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viewpoint

The key to success... why is effective communication so important in global EB?

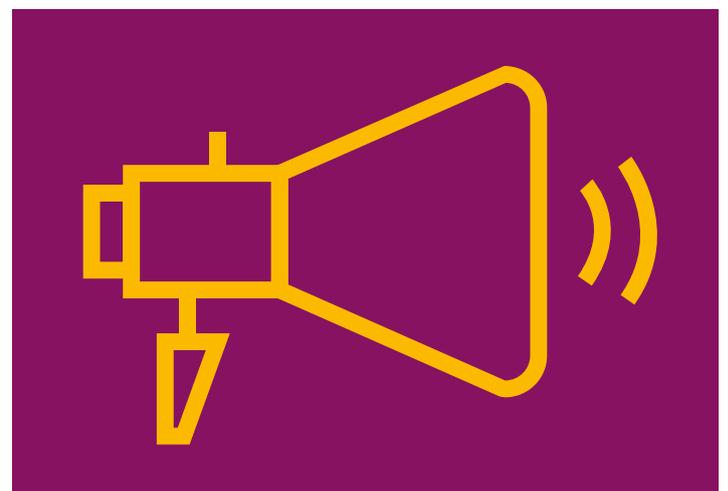
Communication is vital for success in all facets of life. Being able to communicate effectively improves the chances of meaningful relationships in both our personal and professional lives. And good communication is essential in allowing us all to understand information quickly and accurately.

In the world of work, good communication – that demonstrates understanding and empathy – no matter who your audience is, is particularly important. It's often the most sought-after soft skill when employers are recruiting and yet a LinkedIn study found that 59% of hiring managers in the US them believe that this skill is difficult to find.¹

Clear, informative communications between an organisation and its employees is even more necessary – particularly for global businesses who must rely on teams based around the world to deliver messaging issued by their global headquarters (HQ). As you may recognise – in the world of global employee benefits (EB), this really matters. Communicating employee benefits effectively requires collaboration between a variety of stakeholders in different divisions at the global HQ level and further clear communication between the global HQ and local offices around the world.

And given the vast sums of money multinationals invest in EB programmes, they need to ensure that employees are well-informed about the benefits they have available to them, how important they are and how much they can help in times of need. A tough challenge.

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The COVID-19 pandemic has made this task even tougher. With all the changes to working practices, many employers have had to adapt the way they communicate about EB, and have had to ensure the effectiveness of these new methods as these benefits have become all the more important and changes to programmes have been necessary.

So, as we accept just how important good communication is to the success of a global EB programme, let's look at three different areas of communication and the role they play.

Internal communication and centralisation at global level

In a world where cultures and environments are extremely diverse, employees have different needs and expectations of benefits, meaning a 'one-size-fits-all' approach is unlikely to satisfy all parties. Yet, it can be a tough balancing act for employers to offer a compelling, culturally appropriate package of benefits while controlling costs and streamlining administration. And while EB was traditionally the domain of the HR function, more recently, finance, risk management and procurement have all become more involved, meaning good communication and collaboration is vital right from the start.

The complicated risk and insurance landscape means more multinationals are using global EB programmes to manage their benefits programmes. One area of real growth has been in using captive insurance structures to write EB business.

The key reason for this is control as employers look to effectively manage policy risk, the design of their programmes, governance, and have a consistent benefits strategy globally. All of this means multinationals need to be centralised and have good internal working relationships.

These programmes only really work when HR, risk management, finance, procurement and the captive are all aware of each other's goals and are working together to get the right result. A potentially tricky situation, but one that is rewarding when done well, as captives are widely considered to be the most effective way of managing global EB programmes.

And it doesn't end there. Whatever the global programme, the multinational needs a strong relationship and open lines of communication with its global broker and employee benefits network as part of its governance structure.

