

Getting to the heart (and the money) of employee wellbeing.

As HR executives look to address the deafening calls for financial wellbeing at work, this ultimate, easy-to-follow, step-by-step guide outlines a solid business case that stakeholders will find hard to ignore. But it won't be just the employees who benefit.

Are you ready to break new ground?

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Getting on the management agenda

The one thing about any company's HR function is that on the ethics front, we hold more than our fair share of aces. When we bring something to the top table, there's a good chance it'll put the needs of others first. Well-regarded, respected and appreciated this might be, but we have to be honest: it's not every day that our requests or plans take pride of place on the senior management agenda. That said, things are changing (and if they're not, they should be). As the statistics on the importance of employee wellbeing start to stack up, heads are beginning to turn.

47%

of adults don't feel confident making decisions themselves on financial products and services⁵.

Let's be honest again. The subject appears to have picked up momentum since evidence has mounted showing the impact wellbeing is having on business health, not just the general health of the individuals loyal to it. A bit ugly, granted. But we have to start somewhere and if this gets us a foothold or dare we say it, even to the finish line, the ends have justified the means.

So to the stats. According to a 2019 report on health and wellbeing at work, the subject is on 61% of senior leaders' agendas compared to half that number just three years ago¹.

Encouraging? Yes. In forward-thinking companies, this is pushing HR executives front and centre, as business leaders – whether feeling willing or obliged – look for positive impact in their organisations. We can't forget, however, that while our

demands may no longer be falling on deaf ears, we still need to build a sound business case for action, in the face of HR's seemingly perennial bugbear – limited budgets.

So how do you actually get something done about employee wellbeing? And where's the best place to start? In this paper, we're going to try and clear away some of that complexity and boil things down to something that's doable, sustainable and effective in the financial area of wellbeing.

The subject can be delicate and intricate, even heavy going at times – something to which you can probably testify. But as the noise for action increases due to the seriousness of the findings and their far-reaching ramifications, it's a topic that's not going away any time soon.

1. Health and Wellbeing at Work, CIPD report, 2019.

5. UK Financial Capability Survey, Money & Pensions Service, 2019

SECTION ONE

Knowing what to tackle first

By now, you'll have been bombarded with the benefits of taking a 'holistic, evidence-based approach' to tackling all aspects of employee wellbeing. And for good reason. Any solution worth its salt will need to be integrated into your organisation's culture, leadership and people management practices. That might sound like hard work, but it can be a lot less challenging than it seems; companies operating at the professional end of the wellbeing spectrum can take a lot of heat out of this process. So let's look at what's happening out there first, before we focus on what isn't.

Almost three-quarters of companies offer some degree of health support, insurance cover and employee counselling or assistance. Progressive businesses go further than that, embracing human aspects of employment such as diversity and inclusion, engagement, and work-life balance. They may also actively promote a culture that places emphasis on values-based leadership, personal growth, teamwork, a healthy balance of freedom and control, or being cognisant of managing stress levels from heavy workloads.

All of these factors are worthy of inclusion in the ultimate roadmap. And yet, in the corporate wellbeing world, financial health has been fighting for share of voice. Until now.

We know money lays the foundations for so many things we do in our lives, both in and outside the office. Having none isn't much fun. Finally it's being recognised as one of the single biggest causes of stress at work and if left unchecked, it will impact both mental and physical health. Lay a path for your people's financial wellbeing, and you'll be fixing a lot more in the process.

There's no time like the present to inspire your directors and staff with helpful, actionable information that is totally transformative. The right content can build contentment. But to assemble a credible case, the scale of the problem needs emphasising.

78%

of employees said financial concerns contributed to their stress levels³

3. Health and Wellbeing at Work, CIPD report 2018.

SECTION TWO

The *worry* of money

Like it or loathe it, money is one of the founding pillars of our survival. While its origins date back to trading practices 7,000 years ago, its impact in the modern world is far more pervasive, as it emanates from all kinds of working environments into our homes and social networks. Even the global happiness index, which attempts to measure just about every significant aspect of our lives, acknowledges the importance of having enough money. Of course, that means different things to different people. None of us would say no to a windfall, but realistically, having more isn't always the answer. Planning and doing more with what we have, most certainly is.

