

Webinar

A guide for building business resilience

15th October 2020

2:00 – 2:45pm Discussion

2:45 – 3:00pm Q&A session



Introduction



Our Panel



David Wreford

Partner, Senior
Workforce
Transformation
Consultant, Mercer



Jon Wood

Head of Corporate
Benefits, Mercer Marsh
Benefits



Nikki Kelly-Lord

Business Development
Manager, Mercer
Marsh Benefits



Nick Fitchett

Employee Benefits
Consultant, Mercer
Marsh Benefits

Key areas of focus



Reinventing the
world of work



Financial benefit
structure



Employee
benefits audit

Reinventing work in response to organisational threat

David Wreford



Before COVID-19 – the case for flexibility

Mercer have long supported organisations in building a culture and environment that supports flexibility and fairness whilst driving performance

- **Improve gender diversity in more senior roles**
- **Modernise the EVP** and enhance perceived value
- **Address inconsistent application**, as line managers apply flexible working inconsistently
- Achieve a **better work-life balance**. Flexibility demonstrated to reduce stress and improve engagement
- Wanting to **make the workplace more 'age friendly'**
- Examining **parental leave and flexible working** at the same time
- Save money on **real estate costs**

Remote working improves productivity, increases satisfaction and reduces attrition BUT also reduces promotion rate

Bloom et al, 2015

Five dimensions of Adaptive Working™

Which statements are true/false with regards to flexible working?



32%
had flexible working request turned down

33%
Believe flex working impacts career prospects

WHEN	WHERE	WHAT	HOW	WHO
<ul style="list-style-type: none">• Hours and timing• Discretion to change	<ul style="list-style-type: none">• Location & ability to vary• Infrastructure	<ul style="list-style-type: none">• Vary job content• Ability to share or exchange	<ul style="list-style-type: none">• Vary intensity• Scale up or down	<ul style="list-style-type: none">• Distributed beyond traditional workforce• Automated

Case study: meeting D&I objectives flexible working

GLOBAL PHARMA

CHALLENGE

Achieving the ambitious D&I targets in the areas of inclusiveness and gender

- Traditional hierarchy with HQ and hubs favours men in senior roles
- No real strategy around flexible working . Several pockets of resistance
- Unknown current state (practices and preferences)
- Challenge the current assumptions and myths. Need for culture change.

IDENTIFYING THE BLUEPRINT FOR SUCCESS

- Generating critical insights using a structured approach plus extensive work engaging with leaders, managers and staff around the world
- Clear and structured principles defining flexibility, to meet D&I objectives
- Design workshops and extensive management engagement
- Global framework for local implementation

OUTCOMES

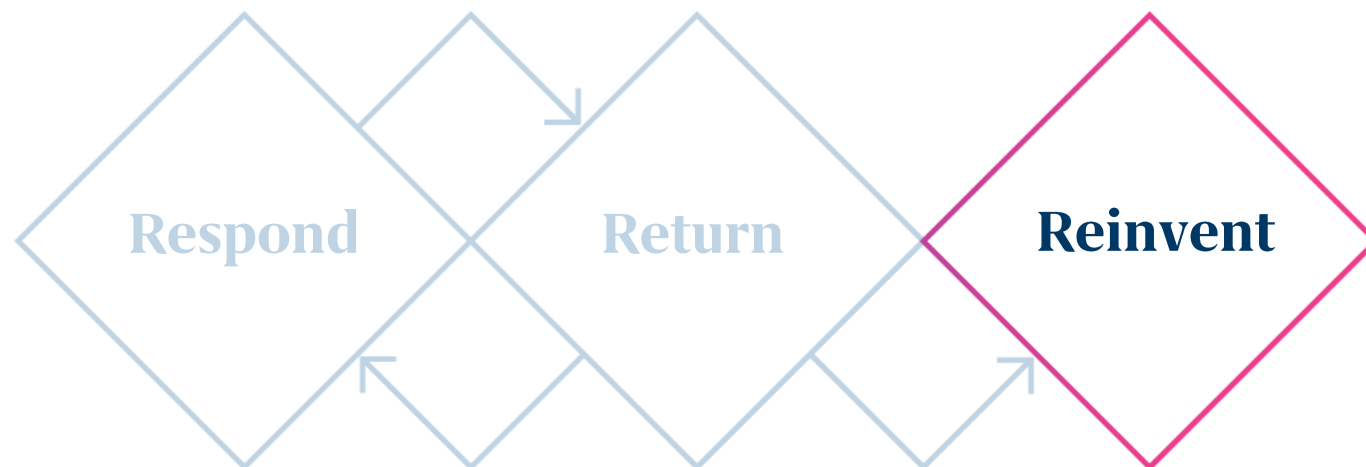


Clearly defined principles around flexibility at work and from work (linked to parental leaves) and implementation plan



Development of communications, targeted at employees and managers to define global intents. Plus the ability to support local communications plans

What do you need to think about at the “reinvent” stage?