During a recent podcast, Paul Miehke, Regional Manager, Central & Western US at MAXIS GBN said: "The partnership between the multinational, the fronting network and the global broker is of paramount importance. It's a very powerful alliance as these groups all need to work together to ensure the client is able to implement their strategy."²

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"When you start a global employee benefits programme, knowing your internal stakeholders is key to breaking down any silos between divisions. When we started our pooling programme, we created our internal network of EB stakeholders and ensured everyone was aware of what we were trying to do with the pool. This was quite challenging as in some countries there was no compensation and benefits team and EB was run by procurement. We used internal contacts to build our network and understand the benefits structure in Suez"

Thomas Romain, Compensation & Benefits Specialist at Suez



Communicating with local offices

Technology – web/video conferencing, instant messaging, sophisticated intranet platforms and their like have made it easier, in recent years, for global organisations to communicate key messages with offices and employees around the world. It helps businesses to build a stronger corporate identity across borders, reduces the feelings of detachment and increases a sense of belonging and integration, especially important for those in offices furthest from the headquarters. And particularly important this year with more people than ever working remotely.

This sense of belonging is vital for corporate identity and business success. In fact, an Economist Intelligence Unit survey of 572 executives found nearly 90% believed that if cross border communication were to improve at their company, then profit, revenue and market share would improve as well.³ In the tough economic environment currently facing many, improving communication and performance is imperative.

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This, of course, is also crucial for global EB programmes. Often designed at the global level, programmes then need to be communicated to the local offices and subsidiaries of the multinational who need to work with local insurance partners to roll out schemes locally. This is particularly relevant for multinational pooling strategies, as the partnership with local offices is vital – without local buy-in, adding local policies to the pool becomes more of a challenge. And, just as with captives, a strong relationship between the EB network, the global broker and the multinational is essential to put an effective governance structure in place.

As Jorgen Pedersen, Vice President Compensation & Benefits and International Mobility for the Saint-Gobain Group said during our recent webinar, “it’s important to work closely with a partner that can support you in driving change. Building a true partnership enables companies to get visibility of their employee benefits, handle major international projects and follow their pooling strategy.”⁴ All this means they can offer the best employee benefits programmes for their employees and their families around the world, which has never been more important than now.

“Clear communication is key when you’re trying to get all of your local entities to buy into a global programme. When we set up our global pool, our broker partner helped us set out clear rules for local entities, so they were fully aware of the benefits of the pool programme and what they needed to do. For us this involved:



- educating teams on the benefits of starting a pool programme and sharing any potential dividends with each subsidiary that was involved in the programme



- defining simple rules for local offices so they know what being part of the pool means. For us this meant simply ensuring preferred insurance networks are invited to any local RFP or making the local subsidiary justify its decision if one of the preferred insurance networks is not chosen



- engaging in the process with the local team and providing support for any local RFPs and liaising with the insurance networks at the global level when needed.

“For us, giving the local entities the control to make the final decision locally was really important, so we keep some global control but still give the local choice and aren’t too restrictive.”

Nadine Thouin, Head of Compensation & Benefits at Suez

Communicating with employees

And the final communications hurdle may yet be the most important. EB programmes only work to support employees – and help with talent attraction and retention – if employees are aware of their benefits, how they can access them and just how helpful they can be. Of course, this means they need to be communicated effectively.

An organisation may offer the most comprehensive health insurance package but if the employees aren't aware of exactly what's available to them it, it's of little real value. In the current pandemic environment, benefits like health insurance, access to telemedicine services and wellness tools are more than proving their importance and value to employees.

And while the vast majority of global organisations offer some form of benefits programme, many do fail to clearly communicate what's on offer. Research by GRiD found just 57% of employers believe their workforce is aware of all their benefits and understands them, while 35% of employees say their company doesn't communicate benefits or they don't remember if they do.⁵

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In summer 2020, we commissioned research among 1,000 senior executives and employees based in ten countries across six continents to gauge their views and sentiment towards employee benefits in the COVID-19 era. Nearly a fifth (18%) of those surveyed said their employer had not communicated about their benefits during the pandemic.⁶

Therefore, not only could employers be missing out on offering help to their employees when they most need it, they could be missing out on the recruitment and retention benefits that EB – and good communication of them – can bring a business. Nearly half (46%) of employees we surveyed said that COVID-19 had directly made them reappraise the value of the employee benefits package when deciding to stay with or join a new employer.