Anybody who's experienced growing debt, or even knows somebody that has, will tell you it feels like walking through life on quicksand. And when that sinking feeling reaches your neck, the idea of going under can feel horribly real. Equally worrying are the figures.

In the largest tracking survey in the United Kingdom, the Financial Conduct Authority reported that half of the UK adult population shows characteristics of potential financial vulnerability. 25 million people have assets of less than £10,000 in value with around 10 million having no savings at all². And in the workplace itself, while most employees have some form of debt, 1 in 12 are seriously struggling. You know how many that means in your own company.

It's hardly surprising then, that according to the CIPD's Health and Wellbeing at Work survey, 78% of employees said financial concerns contributed to their stress levels, with 57% saying this impacted their motivation, and 46% their overall health³.

All that worry comes through your door every morning. It may only just be seeing the light of day, but these numbers are crying out for action.

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2. Financial Lives Survey, Financial Conduct Authority, 2018.
3. Health and Wellbeing at Work, CIPD report 2018.

SECTION THREE

The impact of being broke

The complexity of people's lives in today's workplace has, as we all know, softened the divide between work and home. Poor financial wellbeing is renowned for sparking conditions like mental stress, fatigue, anxiety, depression and even alcoholism or drug abuse. None of this carries well into the office, with those being smothered in its overbearing embrace more likely to suffer in both environments.

The result? Distraction through worry for sure, leading to dips in concentration. Performance problems quite probably. Anxiety, depression, maybe even ill health. And finally bouts of absence. Whichever way you look at it, productivity is going to take a hit.

The thing is this. When employees find themselves in the throes of financial woes, taking a positive step to shift the dynamics feels impossible. The confidence to make financial choices about today, let alone the future, evaporates.

Building compassionate workplaces where there is respect for individuals and empathy for the situations they find themselves in is a good place to start. If employers can get help with identifying certain triggers for potential financial ill health, they'll be able to deliver meaningful and impactful strategies for all employee demographics.

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There's no algorithm that can fix this.
The problem is human and the
solution needs to be too.

2. Financial Lives Survey, Financial Conduct Authority, 2018.

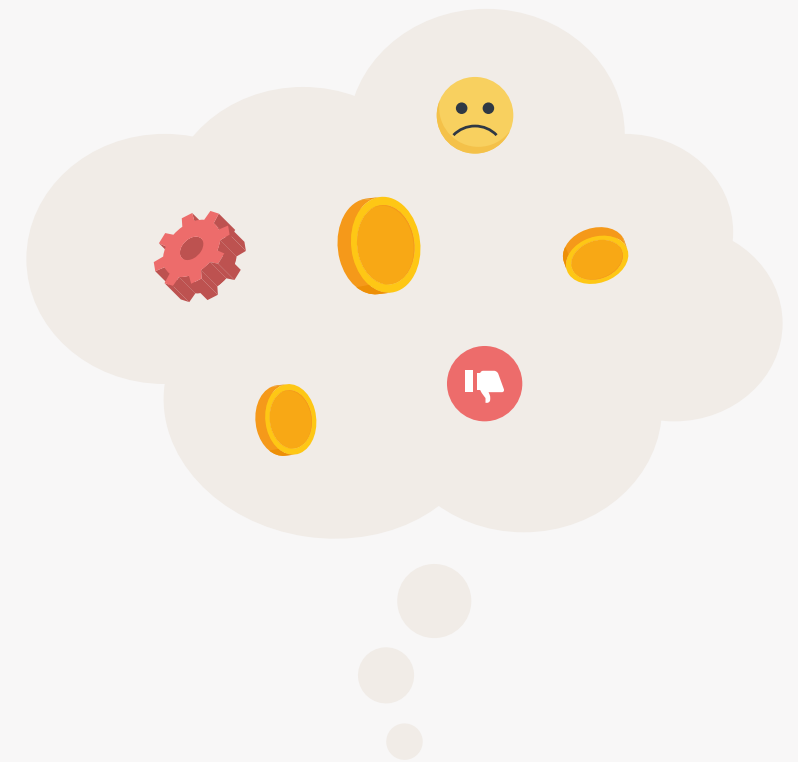


25 million

people have assets of less than £10,000 in value²

10 million

people have no savings at all²



SECTION FOUR

Where care meets cure

You don't need a doctorate to see how different we all are. As a corporate undertaking, there is much to understand about the wellbeing of each of your employees. What's for certain is, one size never fits all.

