

BENEFITS ENVY

Flexible benefits are seen as an effective way of motivating staff, but can also cause resentment if not managed properly

"When we go to work, one of the things we expect from our employers is equity of treatment," says Robert Myatt, director of Kaisen Consulting, a firm of business psychologists. The problem is for some people that means all being treated in the same way. But, increasingly, businesses are treating their staff as individuals, fuelling destructive feelings of jealousy and resentment, which, in turn, needs to be managed closely.

When it comes to benefits, flexibility has become a mantra in human resource departments. The purpose of benefits such as childcare, flexible hours, company cars and mobile phones is to motivate employees to be more productive. But human resource professionals have realised that what motivates one person might have no effect on another.

Jo Causon, director of the Chartered Management Institute, says: "My staff all receive different benefits. For some, leaving work on time and having a life outside the office is important. Others want a company car or a mobile phone, while some appreciate help with the cost of childcare. The key is understanding what motivates each employee and then giving it to them."

Simmering resentment

Problems can still arise with this seemingly sensible approach. "We manage it well here," says Causon, "but if you don't, it is easy for other employees to start resenting benefits that their colleagues are receiving. If you don't know why someone is leaving two hours early and you don't know that they'll be making up the time later in the evening, you can start to feel jealous. If no one explains to you how benefits are awarded, you'll soon resent what you see as your unfair treatment."

This jealousy and resentment can cause problems for the business. At best, it will demotivate the employee who feels resentful; at worst, it will spill over to other employees, making them less productive and could even cause some of them to leave the organisation. In every case, these negative feelings diminish the effectiveness of the original benefits. It is, therefore, important that companies address the issue.

Joëlle Warren, MD of Warren Partners argues that offering clear choices can help reduce benefit jealousy. "To overcome any difficulties that incentives may cause among employees, it is best to offer a basic package before tailoring incentives

to each person's preferences. AstraZeneca, for example, has a flexible benefits scheme where the employee can choose from a menu structure, while Lloyds TSB has flavours where 4% of salary is flexible and individuals can use group buying power to secure salary deals on a choice of benefits," she says.

Lynne Keeble, product manager for childcare vouchers at Accor Services UK says that the key is transparency. "Any potential for resentment from employees is caused by misunderstanding. The majority of childcare voucher schemes are now offered to employees as a salary sacrifice, so employees still pay for their childcare costs, but receive the benefit of tax and National Insurance exemption. If a company communicates this clearly to every employee, there's no reason for any problems to occur," she says.

Deeper problems

Providing flexible benefits is an effective way to motivate a workforce, but it needs to be carefully managed. However, as Myatt says, you may need to look more closely into this negativity: "Often, when an employee complains about the benefits a colleague is receiving, it's a symptom of a deeper problem. There is much that employers can do to manage jealousies, but they may also need to tackle more fundamental issues."

Tony Askham, partner and head of HR at Bond Pearce says that in the past five years flexible working has become an increasingly important benefit. "Up to 70% of our employees are female, so it's no good us pretending that this can be a nine-to-five job. We offer flexible hours, career breaks and support wherever we can," he says.

However, he says that there is potential for jealousy and resentment among staff who are not receiving these benefits. "The danger is that, because our clients expect us to be available all of the time, some people may have to pick up queries on behalf of colleagues who are taking advantage of our flexible hours arrangements," he says.

He goes on to explain that there are three ways to tackle this problem: "First, we make sure that all staff are contactable during the hours that they are working. They might be working from home, but their mobile phones should be switched on. Second, we communicate very clearly with staff. We do regular tours of all our offices to explain why certain staff are awarded benefits and others are not. Third, we draw a clear link between good performance and benefits. When someone does something good, we immediately give them a benefit like a meal out with their partner, or a weekend in Paris. Their colleagues can see why they're receiving the benefit and so don't feel resentful. By doing these three things we ensure that benefits have a positive effect on the business." ■

Alex Blyth

