

HR & The Cost of Living Crisis

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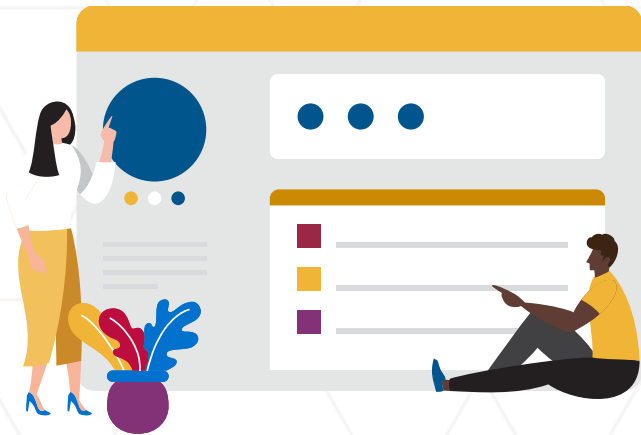


The Cost Of Living And Employee Retention



- 57% of UK employees report stress due to the cost of living is affecting their work.
- 85% of employees in the UK are more likely to be loyal to their employer if they support them during the cost of living crisis.
- 83% of employees believe workplace benefits will help them to manage financially.
- 63% would leave their job for an opportunity offering better financial support.

Do Existing Benefits Already Meet Employee Needs?



Many employers already offer access to broad benefits, such as:

- Employee Assistance Programmes (EAP)
- Discounts / reward gateways
- Salary advances

- Employees should be reminded of what is available, how they can benefit from this, and how to log in.
- As these are already in place, they offer an immediate benefit.
- Don't forget mental health and wellbeing!

Helping Employees Help Themselves



- Normalise discussion of personal struggles, such as financial or health related
- Provide training and reference materials on topics such as budgeting, financial management, shopping around for deals.
- Encourage peer support, create groups for like minded employees to get together, set up a 'swap shop' for employees to exchange unused items, ask employees to share their skills.

Practical Benefits



Help employees find alternative ways to commute to work.

- Cycle to work programme
- Commuting loan
- Company car benefit

- Extend homeworking (where possible) for all or part of the week

- Adjust working hours so travel is not in peak times

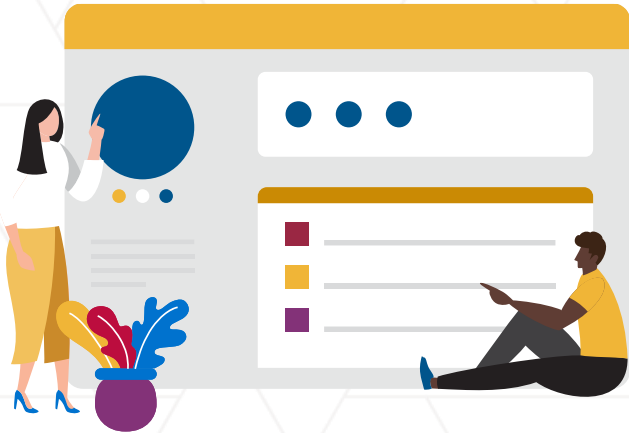
- Investigate how salary sacrifice schemes can reduce tax and NI burden.

Reward And Recognition



- Introduce commission or bonus schemes
- Use a mini bonus and non-cash gifts to show appreciation
- Encourage peer-to-peer recognition with 'send a smile' and 'colleague of the month' schemes
- Remind managers to recognise good work and celebrate it

Managing Costs



- Review existing practices. What is costing money, and how is it utilised? Can it be changed, removed or adapted to reduce costs.
- Are there other ways to get the skills you need, such as internal development?
- Does everyone need to be in the office, all the time?
- Can agency staff / freelancers / contractors work be given to employed staff?
- Temporarily cancelling training, reducing overtime, not paying discretionary staff bonuses or freezing wages.

Changing Terms And Conditions



- This can be in regards express terms laid out in a statement of main terms of employment, handbook, workforce agreements, collective agreements, policies, protocol booklets etc.
- There are also implied terms – those terms too obvious to be written down but have become custom and practice.
- Express and implied terms are contractually binding and legally enforceable and cannot be changed without agreement from both parties.
- If agreement to change them can be gained, it may mean redundancies are not required.

What Is Redundancy?



A redundancy situation exists where:

- You shut down a business or part of it completely
- You shut down at a specific location (even if you are moving to a new location); or
- Your requirement for employees to do work of a particular kind has reduced or come to an end.

Preparing For Redundancy



Employers should establish a written business case for the redundancy.

Consider the following:

- What has lead to the need to consider redundancies?
- Falling profits?
- Loss of key clients/contracts/funding?

- Be specific: include actual financial figures and projected figures
- Set out information in tables.
- How much will the redundancy process cost, how will the proposal meet the objective, how much will you save

Employee Wellbeing During Redundancy



- Employees faced with redundancy consultation are likely to go through a range of emotions and have a number of concerns.
- As a result, they are going to need support, such as – mental health, financial planning, and relationship problems.
- Employers can offer this through internal mental health first aiders, signposting to free external support sources, or through an Employee Assistance Programme they purchase as a benefit for their staff

In Summary...



- The cost of living crisis is having a very real and significant affect on individuals.
- Employers are in an ideal position not only to provide a steady income, but also to support employees in managing their finances and looking after their physical and mental health.
- There are many things employers can do, some that cost money, but others that do not have to. All of these in combination can be used to offer employees flexible and practical assistance.
- Should the financial pressure be too much for the organization, there are ways to reduce costs without having to lose staff.
- Should redundancies be unavoidable, there are still ways to support individuals as they transition to ex-employees.

Strength In Numbers

80+

Years industry experience

11,800

Number of clients

90+

Trade & member associations

80%

Tribunal Case Success

275,366

Advice line calls taken in 2021



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