



RewardGateway
the employee engagement people

How Benefits Help Build a World-Class Employee Value Proposition

How to use low-cost benefits to stretch your employees' disposable income and build a standout EVP



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Introduction

Hi,

I've noticed something changing in the world of work, and chances are if you're reading this eBook, you've noticed it too. Technology is evolving rapidly, and changing the way we communicate and work at an unprecedented pace. At the same time, the cost of living keeps on increasing and Australians are feeling the pinch as their wages struggle to keep up. Together, these technological and social changes have affected not only our personal lives but our work lives too, and influenced what our current and future employees expect us to provide.

Now, more than ever, what we offer potential, new and existing employees is under scrutiny.

Companies like Seek and Glassdoor give prospects a sneak peek into the day-to-day

employee experience, giving candidates the ability to decide long before they walk through the door for an interview whether a job is even worth applying for. With every new social media platform, existing employees gain more power to publish information and opinion — both to the benefit and detriment of our employer brands.

Unless we want to be left behind, we need to find what makes us stand out from the crowd and evolve to meet the shifting expectations of both new and existing employees. This means being intentional in how we shape our Employee Value Proposition (EVP) — the things that make our companies worth working for.

Having worked in the employee benefits space for over 20 years, and partnered with hundreds of companies, I'd like to share with you what I've learnt about what it takes to be an outstanding

employer that engages employees with meaningful and accessible benefits. I'll walk you through:

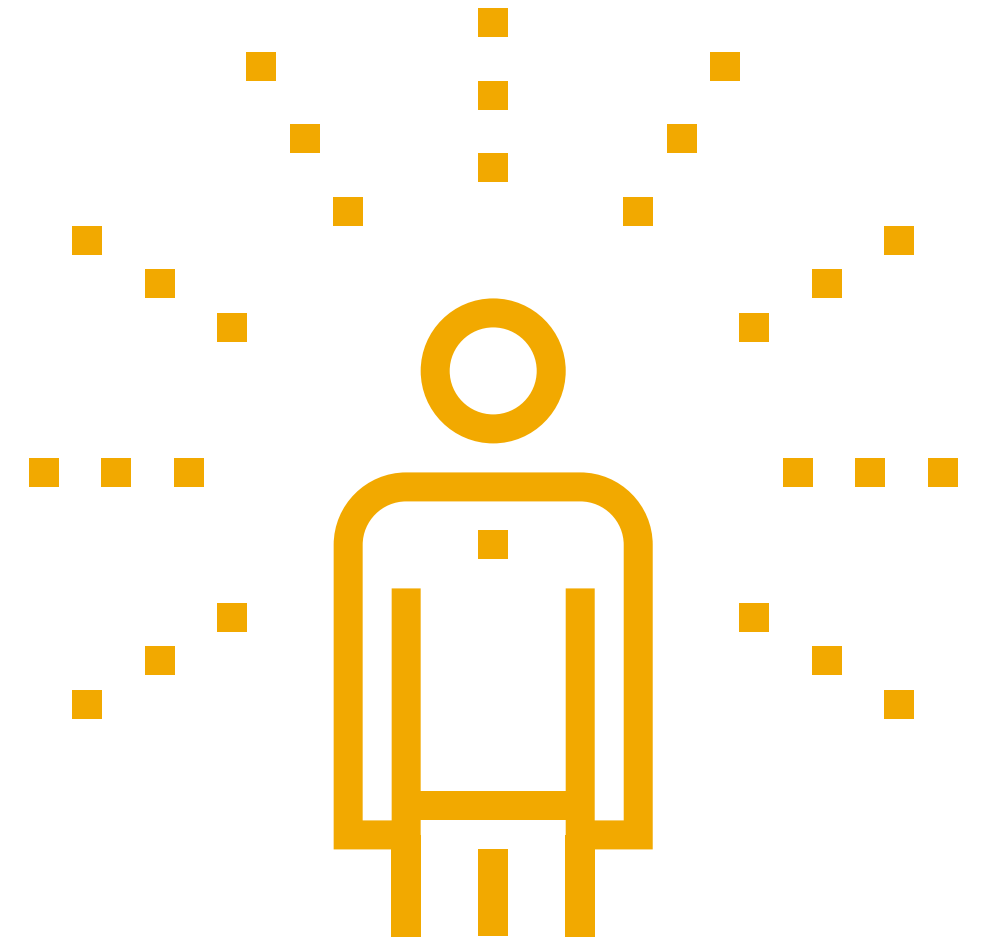
- **Why we need a radical approach to building a strong EVP.**
- **How to rework your HR budget to achieve a low-cost but high-impact benefits program.**
- **A practical example of a benefit that helps boost disposable income while providing a proven ROI to your organisation.**

