

Isio insights

Through the looking glass

Maximising value from employee benefits

Isio surveyed¹ over 7,500 private sector employees and this series of papers puts the spotlight on our key insights.

¹ Isio's June 2023 online survey in conjunction with YouGov of 7,674 UK private sector employees. All insight and analysis has been carried out by Isio. Responses for don't know or prefer not to say answers have been removed, unless explicitly shown.

The last paper in our series focuses on differences in thinking within the employee population with an effort to listen to the under-represented voices. Do individuals across a range of minority groups value different things in the benefits package? How do these demographics play into behavioural decisions?

Given a sizeable range of opinions, how best can you listen fairly to the preferences of an entire population and make robust decisions on their behalf?

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born to be better.

Shattering the illusion.

When making decisions, it's a tried and tested approach to follow the law of large numbers – in other words, to make middle of the road decisions that appeal to the masses. But when it comes to designing benefits, and making decisions that impact issues close to people's hearts, is this the right approach? As modern workforces become more diverse, and inclusion becomes more embedded in the corporate agenda, a natural next step is to consider whether employee benefits should be designed with a more equitable and robust strategy.

Before we tackle how best to give everyone a voice, first let us discover whether views on employee benefits do in fact differ across a population. We've touched on important aspects of this in two previous papers where we explored how ethnicity impacts the [value placed on the benefits package and wider employment value proposition](#) and the [differences in long-term saving objectives](#).

Now, from an employer perspective, how might differing demographics play out within employee benefits? We've looked at this from four angles; exploring motivations (needs), employee behaviours, thinking preferences, and the appeal of different benefits.

Our research studied opinion on employee benefits by numerous demographics: gender, income, location, industry, sexual orientation, religion, disability, dependants, home ownership – to name a few. If you'd like to explore the results further from one of these lenses please get in touch.

Trying on the other shoes.

Meeting needs

At their most basic level, employee benefits are there to meet an employee need or worry. They are designed to provide support during difficult life events and to encourage 'good' behaviours. We all worry about the unexpected – and it's natural to assume these worries are mirrored in our likeminded colleagues, but have you paused to consider how, for some, **demographics may affect the balance of concerns?**

Age and income are two obvious factors influencing what keeps people awake at night, but looking a little deeper we discovered there's more:

Gender plays a part in long-term financial priorities.

Our data indicated that women were 12% less likely than men to prioritise saving for retirement and 11% less likely to be focussing on estate planning and wills. On the flipside, women had clearer shorter-term objectives than men; they were 27% more likely to be focussed on getting on the housing ladder and 24% more likely to be thinking about childcare and eldercare. [Does your benefits package provide support for shorter term financial priorities, or the ability to flex from long term goals?](#)



Ethnicity may impact healthcare concerns and priorities.

The instances of some illnesses are more prevalent within certain ethnic groups². Therefore, for an employer healthcare offering, concerns and priorities may vary among different ethnic groups. [Are your healthcare benefits accessible to all levels of your workforce, and is this cover flexible?](#)



Those with a disability are more likely to face financial stress.

Our data showed that individuals who reported having a disability were 18% more likely to state that the cost of living was their main financial worry than those who did not report a disability. Reinforcing this, the extra cost of disability is estimated to be £975 a month per household³. This could impact more of your population that you may think: in our sample, 16% of respondents declared having a disability. [Do you know who in your organisation might be facing these additional costs? Do your benefits offer financial support or flexibility that could help manage financial pressure points?](#)



² Health - [GOV.UK \(www.gov.uk\)](https://www.gov.uk)

³ Scope 2023 Disability Price Tag

Gut instinct.

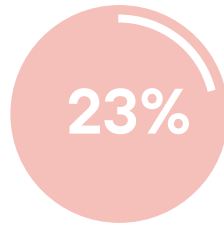
Employee behaviour

You receive the headline management information every month. You see the long-term trends in reward, and the rises and falls in how utilised different benefits are. But have you stopped to consider how much this is driven by underlying demographic differences? Is employee selection and decision-making in employee benefits steered – even in part – by who they are?

Our data identified thought-provoking trends in employee behaviour.



Those who reported having multiple disabilities were **111%** more likely to have **opted out of pension** altogether, compared to the wider population.



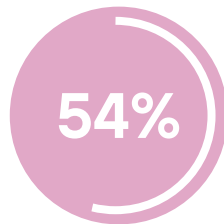
Women were **23%** more likely than men to say that they **didn't know** what benefits their employer offered, and **64%** more likely to say they were **not confident in their financial decision making**.



Black individuals were **60%** more likely to be **considering moving jobs**, compared to the wider population.



Men were making **fewer financial cutbacks** and were **70%** more likely to say that they **weren't worried** about any current financial issues, compared to women.



Compared to heterosexual individuals, those who identified themselves in the survey as gay, lesbian, bisexual or 'other' category were on average **54%** more likely to think that their **employee benefits didn't meet any of their requirements**.



People with children under age four were **twice as likely to have reduced their pension contributions**.