- Workforce planning and restructuring (including capability assessment)
- Resilient workforce design and EVP alignment
- Employee listening and engagement (including communications)
- Redesign of compensation programs to align with new growth drivers
- Sustainability as an organisational purpose
- People processes redesign
- HR Redesign and digitization of support services
- Flexible working practices and policy implications
- New leadership and management behaviours



What COVID-19 has taught us about remote working?

- Employees are **no less productive** if job can be done remotely
- **Management style** needs to adapt
- **Feelings of isolation** - 47% miss the social interaction
- **Missed serendipity** – e.g. spontaneous corridor chats
- **Demographic inequalities** need to be considered (e.g. parents, females, BAME, personality types)
- Loss of **learning opportunities**
- Barriers to **collaboration**
- **Exhaustion** (constantly 'on')



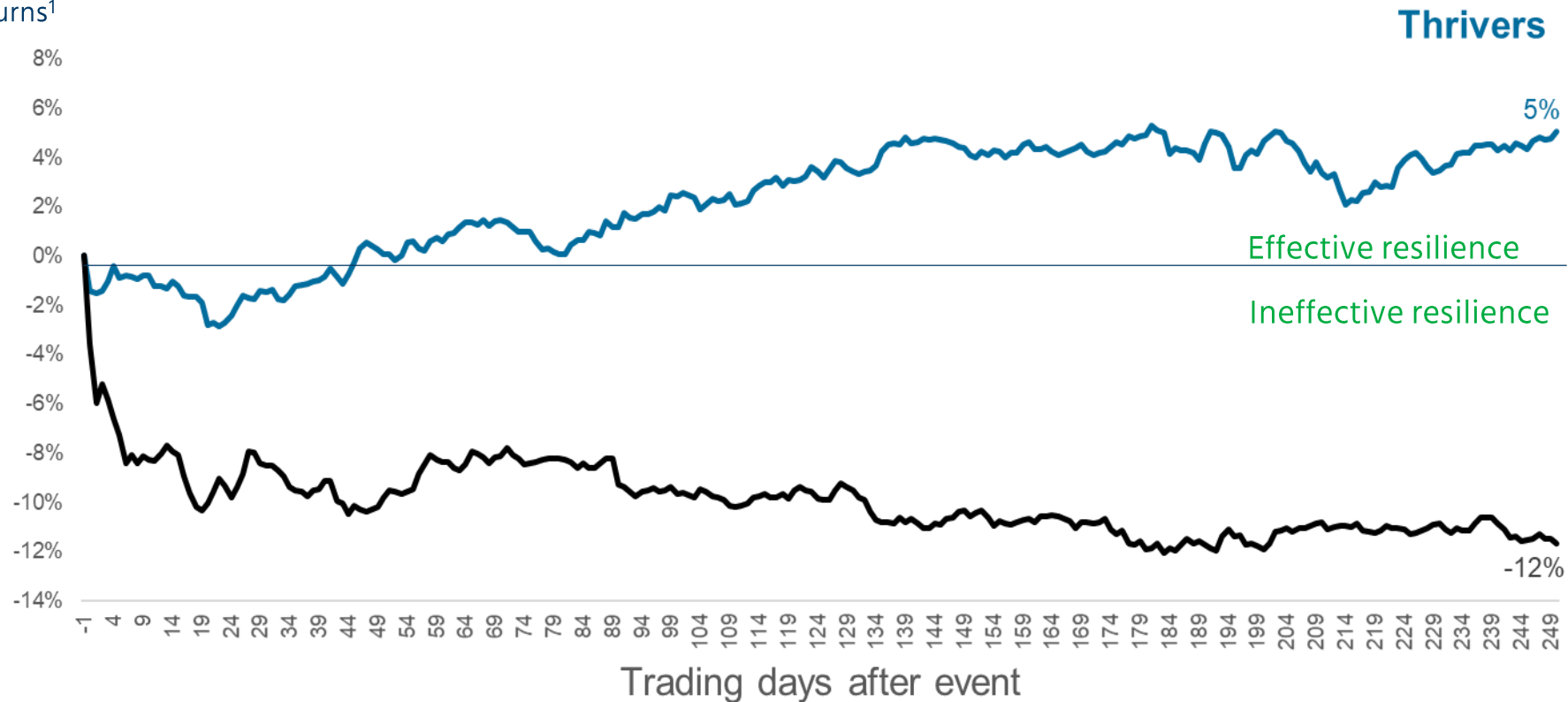
What's the role of the workplace?