I hope you find this eBook full of helpful information that will support you on your journey to building a world-class EVP.

Kylie Green

Director of Consultancy

A Radical Approach to Building Your EVP



If you cast your mind back to what the workplace was like 50 years ago, the majority of jobs involved some sort of labour, and things that we consider standard in an employment contract today — like minimum wages and superannuation — were basically unheard of. Forty years ago, the idea of taking a phone call from anywhere other than your desk was considered luxurious. And 30 years ago, company news was kept tightly under wraps for the Leadership Team or those in head office and sending a message around the company meant passing around an envelope from desk to desk.

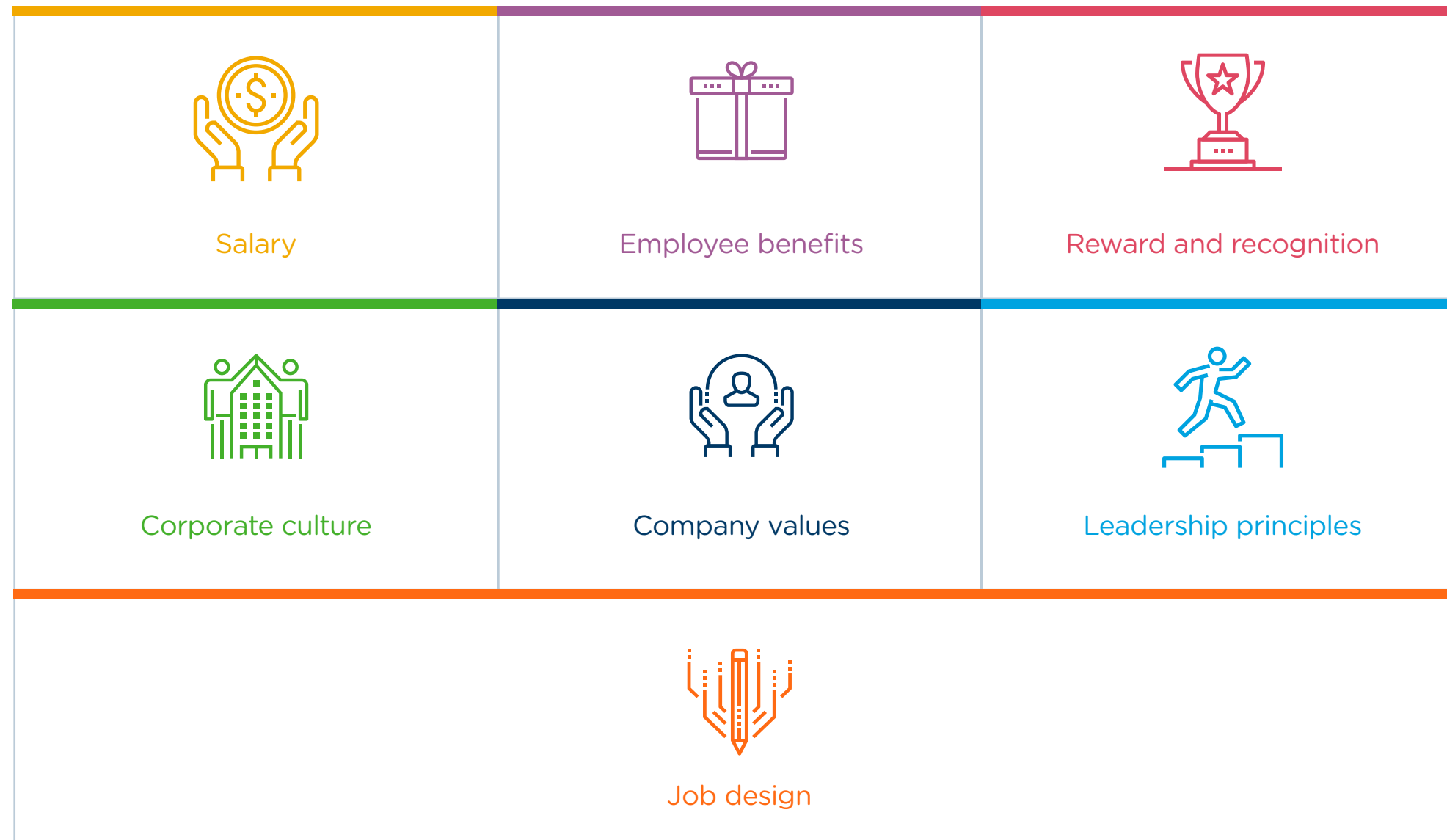
Why am I taking you on this time-travel journey? Because what was revolutionary all those years ago — things like paid parental leave, flexible work hours, agile workspaces, and open collaboration and communication platforms — have become the norm today.

