



TOTAL REWARD STATEMENT – Showing Employees Your True Investment

Every employee wants to be compensated well for their work. After all, earning a good salary is important for a variety of reasons, the least not because it can help us satisfy our basic needs such as food, shelter and clothing. It can also influence motivation, performance and play a role in our overall [happiness even if only in the short-term](#). However, while salary is important, it doesn't provide the whole picture when it comes to compensation.

In our [study of more than 58,000 employees throughout Europe](#), we asked participants how likely they would consider changing employers to receive better benefits. 37% in France, 27% in Germany, 25% in Sweden, 18% in Denmark, 18% in the UK, and 14% in the Netherlands said they would be "very likely".

However, if you only consider the salary amount, you could be making a costly mistake.

The TRUE Value of an Employee's Compensation Package

When negotiating an employment offer or thinking about one's current compensation, it's common for [people to think only about salary](#). But without proper knowledge of the true value of their compensation package, many people likely miss a considerable portion of their total reward.

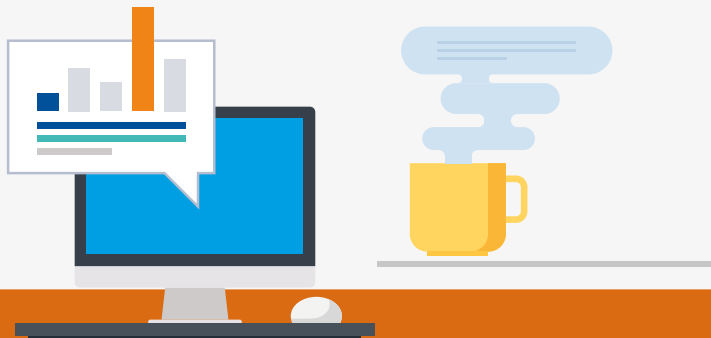
Salary makes up a significant part of one's compensation, but there's more to consider. In addition to salary, most employees also receive one or more of the following: employee benefits, pension, free parking, insurances, owning company shares, a lunch subsidy, a gym pass and discounted public transport, not to mention fresh fruit and coffee in the office. Added up, these things add tremendous value to an employee's total compensation package.



Adding It All Up

While many employees may not initially count fresh fruit, coffee or a lunch subsidy as part of their compensation package, it's important they're aware of the value of these items and how much money they would otherwise spend.

Let's assume the average employee buys lunch from a café or restaurant a couple of times a week. It can be a real eye opener to add up this cost over a year, deduct the total amount by, say, 50% to represent the lunch subsidy paid by their employer, and they'll quickly see how much extra value it adds to their total reward.



Subsidised lunches may not be the first thing employees think of when they look at their payslips, but it's not something that should be overlooked. A lunch subsidy or free fruit and coffee at the office can add considerable value to an employee's total compensation, leaving more money in his or her wallet at the end of the month. As one Forbes article points out, Google's free breakfast, lunch, and dinner can add up to more than \$10k on top of an employee's salary.

Awareness Creates Value and Appreciation

In Benify's [Compensation Gap survey](#), it was discovered that 8 out of 10 employees underestimate their total compensation package. The study shows that, on average, employees are unaware of up to 33% of the money their employers spend on them, including bonuses, insurances, subsidies and pensions.

Additionally, for [The Future of Work Report](#), we asked more than 58,000 participants across Europe how well they know and understand their total compensation, benefits, and terms of employment. German and Danish respondents are the most informed, with 65% and 62% respectively saying they believe they are very knowledgeable about their total reward. In comparison, nearly 20% of UK respondents say they have very little knowledge of their total reward.

However, creating awareness doesn't always lead to satisfaction. When participants were asked how satisfied they were with the benefits they're offered, only 37% of German employees and 35% of Danish employees report being "very satisfied." Therefore, it seems that creating greater employee awareness and knowledge of their total reward either highlights or exposes the employer's offering. This finding reinforces why employers must offer an attractive and competitive salary and benefits package.



Those most satisfied with their benefits and total reward offer estimate their own level of engagement 11.5% higher than the average participant and 25.3% higher than those who are least satisfied.

The percentage of employees who see themselves as ambassadors for their employer is also 21.5% higher among those who are most satisfied with their benefits compared to those who are least satisfied.

A Tool for Recruiting the Future Workforce

Together with Millennials, Generation Z account for 38% of the global workforce. Within the next decade, these two generations will make up an incredible 58% of the global workforce. In today's war for talent, every company is competing to attract them.