How could these things be overcome?

Organisational resilience

Crisis response has a long-term impact on share price

Cumulative abnormal
returns¹

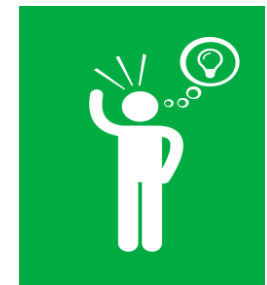


¹The sum of the differences between the expected returns on a stock (using the market model) and the actual return of a stock

A good response is
characterised by:



**Pre crisis
organisational health**

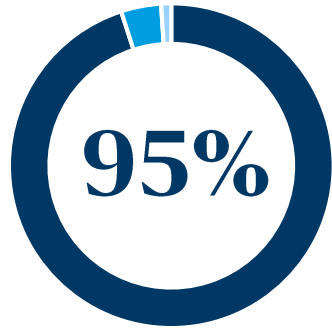


**Post crisis
behaviour**

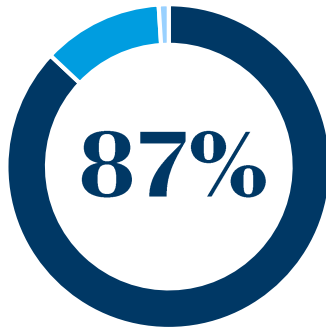
FLEXIBILITY IS KEY TO BUSINESS RESILIENCE

Future priorities

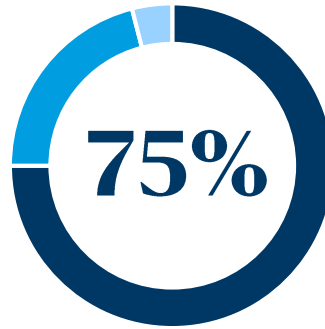
Evolving employment principles



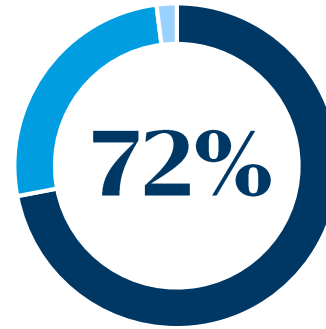
Flexible working



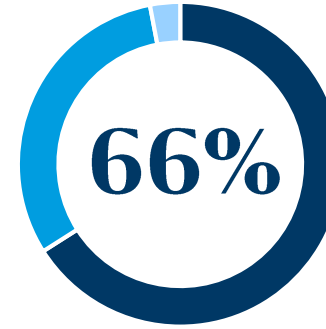
Digital collaboration



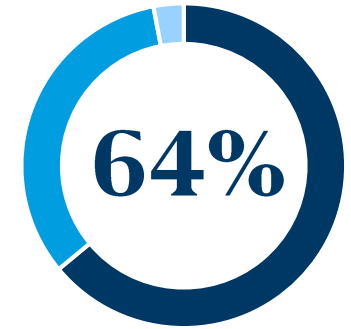
Agile working



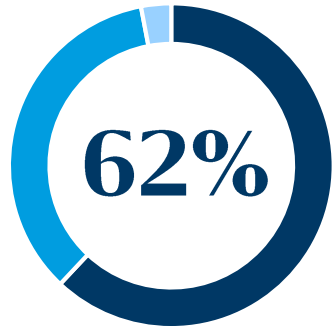
New forms of
leadership



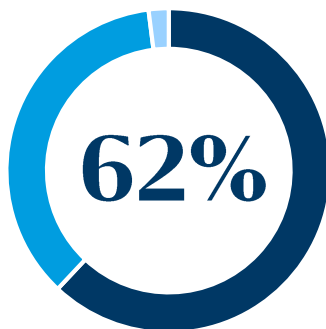
Culture
transformation



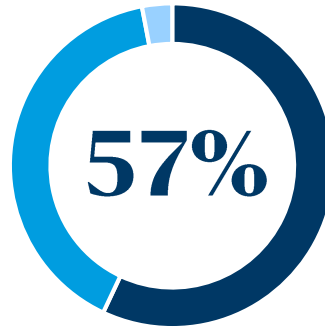
Degree of individual
autonomy



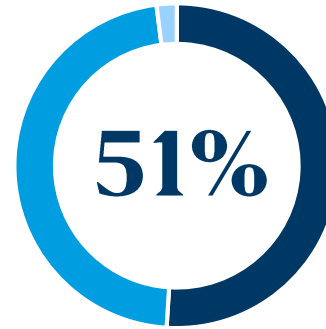
People aspects of business
transformation



