

Flexible-benefit program acts as consolidation tool

Keith Brownlie, group HR advisor at Informa, explains how a flexible-benefit program reduced costs and brought unity and harmony to a post-acquisition environment.

Over the last three years, Informa has grown rapidly, the result of one major acquisition, one major merger and several smaller acquisitions. This created an environment where 2,700 UK employees had a hugely diverse range of benefits and pay schemes, as well as very different cultures. These have all come together, with Vebnet technology and services, in a benefit harmonization process.

The need for flexible benefits

Informa started the flexible-benefits process for 900 employees after its acquisition process commenced in 2004. Some relatively small acquisitions meant that employees sitting side-by-side in an office wondered why they didn't have

the same benefits as their immediate neighbor. There was no transparency in the benefits system. Employees didn't understand their benefits beyond their salary and what the company was investing in their wellbeing.

Keith Brownlie, group HR advisor at Informa, sheds some light on the problem: "We had a classic iceberg principle here; our employees knew their salary – the tip of the iceberg – but they didn't know about their pension, life cover and all those other things that people take for granted. They were submerged, and it was frustrating for the business and the employees that they couldn't see their benefits package clearly."

Clarification and simplification

Informa is an information provider to niche communities, and it relies on employees' knowledge and expertise. Individuals understandably felt that they worked for particular organizational brands – Scrip, Lloyds List or Insurance Day, for example – rather than Informa, so the flexible-benefit program was needed to provide a feeling of unity within the organization. Brownlie also knew that as an information company, Informa should provide especially good and accurate online information to its employees.

Informa also wanted to specifically target retention and motivation. Brownlie comments: "We know that if our employees value their job and

benefits package more, then they'll less readily jump ship to a competitor. We want to help them feel committed and motivated. Before flex, we were providing a model of benefits that gave absolutely no choice or transparency."

He adds: "We wanted to take the administrative drudgery and cost out of the benefits role. Our benefits were being looked after by different people, so if an employee had any enquiries, they'd inevitably have to ask a number of different HR people to get the answers they needed. It didn't make sense."

Creating the package

The flexible-benefit package includes life assurance, group personal pension, additional days' annual leave, private medical insurance, critical illness, dental insurance, travel insurance, gym membership, childcare vouchers, health screening, charitable giving and, recently introduced, a bicycle purchase scheme and mortgage advice.

Each is evaluated by Brownlie and his team to ensure the package caters to staff and their families. Critical illness cover, for instance, provides stability for families, yet is very expensive to purchase privately. Employees can now purchase it through the flex plan seven times cheaper. Pensions had a very low take-up rate previously, yet Informa knew this element was vital to staff wellbeing and could help retention.

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Gym membership helps promote a healthier lifestyle and improving fitness levels reduces the number of days lost through sickness.

This was the first time many employees had been consulted on benefits. In the past, they'd been prescribed from the top down. Within this process, Informa also wished to convey that it is a caring employer that provides for staff and their families.

Roll-out process

A significant part of the implementation's take-up success and positive feeling from staff is because of solid communications. When introducing flex to employees – either at launch, or when taken to new parts of the organization – everyone learns about the scheme through mailers, brochures and posters, all based on a

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chocolate box theme and “Benny Benefits”, an explorer who helps employees understand the benefits on offer to each of them. On top of this, Brownlie and his team visit every office to help communicate and advise on the flex choices available.

Informa merged with Taylor & Francis in 2004, creating a need to extend flex to a wider audience of 1,200 employees. The following year, Informa acquired the IIR group of companies, increasing flex participants to 2,700.

Vebnet was chosen as Informa's technology provider in 2005 because of the company's proven track record in delivering flex to large numbers of

employees, plus the ability to deliver programs internationally.

Unionized environment

Because of Informa's journalism core, it operates in a unionized environment. This added an extra element to the flex launch and required thorough communication processes. Brownlie explains: “We knew that convincing the union was a core part of the success of this program. We needed to show that we would be giving employees more choice and not taking any benefits away. Ensuring the union representatives were a central part of our communications program helped us receive union backing.”

When it comes to timing and deadlines, Brownlie also has sage advice: “Don't underestimate the time it takes to configure the benefits you choose for your employees. This aspect made our implementation take longer than anticipated. We consulted with staff through a council, so considering and applying their views made it a longer process. We believe this was a positive part of the implementation, but it's not easy to rush this type of communication, even in the face of meeting deadlines imposed by authorities that legislate this area.”

Planning for the future

Informa's flexible-benefit program is continuously evolving, and more benefits are regularly added to suit the nature of the workforce. The number of employees included in the program is increasing all the time, from 900 at start-up to a current 2,700 UK staff. What's more, plans are underway to extend the program with Vebnet technology to employees in the US, where there are approximately 3,000 staff, during 2007.

Positive results

The flexible-benefit program has achieved far-reaching success above and beyond its original objective of increasing employee satisfaction, increasing knowledge about benefits and aiding motivation, recruitment and retention. By using benefits as a common platform, employees now feel that they're an important and equal part of the same organization. The diverse cultures are coming together under the same umbrella.

The scheme has provided a breakthrough in terms of helping to brand Informa as a caring organization that invests in employees' wellbeing. Pension contribution from employees has increased; where employee contribution stood at 2.8 percent, this has now risen to 7 percent. The annual premium for employee/employer group personal pension contributions was about UK£700,000 but is now going up to approximately UK£3.5 million.

Financial savings achieved

The technology has not only paid for itself, it has saved money; this has been re-invested into the program, empowering the company, for instance, to provide gym membership.

Major cost reductions have been made, with all savings invested back into the benefit program. Flex and salary sacrifice have resulted in significant savings for Informa. Employees also save on UK national insurance contributions, and this is clear on their payslip. What's more, by being able to easily broker and switch healthcare providers, Informa saved UK£48,000 last year.

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