



# IMPACTING COMPANY'S SUCCESS

**KAROLINA HERNIK**, EMPLOYEE BENEFIT PRACTICE LEADER AT **AON**, WRITES ABOUT STRATEGIC APPROACHES TO MANAGING EMPLOYEE BENEFIT PROGRAMS.

In 2024, Aon Poland conducted a Benefit Survey focused on employee benefit structure in the Polish market. According to the survey, 91 percent of companies offer additional employee benefits such as sports cards, educational benefits, personal development and Employee Assistance Programs (EAPs) programs. It is not surprising. Numerous employee surveys show that non-monetary benefits are crucial and influence the choice of employer.

## BALANCING PROGRAMS

The main challenge is to keep employees satisfied with their benefits and connect them to the employer's strategic goals so the money invested in hiring employees is well-spent. There is a view among employers that offering employees specific products and leaving the choice to them is a whole concept of benefit. Popular benefit platforms provide such opportunities. It seems a theoretically great idea that all employees can choose what interests them most.

However, this approach has two main drawbacks. With employees deciding what they choose, many companies fail to create a well-thought-out wellbeing strategy.

Also, one should not assume that the employees always know what is good for them.

Many employees appreciate the benefits they can enjoy here and now. The best example is medical care. It is applied extensively and considered a must-have among employees. But how do we manage other programs that undeniably have measurable

value to our workers but are not so tangible?

## LIFE INSURANCE

Take life insurance. Common wisdom tells us that life insurance should be equally important to the organization and employees. However, as the Aon Benefit Report shows, only 84 percent of companies offer such programs, while only 58 percent fund the premium.

Going deeper into life insurance: The employer must create a provision for death gratuity, which is required by Polish law. Depending on the company's size, it can be a significant liability in the financial statements. We know that it can be partly mitigated by the financing of premium death benefits through the employee's life policy. Therefore, the employer can waive or reduce the death gratuity reserve by sponsoring life insurance. A simple solution can translate into significant savings on reserves but is not widely used by Polish companies.

From Aon's experience as a broker, we know that young people consider life insurance unnecessary. They do not know other protection they can get from life policy, besides solely death cover.

Without proper information and widespread knowledge sharing, can we expect employees to appreciate such sponsored insurance? It is crucial to make employees aware of the content of benefits provided by their employer and make these programs attractive. We do not want to show salary as an unimportant benefit but underline that a sponsored package may have a

significant impact on the employee's home budget.

This example presents a model of a win-win situation, whereby a benefits program is an important tool in reaching an employer's goal and it also offers a real benefit to employees.

## MENTAL HEALTH

To efficiently manage employee benefit programs, it is best to approach them in two categories: those that help the employer manage employee risk and achieve its goals; and the so-called flex benefits, which are employee's free choice.

Today the topic of mental health and preventive health care is the main trend in the market. Both areas should not be the employee's choice anymore. Employers have already recognized the need for mental health support. From the analysis of sick leave causes, we know that mental illness is one of the main reasons for employee absenteeism. The dominant trend, confirmed by our report, focuses on providing limited consultations with a psychologist or psychiatrist, individual crisis support through EAP, and webinars, mainly on stress management.

These solutions do not fully satisfy both employees and employers. They are still in development. Companies know it and offer many products to support mental health. To address them correctly, they should start by focusing on the internal situation and educating managers on mental

health support. A well-crafted program for mental wellbeing should be based on education, support and employee trust.

Our survey shows yet another positive trend: the investment in preventive health care, which is important given the fact that today the prices of medical care packages for employees increase steadily.

## GENERATION Z

The Polish market has a range of solutions that can be tailored - from on-site actions to interactive webinars with employees to cohesive year-round actions.

It is also important to remember that a new generation of employees is entering the market. Generation Z employees are open to new solutions and have a different perspective on employee benefits compared to older generations. Is it their life approach the reason why new products pop up in the market, such as pet insurance? Maybe not, but still it is a perfect example of a flex benefit for everyone. The topic of employee benefits is broad and has many aspects. Because its domain is a soft approach it is often left only to the HR, while it creates solutions interesting to other teams. If we forget to include the management teams from different areas in creating our benefit strategy we may lose many advantages it can bring to all business structures within the company.