This means what feels radical and rebellious today, is what our current and future employees will come to expect as normal tomorrow.

To successfully attract the best talent and engage the employees you've already hired, you need to think beyond the salary you're providing and develop an all-encompassing Employee Value Proposition. Your EVP is unique to your business because it should reflect your company culture and align with your overall business. It's what distinguishes you from your competition. And, when done well, it's what sets you — and your people — up for success well into the future.



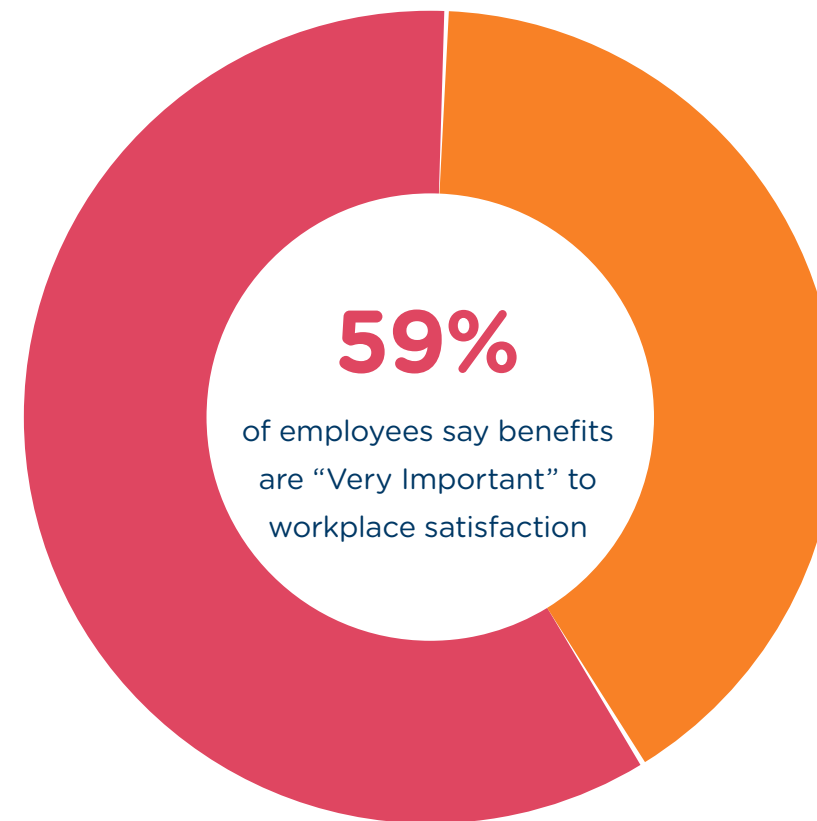
The staples of an EVP include:



Where should I start with my EVP?