While company values and purpose are important to Generation Z, salary still tops the list. In fact, in a [study conducted with research company Kantar Sifo](#), six out of ten Gen Zers said they may consider an employer they would not otherwise have been interested in if the employer offered a high salary.

Therefore, during the recruitment process, companies would be wise to present Generation Z with their complete offer, including benefits, insurances and pensions.

...It's Also Smart Business

In today's job market where companies are competing to attract and retain talent, making employees aware of your full investment is smart business.

Today, it's vital employers ensure employees feel valued and appreciated, otherwise they'll simply go elsewhere. Highlighting your full investment and making employees aware of the full value of their compensation package, beyond just salary, reduces the chance of employees being lured away by other companies offering seemingly more attractive offers.

By visualising and highlighting an employee's total reward during recruitment, onboarding processes and performance reviews, employers succeed in creating greater appreciation and awareness of their investment as well as succeed in building a strong employer brand.

In an [SHRM Employee Benefits Report](#) on job satisfaction and engagement, 92% of employees said that benefits are important to their overall job satisfaction. Therefore, employers must make employees aware of their total reward.



How to Make Employees Aware of Their Total Reward

The most effective way to make employees aware of their total reward is by providing them with a clear visualisation in the form of a [Total Reward Statement \(TRS\)](#).

A Total Reward Statement calculates and assembles an illustrated breakdown of an employee's total compensation package. This can include:

- Benefits
- Insurances
- Pensions
- Tax and fiscal contributions
- Employer national insurance contributions
- Any additional compensation (e.g. bonus)

A Total Reward Statement can be presented to employees as a physical document, usually once a year. However, the issue with physical

statements is that information often quickly becomes outdated as a result of new benefit enrolments or other changes to an employee's compensation. Therefore, today's leading

companies opt for digital Total Reward Statements, which allows information to be updated frequently.

Watch Your Compensation Grow in Real-Time

Through an employee benefits platform, employees can access to their digital Total Reward Statement online, anytime.

Best yet, if your employee portal also has its own app, employees can access their platform and view their TRS anywhere, anytime from their smartphone or tablet.

With a digital Total Reward Statement, any changes made to an employee's compensation are updated in real-time. This convenience provides employees with an accurate, to-the-minute reflection of their total reward.

Just ask AstraZeneca, one of the world's largest biopharmaceutical companies, and one of the most popular hubs for talent.

One of the company's surveys identified that employees were not as satisfied with their benefits as they should be. Or rather, due to the lack of awareness, the benefits lost their value. However, as Ulf Holmgren, Regional Benefits Lead at AstraZeneca explains, "Just two months after launching our Benify platform, we raised employee understanding by almost a quarter."

Today, AstraZeneca employees can access their Total Reward Statements and see the true value of their compensation package, including their benefits, anytime, anywhere. Read more by downloading our [AstraZeneca client case](#).

Use an App to Reach Your Employees

The most generous compensation package in the world isn't worth much if your employees are unaware of its value.

Did you know that the average person spends **2 hours and 51 minutes per day** on their mobile device? Or that in 2020, **consumers downloaded 218 billion mobile apps** to their connected devices?

These findings provides employers with a powerful opportunity. **Companies using employee benefits technology that has its own app** can communicate and engage their workforce like never before. Employers can connect with their employees the device that's always with them.

Employers can send push notifications, emails or in-platform messages to encourage employees to view their Total Reward Statements or to send updates about important information or changes. Employees can then view their Total Reward Statement on their smartphone whenever and wherever it suits them, be it commuting to/from work, relaxing at home or standing in line at the store.

HR professionals can access and analyse information within their benefits platform, such as participation rates and page views and then schedule targeted messages accordingly to remind specific groups, departments or individuals about their Total Reward Statement or available benefits to enrol in.



Personalised Employee Self-Service = Reduced HR Administration

HR departments everywhere spend countless hours, every week, responding to employee emails concerning salary, pensions and benefits. Enabling employee self-service through an employee benefits platform creates greater independence for employees and reduces the number of incoming enquiries to HR.

When choosing a benefits platform providers, companies should choose a solution that provides every employee a unique, personalised experience. Why? Every day we're all bombarded with information and the only way we can process all this information is by filtering and deciphering what information is relevant to us. Think about e-commerce giant, Amazon. As [Forbes](#) writes, Amazon "uses powerful algorithms to personalise your homepage, tailoring product recommendations based on your search and purchase record".

The same level of personalisation happens whenever a consumer streams music or watches

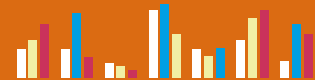
a film on one of the many streaming services; not only can consumers listen or watch whatever they like, whenever they like, they also receive recommendations based on their preferences and history. These recommendations mean that every time a user logs in to their account, the experience is personalised.