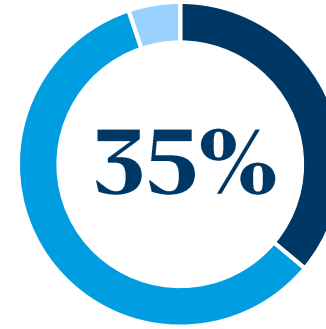
Change management &
communication



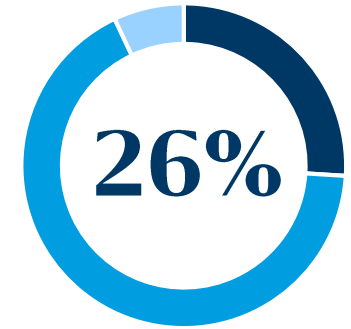
Strategic workforce
planning



Skills and roles
rather than jobs

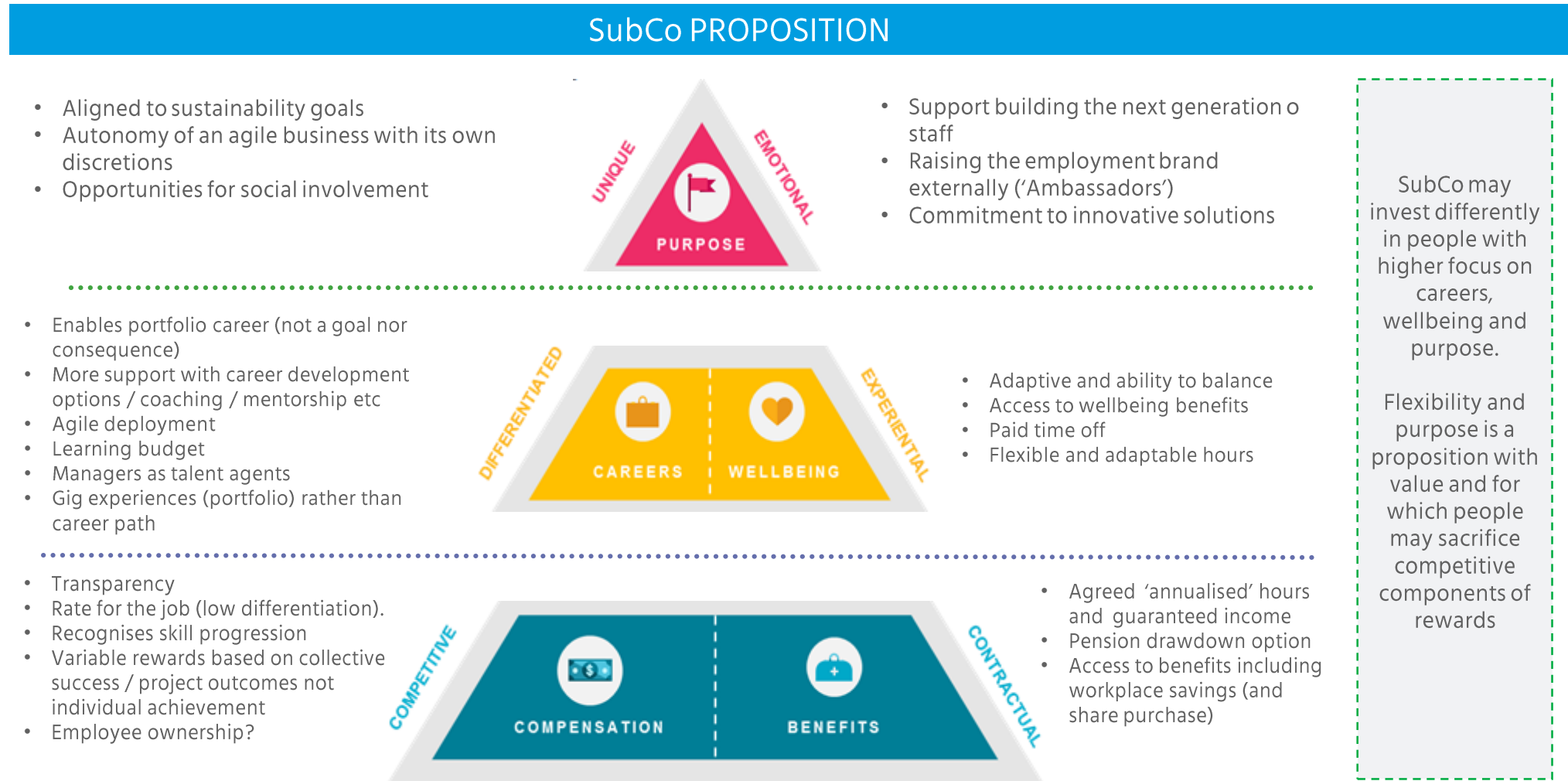


Personalisation



Use of talent sharing

Case study: Flexible EVP or “IVP”?