Beyond gender, age, education, job function, experience and income, there's obviously a whole world outside work – family, social networks, commitments and preferences may each have an impact on a person's financial status.

It's clear that glueing together a hotchpotch of off-the-shelf employee benefits is never going to hold water. Identifying individual needs is a process not a formula as each person's path and preferred outcome will vary. A strategy that fits with somebody's life, hand in glove, is the only way financial wellbeing can successfully be executed and managed. Even then, life throws us curveballs. We have to be ready.

As this subject gains traction, a proliferation of help and advice abounds. Be wary; not all of it is good. For something this unique, there is no substitute for an approach that's personal personal. HR executives who nobly take on the cause will need to identify programmes that place importance on seminars, and encourage face-to-face sessions – ideally one-on-one – with highly qualified advisors. (Shop around with this criteria in mind and you'll be amazed just how quickly the wheat gets separated from the chaff.)

The most forward-thinking financial wellbeing companies will of course support this enlightened approach with guidance and current information online and through regular emails. Awareness is everything in our financial landscapes – our lives never stand still. Making updates and tools available is crucial in helping employees make great decisions when their own circumstances change, as well as understanding the impact of evolving economic trends, both current and future.

As David Pugh, Managing Partner at Lemonade Reward explains, "Our qualified advisors like to deliver tailored financial wellbeing seminars face-to-face, at your place of work. It massively helps engagement rates. We back that up with a bespoke web portal that will guide your employee through their life journey. It keeps them connected. They can request advice, book seminars, and stay up to date with financial topics."

Lemonade Reward also practise what they preach in terms of collusion and integration. To formulate the very best personal plan possible, they mix channels, working with other reputable financial partners when necessary to make sure all your people's monetary bases are covered.



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SECTION FIVE

The four life stages

When developing a plan that will resonate with each employee, right time is as important as right strategy; we need to sit where they're sitting to know what they need. While generational differences should feature in a programme, you'd be well-advised to avoid basing any kind of solution on age. The simple fact is, we each experience different things at different times in our lives. Changes in salary, for example, may activate a recalibration of thoughts, needs or desires. Such changes are not necessarily time-sensitive. Life stages based on financial circumstances are a far more realistic and flexible barometer.

At most stages, maintaining health and having something tucked away for tomorrow will be high on the employee agenda. For your career fledglings, thoughts will be geared towards budgeting and day-to-day finances, tax, and for the sensible planners, perhaps building some savings. They may even be intent on boosting their credit scores or having a deposit and sufficient income to afford their first home.

(Just for the record, it's that first decade or so at work when employees struggle the most with sustained financial stress, with women feeling particularly pressurised. Young, higher earners need guidance too, as they look to invest in their futures. Again, a personal approach catches all the anomalies.)

Should employees have children, then utilising childcare schemes and protecting their family will have more pulling power. Having babies radically alters financial outlooks, short and long term. That often works in tandem with needing more space and moving home – another biggie in the expense department. School or higher education fees aren't that far behind.

Once we're financially established, the picture changes again. While the need to protect those we hold dear never leaves us, maximising savings to secure a future and perhaps even fulfilling a few dreams can influence our thinking.

According to the Money & Pensions Service, 22.5 million working-age UK adults have not done very much, or nothing at all, to plan their finances for retirement⁴. It might explain why 18% don't feel confident they'll be able to afford retirement at the age they want.

Again, your employees need to understand that now is the time to start. Cash flow planning and having options in retirement become crucial, with inheritance tax planning nudging itself onto the radar.