The first step in being able to maximise value from your employee benefits is being able to identify and target those who are not receiving value from what they are getting.

Different strokes for different folks.

Thinking preferences

Looking beyond traditional demographic differences, this goes deeper. At **Isio**, we recognise that every individual is unique in their thinking and behavioural preferences. It's an important consideration in how people react to change, express their beliefs and progress their thoughts. In practice, this means putting accessibility at the forefront of how and what you say, and this being made relevant to everyone, instead of confined to neurodiversity for example.

So, what does this mean for your employee benefits? Firstly, appetite for benefits will vary, particularly so for certain 'marmite' benefits. You're unlikely to pay for a concierge benefit if your own organisational skills are top notch. Similarly, discounts on thrill-seeking days out will not appeal to the risk averse.

Secondly, different employees will be receptive to different forms of communication and support. For example, it's likely that some employees will need time and more detail-orientated explanations to welcome changes to benefits, whereas others may respond to snappier forms of information, and with less persuasion.

These unique behavioural traits play a big part in driving engagement.

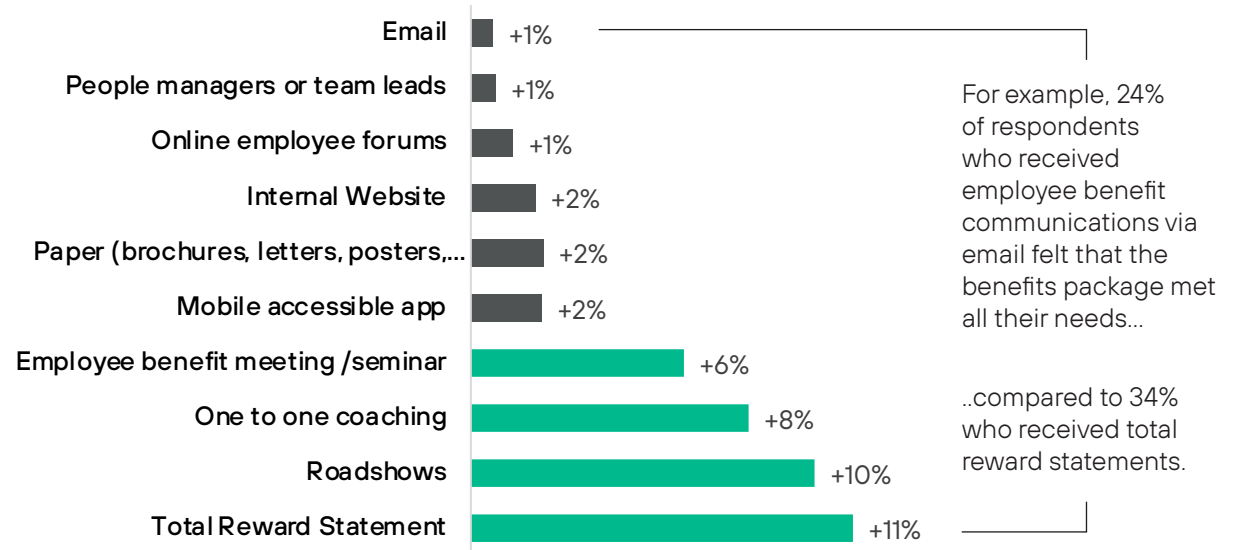
Our survey data backs this up: **employees who thought their benefits package met all their needs had access to both a greater range of benefits and to the most different forms of communication about these benefits.**

This goes to prove that introducing choice (in both range of benefits and type of information delivery) allows you to reach a greater portion of your population, in a way that will relate to their thinking preferences.

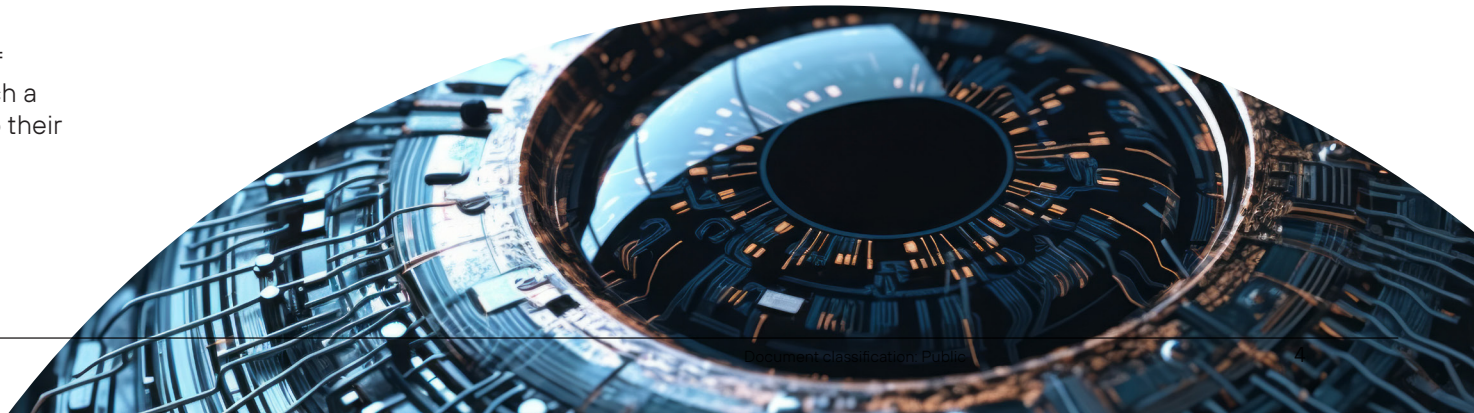
It's not what you say, it's how you say it.