Financial Benefits Structure

Jon Wood



An introduction into the 4 key areas

1

**Supporting working
flexibility with pension
schemes**

2

**Pension change
management**

3

Redundancy support

4

**Supporting financial
wellness in the workplace**

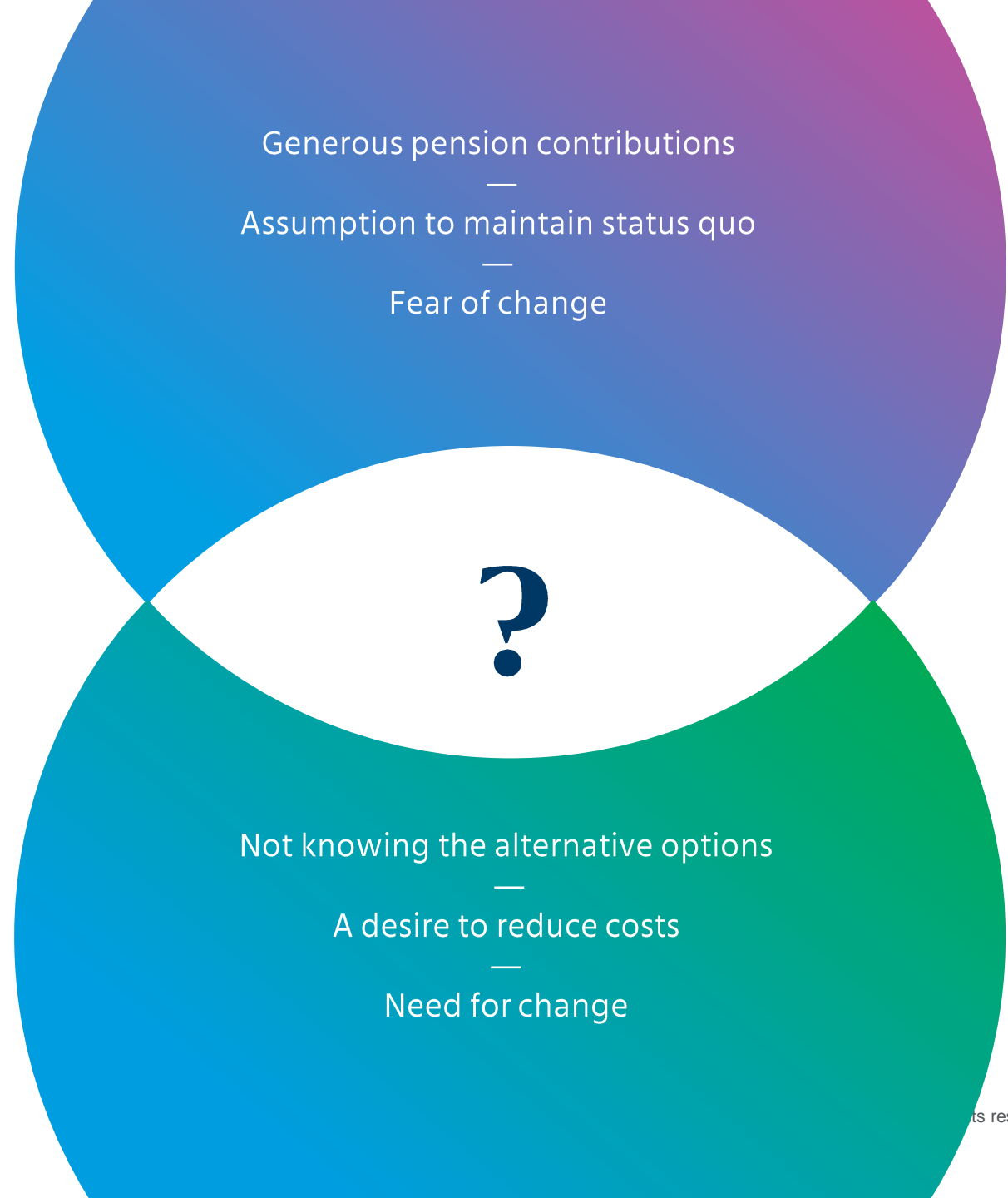
Supporting working flexibility with pension schemes

- Does your pension scheme support retirement flexibility?
 - Is it keeping pace with the future workplace?

