

What is employee financial wellbeing and why worry?

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Employee financial wellbeing is crucial, firstly because it helps those who work for you keep their finances on track.

Plus, from a business perspective, it may increase productivity, engagement and staff retention.

A recent Chartered Institute of Personnel and Development (CIPD)/Simplyhealth survey showed nearly a quarter of respondents reported poor financial wellbeing as a significant cause of employee stress.

The good news is the survey showed employee wellbeing generally continues to “rise up the corporate agenda”.

There was an encouraging fall in the proportion reporting their organisation is “much more reactive than proactive” (27%, down from 41% last year).

Three-quarters (75%) of respondents believed senior bosses had employee wellbeing on their agenda, up from 61% last year.

That said, while data shows most organisations are taking additional measures to support



■ **PANDEMIC PRESSURE:** Covid has hit life in so many ways, including leaving serious financial concerns.

employee health and wellbeing in response to Covid-19, financial wellbeing remains a “more neglected area”.

It seems there’s never been a more important time for employers to tackle the issue.

Aside from health worries, in many cases the pandemic has served to deepen people’s money concerns too.

From furlough to redundancy, it’s brought unexpected financial pressures. For example, looking at cumulative figures, Statista says that as of May 14 2021, approximately 11.5 million jobs from 1.3m different employers were furloughed in the UK as part of the Job Retention Scheme.

Interestingly, the

proportion in the CIPD survey that reported their programmes were designed to promote financial wellbeing was similar to previous years.

That’s perhaps surprising, considering findings that nearly a quarter of organisations have increased their focus on financial wellbeing in response to Covid-19.

Gathering data is crucial. This could involve anonymously surveying employees, or you may want to undertake a wellbeing audit – it makes sense to know where you are starting from to help you build your strategic plan, and that’s where a specialist employee benefits consultancy can truly assist.

Knowing where your

employees see themselves in terms of wellbeing, what they would appreciate and where they feel particularly vulnerable are key to strong foundations.

Mental health has always been seen as a wellbeing priority, and post-pandemic this has a much higher profile.

It seems strange that one of the primary contributors to mental health – financial security – is the area with least focus in wellbeing programmes, yet it is one of the easiest to address and drives real value for employers.

It’s worth having a review of your existing policies and insured benefits – do you know what enhancements have

been made to the plans and what is ready for use straight off the shelf?

You may have an employee assistance programme, virtual GPs, wellbeing initiatives or medical second opinions included in your insured benefits, but if you don’t communicate them, your staff won’t know about them, and you don’t get best value from what you are paying for.

Policy “extras” are a great start for letting staff know you’ve bought into the process and how you communicate is key.

You must keep it relevant and not assume people know everything about what’s on offer.

Ensure comprehensive information is accessible across the board so

everyone can find out what’s available.

Employees are emerging from the pandemic in a variety of financial circumstances.

Whether it’s debt management or explaining how a mortgage works, or how your company pension scheme works, it all helps to tackle anxiety and stress.

We are all now living in a digital environment and while emails and paper communications have their place, engaging your workforce with videos, podcasts or webinars is likely to have more impact than a simple memo.

Asking a group of human resources specialists what wellbeing means to them will probably generate as many answers as questions, but each is relevant as it reflects their own business experience – which is why working with a specialist consultancy, with wide and diverse experience, is so important.

Wellbeing at its core is a process but it needs to evolve to reflect the fresh challenges arising from the pandemic. It is all about appreciating employee needs and supporting them.

Financial wellbeing is integral to a healthy and productive workplace – so there’s a strong case for a proactive approach. More than that, it is simply the right thing to do.

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