

The Changing Shape of Employee Benefits

8th December 2020

PARKWELL

Management Consultants Ltd

Compeer



BENEFITS IN WEALTH MANAGEMENT

James Brown
Head of Client Services



POPULAR BENEFITS OFFERED

93%

Firms that offer free
LIFE ASSURANCE
to all staff

80%

Firms that offer
**SEASON TICKET
LOANS** to all staff

68%

Firms that offer
**PRIVATE MEDICAL
CARE** to all staff

DEATH IN SERVICE & PRIVATE MEDICAL INSURANCE

Death in Service

- Offered from day one to all employees
- Most offer 4x basic salary
- Some give the opportunity to flex the salary multiplier (either at a refund to the employee or at a cost)
- Maximum pay out offered is 10x basic salary
- Can vary by seniority

Private Medical Insurance

- Most offer it from day one, although some require a probation period
- One in three extend it to family
- Unlikely to require contributions from staff towards the annual premium
 - *Some require staff to pay excess or split the cost when extending the cover to include family*

PENSION CONTRIBUTIONS



Average Contribution for 2020

9.47%

Average DC pension contribution from wealth managers in 2020

53%

Percentage of individuals receiving a DC pension of **10% or more** of basic salary in 2020

2%

Percentage of individuals receiving a DC pension of **20% or more** of basic salary in 2020

Average Contribution for 2010

8.19%

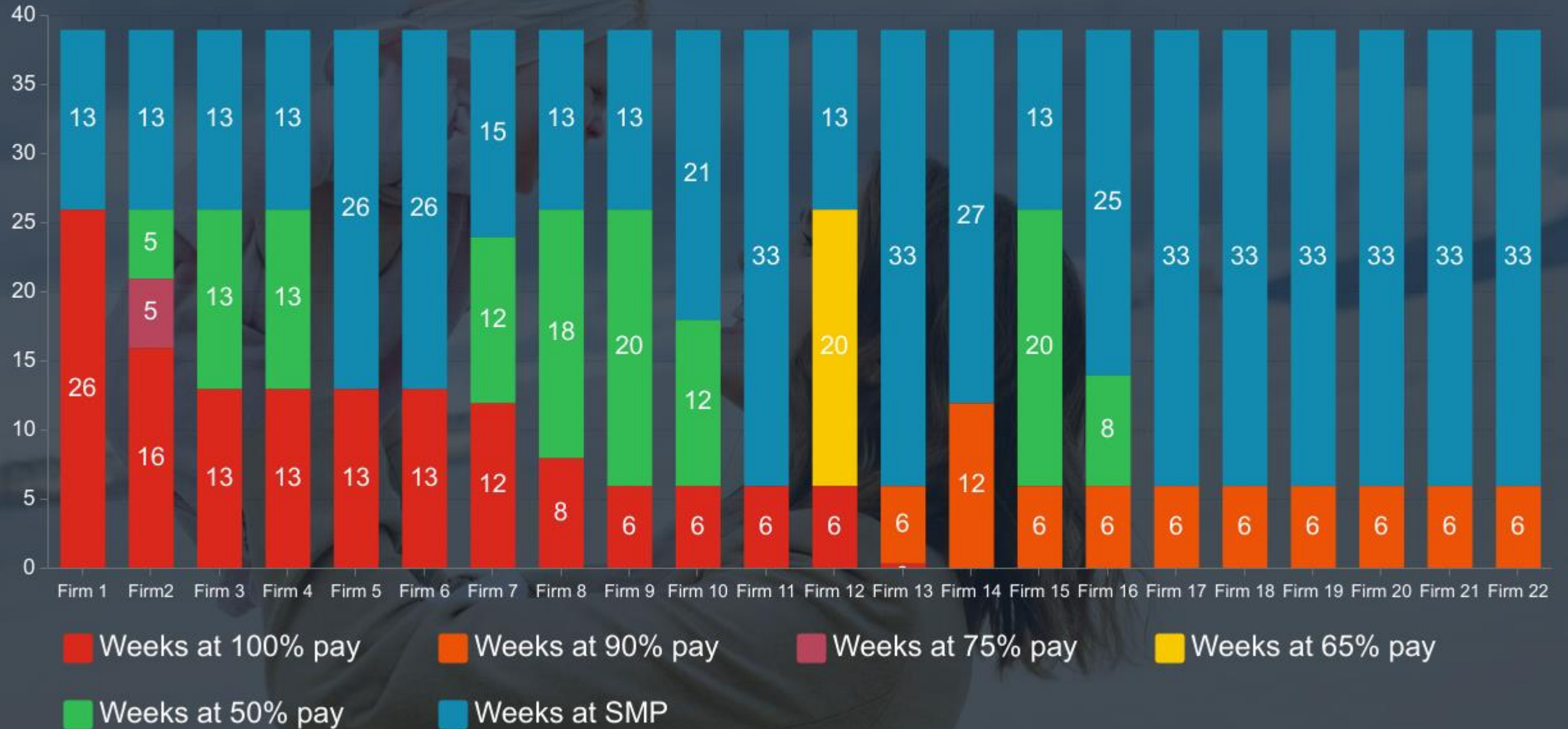
Average DC pension contribution from wealth managers in 2010

Bonus sacrifice into pension schemes

57% of wealth management firms surveyed offer some form of bonus sacrifice into pension scheme.