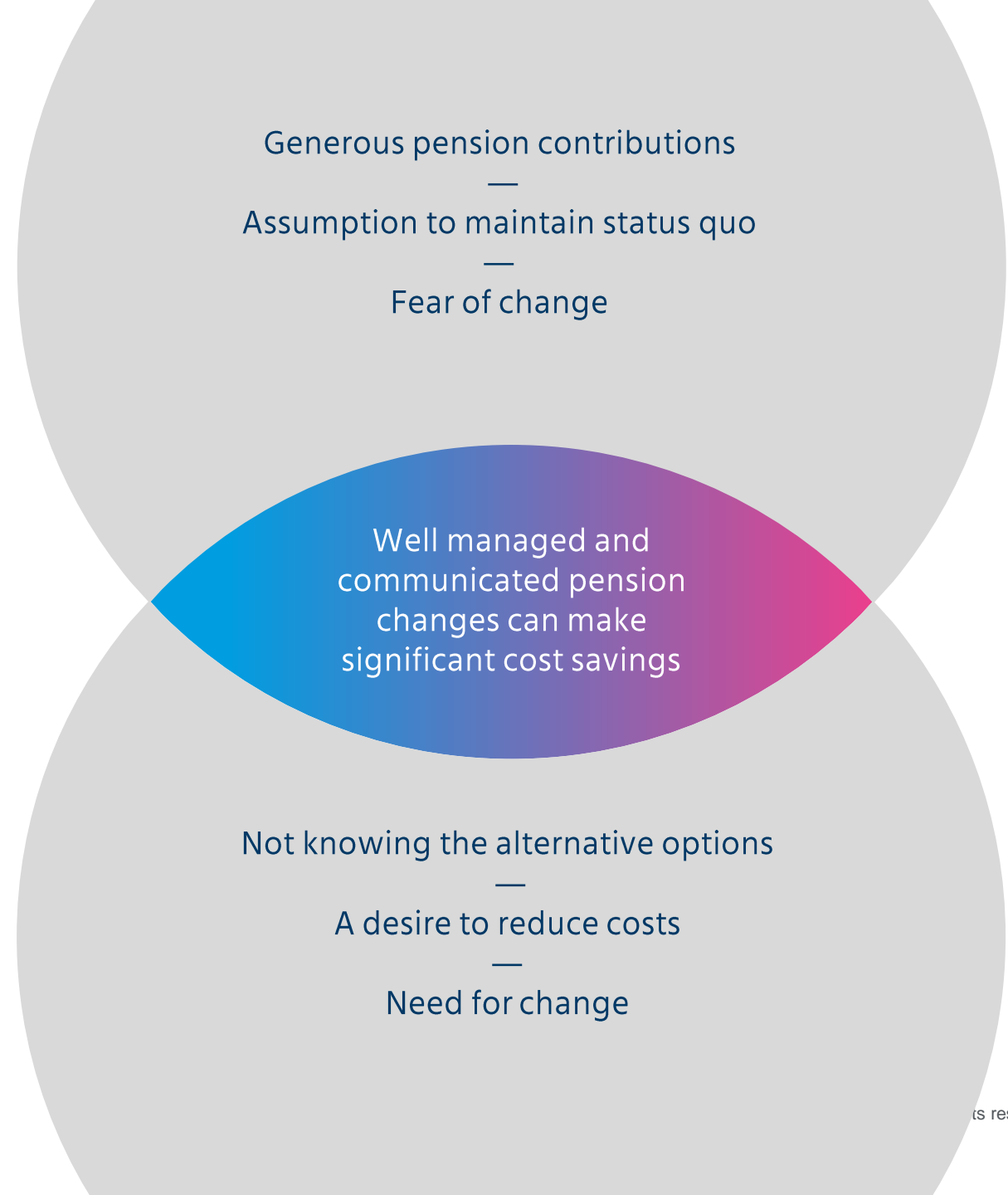
Features	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5	Provider 6
Access direct from plan?	Yes (limited GPP options but available through platform)	Yes	Yes	No, transfer to another product	No, transfer to another product	No, transfer to another product

Source: Thomsons Online Benefits (Mercer Marsh Benefits) Pension Provider Report 2019.

**More than often,
contributions to the
employer's pension
scheme represents
the largest employee
benefits spend.**



**Correctly
implemented
pension changes can
make significant cost
savings where
allowable.**



Is it still a taboo subject in the current climate?

sky news

Coronavirus: Deloitte in talks to slash pension contributions

The big four accountant wants to reduce employer pension contributions for the next year, Sky News learns.