In April 2020, the UK introduced new employment legislation requiring employers to inform employees about their employee benefits on day one of their employment or on request.⁷ But if this is only done when someone joins an organisation – first days are always confusing – or when they remember to ask for it, the value of the benefits loses impact and staff will forget what's available to them.

Strategies need be designed to address all staff needs and communication needs to be regular and clear – many employees will struggle to understand what their benefits are and how they work. And it's important to remember that benefits may not be relevant at that particular moment in an employee's life but circumstances change. Those that are not relevant one day, may well be the next.

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Communicating benefits to employees often remains the role of local HR teams. Nadine Thouin explained how this worked at Suez. "Employee benefits at Suez are tailored by region and differ depending on which entity an employee works for, so everything is communicated at the local level by HR teams. 80% of our workforce are blue collar workers and don't necessarily have a company email address, so communicating employee benefits to them is different to traditional office-based employees. Local HR teams will often communicate benefits with printed leaflets, flyers and noticeboard messages to reach these employees.

"In the future it would be great to use a platform and mobile app that can mean employees have access to their benefits on their phones."

The role of technology

Technology is at the forefront of communication and the pandemic has only served to emphasise this. Meeting platforms such as Zoom and Microsoft Teams allow people to continue connecting with each other and their businesses. In fact, Microsoft Teams has added another 40 million daily active users since April 2020, an increase of 40%.⁸

Yet it's EB platforms, cloud-based software that helps administer employee benefits, that are becoming more popular for communicating benefits to employees from the global level.

According to recent research, 72% of employees who access their benefits in one place – via one platform – are satisfied with the approach and are engaged when it comes to their benefits.⁹ These tools are worth considering for employers looking to communicate benefits from the global HQ and driving engagement.



As the world continues to live through one of the most disruptive events to take place in many a generation, it has never been more important for multinational employers to have a strong global employee benefits programme in place and to communicate it effectively.

Having strong internal collaboration and centralisation at the global level is crucial for setting up a global programme and ensuring local offices and entities are both bought-in and aware of what it offers are vital.

However, as multinationals invest a great deal of time and money in employee benefits programmes the really crucial factor is in making it clear to employees exactly what benefits are available to them and how they access them. Otherwise, what's it all for?



1 Guy Berger, LinkedIn, <https://business.linkedin.com/talent-solutions/blog/trends-and-research/2016/most-in-demand-soft-skills> (sourced November 2020)

2 Richard Cutcher, Global Captive Podcast, <https://www.globalcaptivepodcast.com/episodes/episode/c2b487cc/gcp-short-taking-employee-benefits-to-the-next-level> (1st November 2020)

3 Anon, The Economist Intelligence Unit, "Competing across borders: How cultural and communication barriers affect business", <https://eiperspectives.economist.com/economic-development/competing-across-borders> (sourced November 2020)

4 Multinational Pooling Webinar hosted by MAXIS GBN, October 2020 - <https://maxis-gbn.com/news-events/latest-news/3-key-takeaways-from-our-multinational-pooling-webinar/>

5 Anon, GRiD, <https://grouprisk.org.uk/2020/10/27/hr-review-just-over-half-of-employers-believe-employees-understand-all-their-benefits> (sourced November 2020)

6 MAXIS GBN commissioned research among c. 1,000 senior executives and employees based in 10 countries - the UK, France, Germany, Australia, the United Arab Emirates, Germany, United States, South Africa, Mexico and Brazil. The research was carried out via an online methodology among 1,239 full-time office workers between 30 June and 15 July 2020

7 Anon, UK Government, <https://www.legislation.gov.uk/uksi/2018/1378/contents/made> (sourced November 2020)

8 Owen Hughes, Tech Republic, <https://www.techrepublic.com/article/watch-out-zoom-microsoft-teams-now-has-more-than-115-million-daily-users/>, 28 October 2020

9 Matthew Jackson Vice President of Proposition and Client Solutions, Thomsons Online Benefits April 2019 <https://www.hrtechnologist.com/articles/digital-transformation/digital-transformation-the-case-for-benefits/> (sourced October 2020)

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