Perhaps that is just as well, as The Rewards and Employee Benefits Association (REBA) says businesses that

have transitioned to hybrid work will, in the long run, be able to adapt to more agile working environments.

This will help them respond better to recruitment and talent acquisition demands, while employees will benefit from finding that balance between work and family life. Employers and HR need to adapt to the digital age. HR tech guru Josh Bersin argues in his podcast that, while traditionally HR tech is payroll-based, its “architecture is flipping towards employee-centric systems.”

When looking at the various employee population sizes and cohorts, the various countries and cities where they are located, the range of parttime, fulltime, remote and hybrid workers, who may have changing positions and multiple roles within a company, traditional technology is not suitable to take into account this great diversity: “We need HR technology that facilitates the daily, weekly, monthly, quarterly life of employees.” According to Bersin, employee experience is now the core of HR technology.

Another current challenge is, of course, the skills shortage. Although the UK is not alone here, with Brexit and an ageing population, we are short on qualified employees in many sectors. This is magnified by competition across sectors for certain talents, such as IT specialists. In such an environment, retention becomes key for employers.

Changing employee characteristics

The above-mentioned desire for hybrid work is also linked to who your employee is. The bulk of the working population today consists of millennials; people who attach greater value to purpose than previous generations. They are looking for a meaningful career, while they also desire more flexibility in their work, a healthier work-life balance, more opportunities for professional growth and a better alignment of their and their employer's values.

These employees are also the drivers of the Great Resignation, so employers need to keep alert and make sure they offer the right total rewards and benefits in an effort to retain them. Zooming out, we see a connected development: More and more, people are using Environmental, Social and Governance (ESG) indicators to evaluate companies and countries on how far advanced they are with sustainability goals.

The public demands that companies take climate action. With that, employee expectations have changed, and as an employer, it is essential to respond to those new expectations: It is time for a revamped size-fits-all solution won't cut it. Employers must offer a personalised Employee Value Proposition (EVP = Employee Value Proposition).

How are employers currently supporting their staff?

So, how are organisations responding to their employees' needs? Well, one remarkable initiative is that of Gravity Payments' founder Dan Price who took a huge pay cut to ensure all employees received a minimum annual salary of \$70,000. You could also take a page out of the book of Virgin Money who gave a one-off cost-of-living payment of £1000 to employees.

PWC has surveyed how the large UK businesses are responding to the cost of living crisis. The financial consultancy service found that 83% of reward specialists at large companies are taking action or considering ways to help employees, with half introducing or thinking about additional pay increases.

40% of large Britain-based businesses provide one-off bonuses and 15% are working with indirect financial interventions; they support their employees with increased staff shopping discounts, flexible / hybrid working reduces travel costs, home insulation, employee hardship funds and more.

As noted, many employees yearn for more flexible working hours. This is why Gartner recommends injecting flexibility and autonomy into your EVP. Supermarket Morrisons is doing just that. It is one of the employers

experimenting with a four-day work week as a way to provide more flexibility to current and prospective employees.

We also see many companies offering education benefits or making extensive commitments to employee wellbeing. Others are boosting attractiveness and employee engagement by standing up for social justice and environmental cause.

So, with all that information, where do you start?

So, what can you do to retain employees, support existing employees and even attract others to join you? Hint, it's not all about a pay rise. Of course, your workers will appreciate that pay rise, but as previously mentioned, more money is not enough. Your employees want to feel heard, seen, supported, and validated. This will make them happier and, at the end of the day, boost their productivity.

The actions you, as an employer, can take can be daunting. You might ask yourself what costs can be reduced or cut completely, and these actions might include phasing out some benefits, cutting down on company expenses, and, perhaps unfortunately, redundancies. The last action is the one, as an employer, you want to avoid, so taking proactive steps towards supporting employees during difficult periods will work to help you to achieve better outcomes for everyone.

1. **Define your employee value proposition.** How do you want your current and future employees to view you as an employer, as a brand, and overall, as a place to work? In a competitive job market, it's vital you've spent time defining what your EVP (Employee Value Proposition) looks like as a business and how it is portrayed to potential employees.
2. **Assess your spending on rewards and benefits** with the right information, data, and insights. Ask yourself this; do we have data on

usage and uptake of benefits? Are we adjusting our annual rewards and benefits strategy based on insights received by employees? If not, you could be wasting valuable budget on benefits that are either not desired by employees or have no uptake due to a lack of awareness or communication on your comp and ben offering. Hint – Your PEVP should always be a two-way conversation between your HR team and employees to offer employees a voice and active participation in choosing the right benefits they actually want.

3. **Focus on what sets you apart from other employers** when it comes to your EVP and your overall employee experience and then how you engage your employees on this. This might involve choosing the right tech partner to help digitize your benefits strategy, improving the use of communication across multiple channels via an easily accessible benefits system. Spotlight on Iveco – digitizing their benefits strategy saw an increase of 70% in uptake in employee benefits without adding or removing any benefits or additional spending on benefits themselves. This uptake was due to improved visibility and communication of all the benefits on offer to employees.
4. **Define and refine your benefits offering.** Once you've analysed your data and identified the undervalued or low-utilised benefits, we suggest removing them and replace with better benefits. This could be across all areas, but we suggest focusing on how to deliver benefits that will offer the broadest reach, across all demographics throughout their employee lifecycle. With this approach, you'll be able to offer preventative care benefits as well as support employees during times of crisis or changes in circumstances. Now, you've got benefits to support all employees, not just a certain demographic or at certain stages of their wellbeing pathway. Win-Win.

5. **What's your long-term strategy?** Focus on what this looks like to inform short and medium-term decisions on your rewards and benefits strategy. This will help decide if further investment is required to align with your strategic goals for rewards and benefits. Use the results from parts 1-4 to help justify the further investment you may require. We suggest choosing the right partners that can help you achieve your long-term goals while showing proven ROI and supporting you in putting a business case together to deliver to key stakeholders.
6. **Take a rest!** Focusing on your wellbeing and taking a rest is just as important as steps 1-5 even though you may own or run the business or be in a senior role, you need to take a break too!

Conclusion

The cost of living isn't easy to tackle when things seemed stacked against you, but help is at hand. There are things you can do today to make your employees breathe out a sigh of relief, and one of those things rely on effective communication.

Through a total reward and benefits platform and app, you, as an employer, will have no problem initiating a two-way conversation with your employees, detailing benefits they can access through the business. This could be as simple as offering financial and mental health support as these are intrinsically linked. If someone is worried about the cost of living, then this will affect their mental health through anxiety and worry over the future. By having a direct conversation with your employees, you will be able to help relieve the burden of some of the costs they are having to meet.

The cost of living crisis doesn't just affect employees but employers as well. This is the best time to review your benefits offering and, perhaps, take away some that aren't being used. Of course, you can also ask your employees what they feel are the best benefits offered by the business and start

streamlining based on their answers. Again, this relies on good communication and integrating an HR tech partner is a great and effective way to achieve this goal.

Using real time data can work wonders for your budget and benefit employees at the same time. Some businesses are already offering their employees extra wages, whereas others are rolling out bike-to-work schemes, offering free food at work, discounts on products and services, among others. Employees should be encouraged to talk to their employer and ask them what they can do to help them.

If there isn't an HR platform in place to handle all of the above, then the prospect of helping employees suddenly becomes a huge mountain to climb. Employers who have already integrated a Total Rewards and Benefits platform is already on its way to helping their employees through effective channels of communication, because at the end of the day, effective communication is what is needed in times of any crisis.

Ask yourself this question: Can you afford not to focus on your biggest investments – your employees?

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