Whenever employees log in to their employee benefits platform, they should see a personalised dashboard with information specific to their own

employment, including their Total Reward Statement. They should see all their available benefits or have the ability to use filters to view specific benefits, including the ones they're enrolled in as well as the ones they're eligible for, but have not yet enrolled in. This filtering and personalisation creates a unique employee experience and allows employees to tailor their benefits to suit their needs.

On the decision to use Benify's award-winning benefits and total rewards platform to help manage their benefits, Niels Kater, HR Analytics & Application Management Specialist at Adecco in the Netherlands, shares:
"It is the starting point for all our HR processes. We incorporated our benefits budgets and reward statements so that it would give employees a better understanding of their working conditions at Adecco".

To learn more, download our [Adecco client case](#).



Seamless Integration with Other Systems

To avoid what would be an administrative nightmare manually updating every employee's total reward statement every quarter and processing every transaction for every benefit enrolment, it's crucial that the benefits platform a company chooses can be integrated with existing business systems, including payroll.

Any employee benefits platform must allow for the setup of APIs, so that existing systems can be integrated, and multiple applications can “talk” to each other while being managed from a single source.

With APIs, employees can make requests directly in the system, which are then sent directly to the supplier or payroll. For example, employees can send requests to their healthcare provider or submit reimbursement for transportation directly in the system, and the information is automatically transferred to the integrated payroll system, and the transaction is processed. Integrating systems significantly reduces administration through automation and increases both efficiency and productivity. In turn, this allows employees to enrol into benefits easier and view their Total Reward Statement in real-time, anywhere, anytime, on any device.

Additionally, be it an SSO (single sign-on) to the company intranet or integration into a Human Resources Information System (HRIS), SSO enables users to log in to their account safely and securely access without having to enter their password.

In today's war for talent, it's more important than ever employees are aware of their employer's full investment. Highlighting employees' total reward can lead to greater feelings of appreciation and connectedness, which goes a long way in supporting retention.

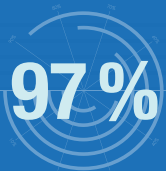
Learn more at Benify's total reward solutions at
www.benify.com/total-reward



About Benify

Benify's journey started in 2004 with three friends in Sweden. Today, Benify offers the market's leading global benefits and total rewards platform with more than 1,500 clients and 2 million users around the world.

Our solution helps employers create an exceptional benefits and rewards experience while reducing benefits administration, automating processes, radically improving the communication of their employee value proposition and ensuring better data governance and management of benefit and reward costs.



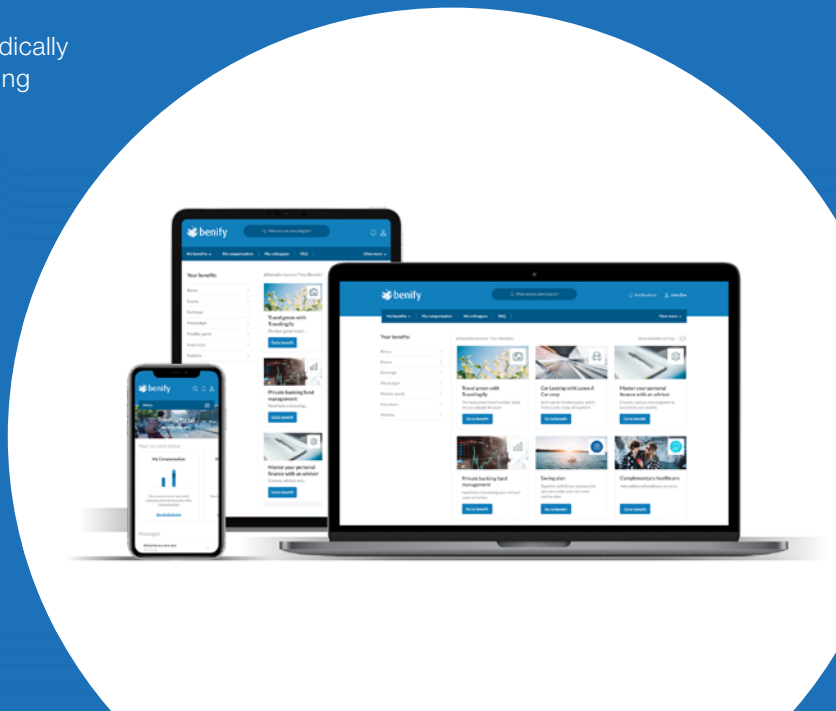
client retention rate



users



languages



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