The uptake from staff ranged from 5-10%, with an average uptake of 8%.

MATERNITY PAY



PATERNITY PAY & SHARED PARENTAL LEAVE

Paternity Pay

- 1/3 offer statutory pay
- Most offer 2 weeks at full pay
- Others offers include:
 - 1 week at full pay
 - 2 weeks at 50% pay

Shared Parental Leave

- Just under half provide statutory shared parental leave
- One in three will match their maternity leave offering
- 25% offer up to 52 weeks of shared parental leave

LENGTH OF SERVICE AWARDS



83% of firms offer incentives / awards based on length of service



AWARDS PROVIDED AFTER

- 3 years
- 5 years
- 10 years
- 15 years
- 20 years
- 25 years
- 30 years
- 40 years



HOLIDAY

Varies between 1 and 5 extra days holiday



GIFTS / VOUCHERS

Values range from £20 - £1,000



PENSION

Increase to pension contributions



SABBATICAL

4 weeks of paid sabbatical



ACKNOWLEDGEMENT

A framed print of acknowledgement

THE IMPACT OF COVID-19 & LOOKING TO THE FUTURE

FLEXIBLE WORKING

ADDITIONAL
HEALTH BENEFITS

VIRTUAL DESKTOP
ASSESSMENTS

MENTAL HEALTH

HOLIDAY TRADING



PARKWELL

The Changing Shape of Employee Benefits

16.00 Tuesday 8 December 2020

www.parkwell.co.uk

Introductions



Prash Arora

Prash is a senior consultant at Parkwell with over 10 years search experience focusing on mid to senior level appointments within wealth and asset management, including Private Banks and Hedge Funds. Prash is CFA qualified and began his career in asset management in Edinburgh before moving to the City as a Fund Manager covering European equities and structured products for institutional clients.



Parkwell is a management consultancy with extensive experience in Financial Services sector with particular expertise in the Private Banking, Wealth and Asset Management sectors.



We have an experienced team of recruiters, with industry experience, who have an established track record recruiting senior key staff across all areas of the business from marketing, IT and the back office through to CEOs, COOs and all front office staff.



As a specialist firm we have an excellent understanding of what it takes to grow a business as well as the need to find people with the right cultural fit.

The changing workplace



The shift to a more remote workplace has meant the need for firms to re-evaluate how their business operates.



Digitalisation – the pandemic has accelerated technological enhancements. This has proved paramount in enabling businesses to remain connected with their people and clients.



Employee experience during the pandemic - how a company treats their employees during ups and downs affects their employer brand.



If an employer does not do a good job in communicating during the crisis, this can compromise employee retention and recruitment efforts.

Challenges



How do firms drive engagement with their employees to ensure they feel valued and supported with their mental, physical & financial health – three core reasons why employee benefits exist.



Being competitive is important but firms must focus on developing their benefits strategy to align with what makes your business different.



If a firm has let some employees go, this can lead to lower employee engagement and a reduction in motivation of employees who have kept their jobs.



Reviewing benefits is especially important during a time when salary increases are unlikely and employers need to find other ways to show their employees appreciation for their efforts.

Trends in Employee Benefits

1. Letting Strategy Lead your Employee Benefits Design



Being competitive is still important but your benefits strategy needs to align with what makes your business different – Employee Value Proposition (EVP).



Your EVP should tell a compelling story around your staff, your core purpose, the benefits of working at your business, L&D options, D&I policy and social governance.



If you have a clear and strong EVP, you will attract candidates that are more likely to become highly engaged employees.

Trends in Employee Benefits

2. Keeping D&I high on your Benefits Agenda



All companies now consider diversity & inclusion as a core part of their people strategy, and in turn are thinking about how it applies to their overall employee benefits strategy.

3. Putting a Focus on Employee Wellbeing



Companies no longer consider wellbeing a 'nice-to-have' but a 'have-to-have'.



The definition of wellbeing has evolved. Where it once was all about improving the physical health of employees, firms are now focussing on the multiple pillars of wellbeing for a more holistic approach. Flexibility & personalisation are key.

Trends in Employee Benefits

4. Harnessing the Power of Communication



One of the most powerful tools to deliver an ROI on your benefits is communication.