As we've mentioned, there are so many different parts of an EVP, and each one is an important piece of the employee experience. It can be difficult to know where to start. My suggestion is to start with the puzzle pieces that are highly impactful for your people, which are pay and benefits.

Pay and benefits are the first things candidates look at when applying for a job, and they're a crucial part of retaining your workforce, which is why it's so important that benefits be included in your overall employee engagement strategy and EVP.



Source: Employee Benefit News

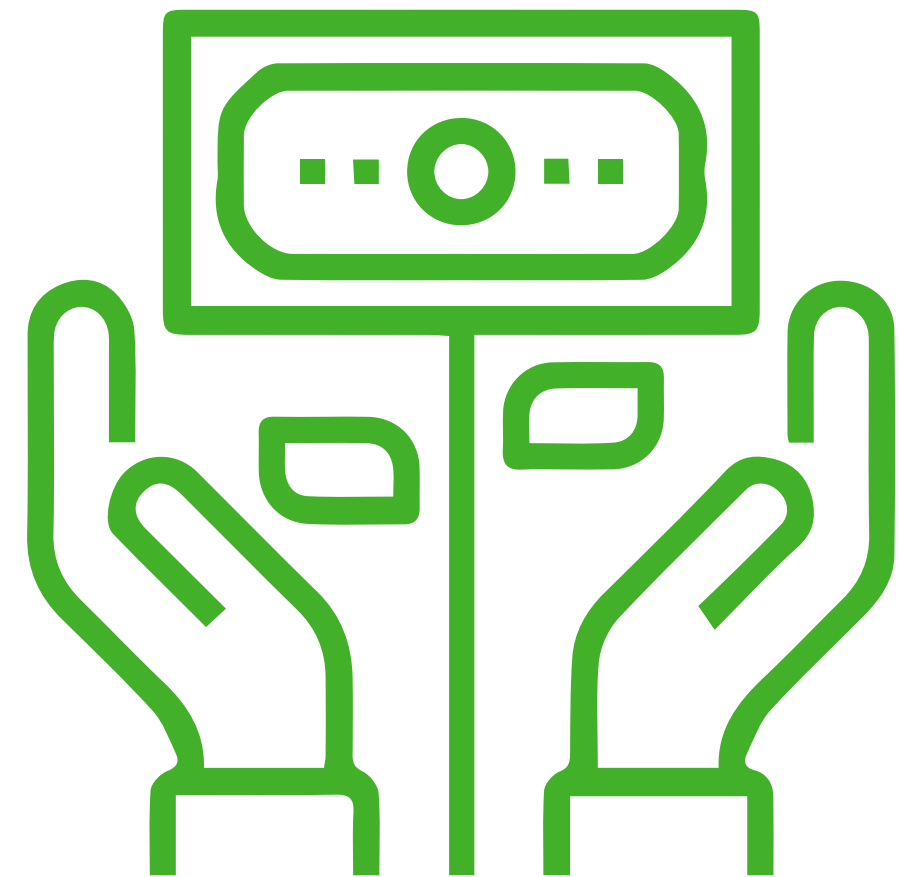
While 59% of employees say benefits are "Very Important" to workplace satisfaction, according to research reported by Employee Benefit News, research also indicates that less than half of Australian employers offer a comprehensive employee benefits program.

