



Can Benefits Be A Differentiator?

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Can Benefits Be a Differentiator – talks about how the benefits landscape in India is changing. It addresses the following questions to drive home the point of increasing focus on benefits -

1. Is India ready for benefits?
2. Is a good benefit structure really a differentiator?
3. How to traverse this path?

Is India
Ready For
Benefits?

- The share and significance of benefits in the overall rewards strategy of organizations of a country increases with the increase in the GDP and the median age of the company
- Thus the rewards strategy is largely dependent on the benefits in the mature markets and developed economy
- India has a rapidly growing GDP and a young population which is bound to render benefits an important part of the rewards strategy in the near future
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Is it really a
Differentiator?

- **Attrition Analysis** – Annual attrition decreases significantly for companies investing more in the benefits
- **Employee Preference** – Majority of the employees state that benefits program is an important part of their decision to stay with the company. Also the actual benefit offerings are much lesser than that preferred by the employees
- **Employer Perspective** – Majority of the employer's said that the focus on benefits is increasing due to global policies, employee preferences and rise in benefits cost.

How to
traverse the
path?

- **Objective** – Maximizing Rol on Benefits and making the benefits portfolio more meaningful for employees
- **Steps to be taken** – FGDs, Engagement Surveys, Comparison with existing benefit policies on utilization and Rol, flexibility as the organization wide strategy, benefits where value exceeds cost, administrative simplicity, road shows
- **Expected Results** – Improved employee engagement scores, excellent enrollment in new benefits, increase in Rol for benefits

Introspection

- Benefits- Investment to attract or retain vs unavoidable cost line
- Decisions based on Employee Preference vs noise in the system
- Is the structure 'One size fits all'?
- Tracking the efficacy of benefits beyond benchmarking and managing it to the middle
- Effective Communication about the benefit offerings?