These stages don't have hard and fast borders (there's often some overlap), but they're a great starting point for discussion. At the risk of sounding repetitive, it's the discussion part – the face-to-face interaction – that's key.



4. UK Financial Capability Survey, Money & Pensions Service, 2019.

SECTION SIX

The six-step strategy

The actual execution of a personal plan is an equally critical component for establishing a proper financial wellbeing programme. Lemonade Reward implement a foolproof process based on best practice that captures the essence of a watertight plan, and delivers it in the easiest way possible.

Starting with an audit, the financial knowledge of your employee will be ascertained to determine which areas need the most attention. A way to complement the benefits you offer with a wellbeing strategy will then be devised, as we segment each employee by life stage to make sure all their needs are met.

Using a mix of communication, expertise and technology, personal programmes will be managed, taking care of all the time-consuming details. This includes gathering data from seminars and monitoring improvements in the financial health of your employee, with feedback. This level of inclusiveness generates more positive outcomes for individual and company alike.

While this method is brilliant for employees and takes a huge burden off HR executives' shoulders, there's still a supporting role to play, particularly where data and monitoring are concerned. Any department life-event data can be very useful in predictive analysis, identifying when financial stress is likely to happen. It can also provide timely and relevant education and information. Where HR really comes into its own is making sure the financial wellbeing programme that makes the most sense is embedded in their company psyche. Acceptance is a game changer.



SECTION SEVEN

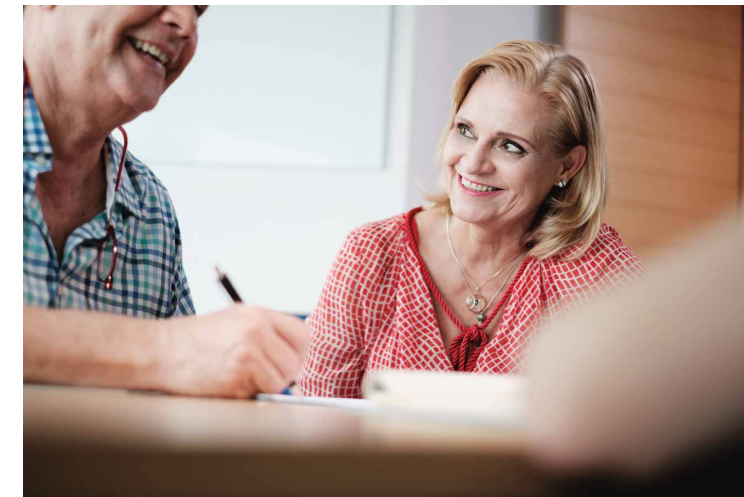
The positive impact of planning

The advantages of implementing a financial wellbeing plan are extensive. Mentally healthy, stress-free, energised employees are a catalyst for increased productivity; reducing sick days and staff turnover levels while retaining skills and improving morale are all positive spin-offs.

Getting to the heart of financial wellbeing gets to the heart of your organisation. It's one of the cornerstones that makes everything tick. Essentially, there are three things to remember.

- 1 Financial wellbeing is not a benefit, it's an irreplaceable support mechanism.
- 2 Be holistic and ensure that financial wellbeing receives adequate and professional, personal attention. With budgets always a consideration, the right coverage will be effective and give you far better value for money.
- 3 Prevention rather than treatment is the key. And in health realms, financial wellbeing is preventable.

As it stands today, just one company in seven is taking a strategic approach to the financial aspect of wellbeing. And with 47% of adults not feeling confident about making decisions themselves on financial products and services⁵, you have a real chance here to pioneer an environment that everybody talks about. It's sometimes worth reminding ourselves of this wise old maxim: Plan for tomorrow, and you'll be able to enjoy today.



5. UK Financial Capability Survey, Money & Pensions Service, 2019

NEXT STEPS

It can be overwhelming... here's how to get help.

Lemonade Reward is an employee benefits consultancy specialising in delivering financial wellbeing in the workplace using refreshing, engaging techniques. Our Money Mentors are set up to help HR executives formulate a plan that works for your company.

You can chat with us and get any financial wellbeing advice you need by contacting us:

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