



# The journey

**momentum**  
consultants & actuaries

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## *The importance of a well-structured Employee Value Proposition*

*“An employee value proposition (EVP) is the unique **set of benefits** which an employee receives **in return for the skills, capabilities and experience** they bring to a company. An EVP is about defining the **essence of your company** – what makes it unique and what it stands for. It encompasses the **central reasons** why people are proud and motivated to work there, such as the **inspiring vision** or **distinctive culture**. When integrated into all aspects of business, a **strong EVP** will help to **retain top performers** and **attract the best external talent**.” - Michael Page*

Research from the Corporate Leadership Council indicated that a strong EVP:

1. is a key element of the recruitment and retention of employees
2. can improve the commitment of a new employee by up to 29%
3. increases the likelihood of employees acting as advocates for your organisation from an average of 24% to 47%, if the EVP represents value to employees
4. contributes to the success of your company as it creates a strong people brand and becomes famous for the way that you treat people
5. reduces the cost of new hires as an unattractive EVP may require an additional 21% premium to hire employees.

Relevant and successful employee benefits are the cornerstone of any EVP and innovation and best of breed solutions are the building blocks to this cornerstone. Although the profile of employees has changed significantly, employee benefits in general have not changed. This evolution in the membership profile, together with the following market conditions further increases the need for innovation:



Employees are likely to be under increased personal financial pressure and could become disengaged and less productive at work. The occurrence of presenteeism, where employees arrive at work but spend a large part of the day in finding solutions to their financial worries and not being productive, is becoming more prevalent.



An employer of choice has to provide tailor-made benefits to their employees and allow them freedom of choice. The new generation of employee requires more input into where their money is spent and insists on less cross subsidisation and improved benefits.



Poor investment returns have resulted in apathy and employees questioning the value of their retirement savings.



Healthcare cost increases have led to affordability concerns for employees who now have to scrutinize the choices around their medical plans.

Innovative solutions which will improve financial outcomes must be crafted to deal with these challenges. The following are some of the key elements we include in our advice solutions to achieve these improved outcomes.

1. A focus on tailored benefit structures which are based on the unique needs and demographics of employees. Flexibility within the employee benefit structure is key. By making use of data analytics, the employer and board of trustees or advisory body can gain insights into their member / employee behavior which can be used to tailor interventions that will improve member outcomes.
2. Structural changes in the investment landscape means traditional ways of investing are unlikely to provide members with the desired outcome. Today, investment success is about consistently maximising the probability (as measured by a hit ratio) of members achieving their investment goals.
3. Detailed knowledge in the healthcare space allows members to understand their over and under utilisation of their existing schemes. The innovative combination of short term insurance solutions together with traditional medical aid solutions lead to better outcomes for members. Low cost solutions are broadening the coverage of employees.
4. Member engagement sessions, wellness days, financial education sessions and induction sessions are at the heart of the EVP. Retirement counselling covering all aspects of the default regulations together with annual member meetings rounds it off.
5. Reduction of costs for the employer and fund by removing balance sheet liabilities through de-risking. This is achieved by introducing conversion or outsource solutions, analysis of paid up leave liabilities, etc.

To assist funds and employers solve the above, Momentum Consultants and Actuaries developed the following tools:



#### SMART INVESTMENTS

The Momentum Consultants and Actuaries' outcome-based investment solution combines experienced asset managements and asset allocations to deliver desired returns to members. The Momentum Consultants and Actuaries' portfolio is structured in such a way that it provides a suitable single de-risking strategy for members regardless of their investment strategies in retirement.



#### SMART INSIGHTS

The Momentum Consultants and Actuaries' fund analytics tool provides you with valuable insights on member behavior and progress towards their desired retirement outcomes. These insights are backed by tailor-made interventions to positively influence the behaviour of members.



#### SMART REWARDS

With Multiply, Momentum helps employees get up to 60% back on their risk premiums. The employer gets up to R600 per employee per annum to enhance employee engagement. These can be used to fund wellness days. etc.



#### SMARTADVICE SURVEYS

With the Momentum Consultants and Actuaries' SmartAdvice surveys we can obtain valuable insights into your employees' preferences and needs that allow us to tailor specific solutions for their needs and personal risk profiles. The outcome of the SmartRisk survey enables us to negotiate better risk premiums.

To ensure that members and employees are able to achieve a sustainable income in retirement, financial capacity must be created. This is achieved by enhanced investment returns, customization and holistic employee wellness. By understanding the behaviour of employees and members, employers, boards and advisory bodies can introduce effective interventions to ensure behaviour is corrected and thereby retirement fund outcomes are improved. For more information on how we can assist you in crafting or improving your companies' Employee Value Proposition, please discuss this with your Momentum Consultants and Actuaries' Consultant or contact us at [mca@momentum.co.za](mailto:mca@momentum.co.za)

**Issued by Blessing Utete  
on behalf of Momentum Consultants & Actuaries**

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