

Choosing fringe benefits for employees 2/29/23



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The rapid evolution on a global scale leads to changes in all areas of life. What was once seen as something new and innovative has now become a standard, or it's out of date already and in for a change. The evolving business environment entails changes to the workplace and workers' needs, which means new challenges for employers. Diversity of benefits available to employees is becoming a key factor in assessing the workplace. According to statistics, activities promoting diversity of benefits have a positive effect on any company's economic activity and worker productivity.¹ Especially during the post-pandemic period, we could see employees expecting from their employers a package of benefits that's flexible and tailored to their needs. We have written before about the advantages of flexible reward schemes. In this article we are looking at a new technology solution that will help companies improve their benefits packages by tailoring those to the desires of their employees.

People value proposition

The way employees view fringe benefits has recently changed significantly, but many employers are not paying enough attention. It's still common practice among employers to offer the same package of benefits, which may not meet the desires of their workers because their desires and needs vary according to their stage of employment and age. Meeting the individual needs of workers is becoming increasingly important in securing their wellbeing and productivity. This rules out the possibility of standardising benefits packages and meeting the expectations of all employees at once, so it's important for the employer to revise and adapt their HR management and reward policies.

People value proposition (PVP) is an approach that analyses various aspects employees find important in order to understand and meet their individual needs and to realise their workplace expectations. Taking the PVP approach may enhance the employer's understanding of staff choices to provide a flexible package of benefits and career growth opportunities, as well as a positive and inclusive work culture, and to offer relevant training and development programmes.

Efficient PVP planning combines the offering the employer has put together, considering employee desires, the company's budget and principles, and a comparison with external market data that supports the PVP model. In other words, the employer can develop a model that's based on the desires of different employee groups within the company's budget and meets market standards. The advantages of the PVP model include more opportunities to attract and retain talent and to drive staff engagement by creating a competitive workplace.

When it comes to building one of the PVP components – a personalised package of benefits that's based on the desires and needs of individual employees and aligned with your budget restraints, you can use Total Reward Employee eXperience (T-RX), a product developed by PwC.

What T-RX has to offer

T-RX is a tool that processes and visualises information obtained from staff surveys, with results summarised in a report giving an overview of employees' satisfaction with the company's HR management policy and current package of benefits, and of employees' awareness of benefits offered by the employer.

As well as extracting, aggregating and processing data in the form of visualisation, it's possible to calculate the costs of a particular benefit for each employee and at company level in order to determine their economic utility and profitability. As part of a survey, employees can "trade" in benefits and build a personalised package that includes the employer's offerings. Overall, this smart tool can help you tailor your benefits package to meet your employees' needs in a more efficient way and enjoy the resulting advantages, while optimising your remuneration costs.

PwC offers expert assistance and technical solutions aimed at modernising reward schemes through assessing staff needs. This will help employers achieve better economic indicators and provide crucial advantages in the fight for talent.

¹ LIMRA's study, 2022 BEAT Study: Benefits and Employee Attitude Tracker