Despite being the 12th largest economy in the world, Australia has been later to adopt employee benefits programs than our counterparts in the U.S. and UK. Industries such as finance and technology were early adopters, and adoption rates have escalated rapidly in recent years, growing into new sectors such as construction and retail.

This offers a unique opportunity to HR professionals looking to differentiate their EVP, gain a competitive advantage and set the pace as a best employer in their market.

The good thing is, when it comes to adding new benefits, your options are abundant. Your only limits are your imagination and budget. But the key to getting this right is understanding what your company and your employees need and want — not just now, but moving forward too.

Show me the Money: The State of our Economy

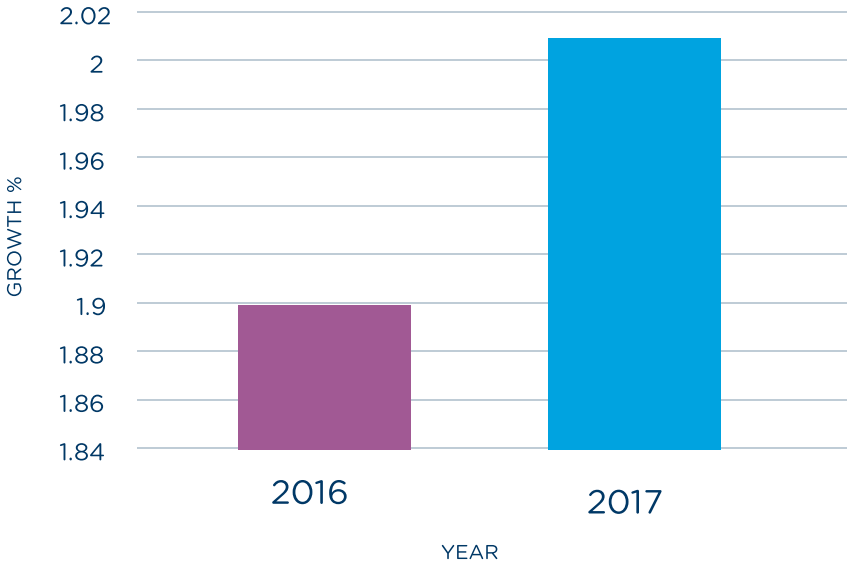


Each year, my husband and I try to take our two girls on a short getaway during the summer school holidays. I appreciate having the opportunity to unwind and spend time with my family, especially as the kids seem to be growing up at lightning speed. Part of my gratitude comes from knowing we might not always have the opportunity to do this, and that there are thousands of families across Australia who don't even get the chance because household budgets are strained and there's little left to spend at the end of the year, especially on family trips.

Over the years the price of our family vacation has crept up, alongside the cost of school fees, groceries, power bills, mortgage repayments and everything else that comes with supporting a growing family. In Australia, the household debt to disposable income ratio has climbed to almost 200% – one of the highest

in the world. At the same time, we are in a wage growth slump at 2.01% at the end of 2017, only marginally improved on a record low year in 2016 of 1.9%.

This means Australian employees are feeling the very tight pinch of minimum wage increases, while the costs of buying essentials and paying off the mortgage go up.



We'd love to be able to offer employees a great pay rise for great work, but sometimes it's just not possible. So how can we relieve employees of this burden if our budget is limited?

There's one thing that, given the right conditions, can be well within our control, and that's offering our employees opportunities to stretch their disposable income on a continual basis.



Depending on our stage of life and city we live in, Australians spend anywhere from \$849 to \$2,085 per week on basics like housing, fuel, power, food, clothing, medical expenses, transport and recreation.

Introducing a benefits program that gives employee discounts in major grocery and department stores, as well as clothing, dining, electronics and health options can have an enormous impact on the day-to-day lives for employees across your entire organisation.