**employee
benefits**

KPMG to consult on pension contribution cuts

Here's an example of pension change management

Current pension scheme

- 5% employer contribution of basic salary.
- Employees also pay 5% of basic salary.
- With 75 employees and an average pensionable salary of £40,000 this represents an annual employer cost of £150,000.



Employees who are educated about how to make up the reduced pension contributions by increasing their own payments, will in turn save the business more money where the employer operates a salary sacrifice scheme through increased employer National Insurance savings.

Allowable legal minimum

- By changing contributions in line to the allowable legal minimum under automatic enrolment legislation, the employer annual cost would be £75,960.
- This is an annual employer saving of £74,040.
- Employee contributions also reduce.

However, it is essential that change is managed in line with the relevant legislation otherwise there is a potential fine of up to £50,000 for the employer and up to £5,000 for individuals.

Taking advice may be important.

Why employers look to support their employees through redundancy programmes



Employees faced with voluntary or compulsory redundancy

It can mean many different things



**Fundamental change
to finances**



**Serious area of
concern**



New opportunities



Retirement

Drawing on our leading digital capability, as well as the depth and breadth of our experience in helping workforces to become better informed, MMB Workplace Education has developed a suite of flexible distance learning resources to help your clients' people to plan their futures and get their questions answered.

Our full redundancy programme comprises

Support for a group

- **A 45-minute “Redundancy Finance Essentials” webinar** that considers future income sources, budgeting, financial protection, tax implications, pension options and useful resources specific to your client’s redundancy programme and the benefits your client offers.
- **A 45-minute “Redundancy Financial Decisions” webinar** that takes a deeper look at the tax implications and pension options for those with larger redundancy sums or who are 55+ and able to access any company or alternative pension savings.



Support for the individual

- **A 12-month unlimited access licence for our comprehensive e-learning courses.** Our e-learning content replicates the full curriculum of our face-to-face workshops.
- **Our highly regarded Financial Decisions Workbooks or Pre-retirement Course Pack,** which support the content of our in-person workshops and provides a handy reference guide to help structure thinking and planning for the future.
- **A 45-minute one-to-one video/telephone call with our experienced experts,** which can focus on either financial matters or the lifestyle change for those contemplating retirement.



Supporting financial wellness programmes

Early career Mid career 50+

		September 20	October 20	November 20	December 20	January 21	February 21
EVENTS		★ Benefits Annual Window	★ FY21		★ Bonus	★ Pay Review Increases	
	WEEK 1	Launch of Healthy Finance Resource hub on Rewards Platform	Mercer Money		Early career Mid career 50+ MERCER Savings and Investment		50+ MERCER Promote Retirement Planning at Home Resource
	WEEK 2	Early career Mid career 50+ MERCER Tax, NI and company benefits	Early career Mid career 50+ MERCER Fraud and Scams Awareness	Early career Mid career 50+ MERCER Pension Overview		Internal Comms Remainder of Healthy Finance for New Year	Early career Mid career 50+ MERCER Budgeting, debt and money management
	WEEK 3	Early career Mid career 50+ MERCER Financial Protection				Early career Mid career 50+ MERCER Building a Financial Plan	
WEEK 4		Early career Mid career 50+ MERCER Investment Update					
		MERCER MARSH BENEFITS™					

Employee Benefits Audit

Nick Fitchett



How to maintain and enhance employee wellbeing







Gap Analysis

Key: Mental **(M)**, Physical **(P)**, Social **(S)**, Health **(H)**

Product	Provider	Features/Added Value Extras	Commentary
Group Life Assurance	Zurich	Bereavement Line (M)	
		Worldaware Health & Information Service (S)	Worldwide security and health information service (S)
Group Income Protection	UNUM	Comes with EAP (M)	4 face to face with limited MI (M)
		Early Intervention (H)	Day 1 absence management support (H)
		Help @ Hand (H)	Digital GP (covering non insured spouse / dependants), second opinion medical service, mental health consultations and physio - physio for uninsured spouses (H)
Group Critical Illness	Canada Life	Best Doctors (H)	Second opinion service as above, but our preferred pathway (H)
		Personal Nurse Service (H)	Practical & emotional support from qualified nurse (H)
Private Medical	Vitality	Rewards and Partners (S)	Discounts on tech, spa breaks, free cinema tickets (S)
		Mental Health Cover (M)	Discount Gym Membership (P)
		Virtual GP (H)	Only people on cover (H)
Cash Plan	WPA	No mental health, as switched provider to bespoke offering (M)	Removed mental health due to PMI and EAP provision (M)
		Industry leading value for dental and optical (H)	Increased dental & optical cover with savings (H)
Travel	Crispin Speers	Worldwide travel cover including medical expenses (P)	Business and leisure travel covered (S)
EAP	Health Assured	Up to 6 face to face per issue (M)	
		Up to 6 structured telephone counselling sessions per issue (M)	
		Online health and wellbeing portal (M)	
		Electronic Management Information - available on request (M)	