Our data shows that more is better when it comes to communicating to the masses, but if you're budget or resource constrained, what's best to focus on? Which types of employee benefit communications are most impactful?

In our survey, 23% of respondents felt that their benefits met all their needs. How does this 23% change if we examine which channels of communication respondents had access to?



What we learn here is that face-to-face, or very bespoke communications such as Total Reward Statements, roadshows and one-to-one coaching appear to be much more impactful than impersonal and generic communications like email and letters. **This could be one relatively easy route to adding value to your benefits spend.**



Refracting the lens.

Meeting needs

In our [second paper, The Benefits Sweet Shop](#) we investigated which employee benefits worked best at being tools for attracting and retaining employees. Like selection behaviour, benefit appeal also differs by segment of the population. Here are some of our key themes:

We found that **younger workers** have less preference for the more traditional areas of the benefits package (pension, income protection, life assurance), and were more attracted to flexibility, innovative ways of saving and help to buy a home.

For the youngest workers (18-24), having access to free meals was very highly valued!

Retail workers who, given the nature of their job, are less able to be flexible in choosing when and where they work, were more likely to value support with travel costs, car parking and childcare – benefits that have more value when flexibility is limited.

Individuals who identified themselves in the survey as **gay, lesbian, bisexual or chose the category of 'other'** were 16% more likely to say that there were no benefits offered by their employer that would persuade them to remain with their organisation.

Women placed a much greater value on packages that had flexibility at the forefront; being 54% more likely than men to say that flexible working was extremely important to them. Organisations who provided help with health and wellbeing and, specifically supported women's health (menopause and fertility treatment) had strong pull factors in the job hunt.

Conversely, share save schemes and access to car leases appealed more to men.

Focussing on a new normal.

Historically, employee benefits were designed by a small group of people in a room thinking about what makes sense to them. That can mean that the diversity of the benefits offered may be no more varied than the needs of the people in that room.

This data provides real testament to show that preferences do vary when you look across the whole population. When designing benefits for others, it's critical to step outside of your own viewpoint and capture the widest possible employee voice.

Listening to this employee voice, in its entirety, however, can be challenging.

It's all too easy to overlook a group when sampling the workforce and to end up with a view that's not truly representative. For example, what about the quieter voices in a focus group or the portion of non-responses in an email survey? What about the frontline staff without access to the technology to respond, or conversely, overrepresentation from pockets of the business that are less utilised and have the time or inclination to shout the loudest?

Designing a benefits package to suit every need perfectly is a complex task. However, there are steps you can take to make the outcome more inclusive and decision making more robust.

Marrying data analysis into the process can help create more equitable outcomes.

A better way forward, and one that we are seeing organisations embrace, is to **'fairly' bring the employee voice 'into the room' when designing reward and benefits packages**. Total reward optimisation techniques adopt mathematical economics to bring this to life, ensuring that a company's benefit offering is a true and fair representation of the needs of the whole workforce and not just the decisionmakers.

Combined with technology such as flexible benefits platforms, where employees can select the benefits that they personally value, and greater personalisation of communications, **organisations can drive to achieve better value for money from their employee benefit spend**.

On reflection.



- Employee preferences vary – greatly. This is not only down to tangible aspects such as gender, age, background and so on, but much wider factors such as our unique thinking patterns.
- Demographic datapoints can be a useful starting point in identifying and targeting those who do not value their benefits.
- Combining data analysis with a more robust technique of listening to the employee voice can provide a fairer representation of the needs of the whole workforce – thus unlocking value in the employee benefit spend.



Do you listen to your 'employee voice' when it comes to benefits, and how 'fair' is your method? Do all employees have a seat at the table?



Have you reviewed the appropriateness of your benefits for a modern workforce, and how might benefits change if you listen those who are underrepresented?

Goodbye...or hello?

Our series of eight papers now concludes, having shone a new light on employee benefits, and a fresh take on how employer value in this area can be maximised. Along the way **we've shown how – and why – a shake-up of the reward package should be made a priority**; from [reducing turnover with significant savings](#), to [empowering employees to capture lost value](#) – our insight has provided some hard evidence of the potential that could be unlocked by a well-designed benefits package.

We'd be happy to help get to the heart of your organisation's challenges and support you with your benefits change journey and more – please contact us for a no obligation meeting.

For further insights on how to make the most of your reward and benefits, read the rest of the series [here](#).



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