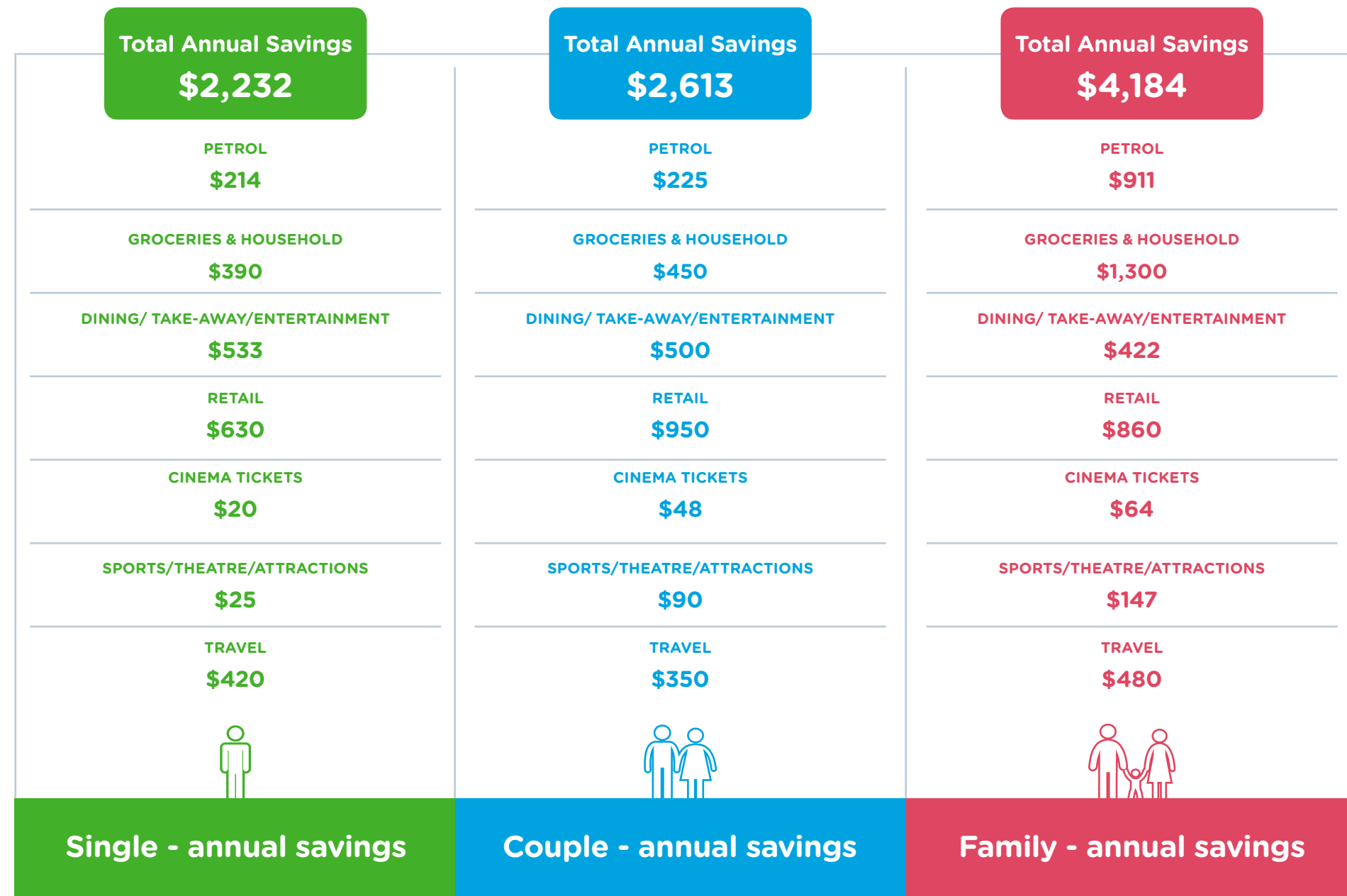
Imagine Debbie, an employee who lives with her husband and their two children. As her growing kids eat more and the family spends more on social activities and electronics, the cost of their weekly shop and their power and phone bills keep going up. Her eldest son is about to enter high school and needs a laptop or tablet, along with a new uniform and soccer shoes. Savings at Woolworths, Coles, JB-Hifi and Rebel could put a few hundred dollars back in her pocket each year.