Core pillars of wellbeing - examples

	 Physical	 Mental	 Social	 Financial
Prevention	<ul style="list-style-type: none"> -NHS Eatwell guide -Vitality Wellbeing Calendar 	Supportive organisational culture	Team social events	Financial education e.g. debt management, budgeting
Intervention	<ul style="list-style-type: none"> -Exercise clubs – virtual or otherwise -Health Screening 	Employee Assistance Program	Buddy system Mental Health First Aiders	Pension – e.g. salary sacrifice
Protection	Occupational Health Support	PMI Mental Health cover	Benefits Platform with flexible option choice	Life, Group Income Protection & Critical Illness Benefits

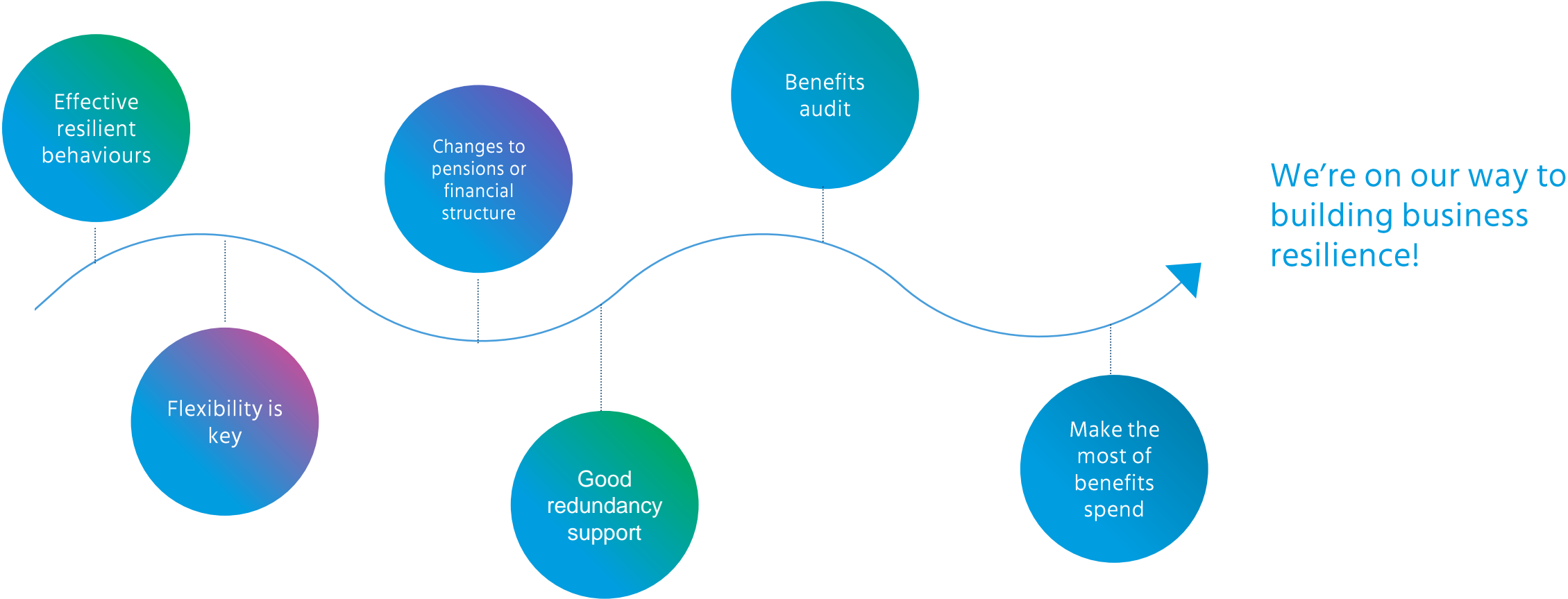
The key first steps - consider Prevention, Intervention and Protection



In summary



Is this what a resilient business looks like?



Question time



Useful Information



How we can help

To explore our solutions which can help you build a more resilient business, find out how we can support you here:
www.uk.mercer.com/elect.html



Get the latest on COVID-19

Stay informed with the latest developments on COVID-19 on our free information hub here:
www.uk.mercer.com/covid19



Questions?

If you have any further questions, our experts will be happy to help.
Please contact
nikki.kelly-lord@MercerMarshBenefits.com



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