Without communication, you risk your benefits not being understood, not being used and not being engaged with.

5. Leveraging Digital Technology



With more remote workers, flexible work schedules and with the increased need to be agile, technology is critical in the evolution of employee benefits.



Firms need to unify their benefits programmes into a centralised engagement hub. This creates an integrated user experience.

Employee Benefits Platform



Advantages of using digital benefit management tools are reduced administration and increased cost control for the employer.



A single access point with company branding provides a unique employee experience.



A bespoke portal is a comms & marketing tool, which can drive employee engagement, with real time analytics & MI for the employer.

Employees who have access to a benefits platform:



- Have a better understanding of their benefits
- Are more satisfied with their benefits
- Have a more positive image of their employer

Driving Employee Engagement



Plan a 12 month engagement strategy

- Different benefits may be more appropriate at different times of the year.



Make your benefits more accessible

- Mobile-first employee benefits platform.



Focus on education, not just communication

- Make employees aware of the value of their benefits.



Use data to drive your engagement strategy

- Real time analytics helps build personalised communications.

Benefits Satisfaction



By offering an attractive benefits package, employees are much more engaged in their work.



High levels of employee engagement also correlate with other factors that characterise a strong employer brand: feeling proud about where you work and recommending your workplace to others.



Low employee engagement significantly risks damaging the employer brand.



As well as an attractive benefits offering, authentic leadership and effective communication are two factors that help increase employee engagement.

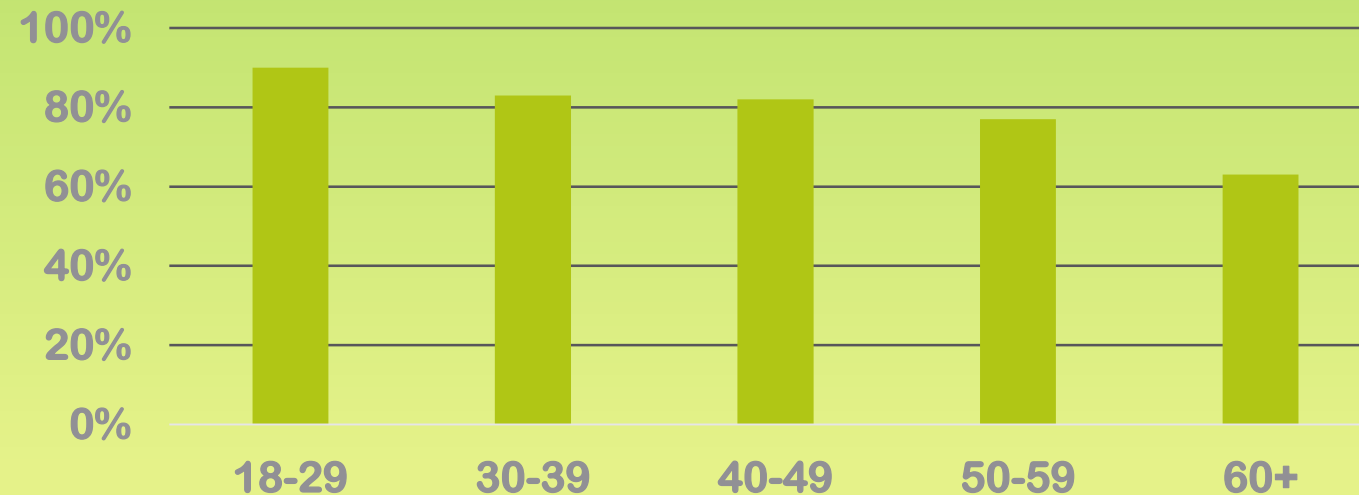
Benefits worth changing jobs for: 2020 YouGov survey



Q: “Which benefits would make you consider changing employer if their offering was better than your current employer’s offer?”

A: Bonus & profit sharing; flexibility (WFH, working hours); pension.

Which age groups are likely to change employer for better benefits?



Healthcare benefits are less important for those aged under 30 and they rank skills development as more important.

Conclusions



COVID-19 has brought the importance of benefits, particularly non-financial ones, to the forefront and is a stark reminder that in an unpredictable world, flexibility, adaptability, and reactivity are key.



Employers need to offer benefits that contribute to increased physical, mental and financial well-being for employees.



Offer a high degree of flexibility and personalisation, in terms of WFH, working hours and a range of benefits.



Offer a digital experience on a par with what employees have become accustomed to in their private lives.

Panel Discussion



Angela Wilson - Killik & Co
Sian Anthony - Rathbones
Sophie Forrest - ForrestHR

**Thank you for listening and we
look forward to welcoming you at
our next webinar:**



**Making your firm an
"attractive" place for
millennials to work**

Tuesday 23rd March 2021