For Cat, who lives in the city with her husband and is paying the mortgage for

an investment property, the money they save on petrol, clothes, gifts and dining out allows her to book a return international flight to visit her family once a year.

Even the young employees working lower-income jobs who save money on textbooks and transport can stretch their hard-earned dollars as far as they can go and have more to spend on recreation — shoes, movie tickets, a new phone, or a custom controller and headphones for video gaming.





The right employee benefit program provides an opportunity to stretch your employees' disposable income by 3-10%, for less than 0.1% of payroll. Now that's a return on investment that will have your CFO smiling.

Imagine providing your employees with a 10% increase in their disposable income. The 2016 Spend Sacrifice Report showed the two biggest pressures on Australian households were food costs at 88% and petrol at 83%. **An effective employee benefits program provides a tool to relieve your employees' cost of living pressures, enhancing your EVP to both employees and their families.** This provides an opportunity to positively reinforce your employer brand to your employees' biggest influencers in employment decisions – their families.

Real costs have a real impact. Here are examples of savings from employees who use Reward Gateway's benefits platform to provide a picture of how employees can stretch disposable income with the discounts from major retailers over the course of a year.

Modern employee benefits programs can provide your employees with an ability to increase their incomes with access to instant discounts at hundreds of leading retailers, Australia-wide, in a variety of ways including:



Everyday savings on groceries and petrol



Special occasion entertainment like concerts, sporting events or the cinema



Luxury, big-ticket items like fashion and holidays

For example, an employee discount program such as Reward Gateway's employee benefits solution helps employees save money each and every day. The benefit provides discounts at hundreds of Australia's leading retailers, from entertainment to fashion to travel. On average, employees can save up to \$4,000 per year, depending on their monthly habits.

This provides an increase in employees' disposable income of up to 10%, for an average investment of less than 0.1% of payroll.

rebel

THE ICONIC

JBHI·FI



coles



MYER



Woolworths 

DAVID JONES

 **Target**

Jetstar 

Introducing a cost-neutral solution

By introducing a solution that aligns with your pay review and engagement initiatives — but from the same budget — you’re more likely to gain approval, as it’s a huge positive for the company, with no additional investment. This is a highly effective strategy which involves allocating a portion of your remuneration review budget to your engagement initiative.

Let’s explore the reallocation a bit more in these two tables.

Table A - Sample Salary Review

Average Salary	\$80,000
Employees	1,000
Pay Cost	\$80,000,000
Salary Review	3%
Additional Cost on Salary review	\$2,400,000
Additional Payroll Tax	£116,400
Additional Superannuation	\$228,000
Gross Increase PA per employee	\$2,744,400
Less Tax	\$828
Net Increase PA per employee	\$1,572
Weekly Increase	\$30.23

Table A showcases an organisation with 1,000 employees. They have an average salary of \$80,000 and a 3% allocation for their remuneration review. The table demonstrates how, on average, employees will each receive an after tax increase of \$30.23 per week. While this can help, it’s probably not going to have your employees doing cartwheels with excitement either.

Table B - Sample Salary Review with Cost-Neutral Engagement Initiative

Average Salary	\$80,000
Employees	1,000
Pay Cost	\$80,000,000
Salary Review Budget	3%
Salary Review	2.8%
Engagement Initiative	0.2%
Additional Cost on Salary review	\$2,400,000
Engagement Initiative	\$160,000
Additional Payroll Tax	£108,640
Additional Superannuation	\$212,800
Total Additional	\$2,561,440
Gross Increase PA per employee	\$2,240
Less Tax	\$773
Net Increase PA per employee	\$1,467
Weekly Increase	\$28.21

Table B highlights the alternative with the cost-neutral solution in play. The scenario is the same, 1,000 employees, an average salary of \$80,000 and a 3% allocation for remuneration review. However, in this case, 0.2% of the remuneration review has been allocated to the engagement initiatives. The net result

is an after tax increase of \$28.31. The difference to employees is only \$1.92 per week, something that they’re not likely to notice. But what they (and your leadership team) will notice is the potential impact that an effective engagement initiative can achieve by helping to regularly reinforce your EVP and employer brand.

Companies that have implemented this cost-neutral solution have typically budgeted their initiatives (remuneration review and engagement strategy) together but implemented them at separate times, so it provides two opportunities for good news stories to better connect employees.

Building Benefits to Create a World-Class EVP



HR executives just haven't had the resources to source, build, implement and communicate benefits solutions that keep pace with the employees' expectations.

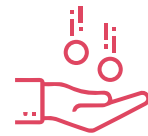
These days those expectations might include:



An extensive range of benefits



Choice of benefits that best suit their lifestyle



Immediate redemption methods



Instant accessibility



Benefits that apply to entire workforce, no matter what level or location

The great news is there are outsourced employee benefits solutions, such as our employee discounts and employee engagement platform options. These can provide you with access to hundreds of employee benefits at leading Australian retailers plus the ability to integrate your existing employee benefits into one centralised platform (we call it a SmartHub®), for increased awareness and adoption. For time-poor HR teams this provides an instant boost to your EVP.

For the always-busy and cash-conscious employees, you can provide instant access to benefits that meet their needs and are accessible in a variety of ways, on any device, at any time. Technology has evolved and is allowing us to reach our employees any time, any where. If they have the ability to take calls, check emails and send an instant

message from the other side of the globe at any time of day, it only makes sense to use that same power to deliver a high-impact benefit wherever and whenever they need it. That means being able to download a voucher and instantly redeem it from a mobile phone while they're waiting in the queue at the department store, or as they're sitting in a food court deciding where to grab lunch. It means giving them the option of being available instantly and ready to use when they're ordering groceries online.

For your business, a platform that delights your employees is a low-cost investment that can make a high impact.



Looking for benefits for your business?

Reward Gateway clients use our employee benefits program to help employees save money, deliver a benefit that can be used by every employee, show appreciation to their employees, and deliver an exceptional benefit that makes them stand out as a great place to work.

Here are some key differentiators that make Reward Gateway's employee discounts platform stand out:

- We are 100% retailer independent - your employees get the full discount
- No fees, no catches
- Fully branded and customisable to reflect your employer brand
- 24/7/365 support, one-on-one account management, and customer success teams



Our employee engagement products are powered by a centralised hub tailored to your organisation, connecting your employees to your brand, vision and goals through a variety of employee engagement tools.

If you're interested in learning about any of Reward Gateway's employee engagement products to help attract, engage and retain your people, we'd love to help you get started.

Get in touch:

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Conclusion

Employee benefits programs form one part of your engagement journey, but it's a simple step to take to boost your EVP and increase engagement right away. They provide a unique opportunity to make a high-impact win for both your business and your employees.

Enhancing your EVP with a best-in-class benefits program will also support your objectives to increase engagement and employee retention. What's more, the ability to increase your employees' disposable income by up to 10% provides your employees with tangible savings that impact their families and friends, and strengthens your employer brand across a broader community.

All of this builds a competitive advantage which will help your recruiting managers attract key hires in an increasingly competitive space for talent. At Reward Gateway, we've built an

employee benefits program which allows for instant redemption of vouchers, cashback options at popular retailers and ultimate accessibility with a mobile app to help increase benefits uptake.

I hope this eBook provided you with some inspiration into how you can implement a best practice employee benefits program that enhances your your EVP and provides a unique, competitive advantage.

I wish you the best of luck on your benefits journey.



Kylie Green

Director of Consultancy