

HR insights podcast

Series 8 | Episode 3

PSA: This transcript has been written with assistance from AI.

How strategic benefits build brand and culture

[00:24.7]

Welcome back to HR Insights. My name is Stuart Elliott and I will be your host today on the podcast. Today we are going to talk about everything to do with benefits and I'm joined by a wonderful expert by the name of Maggie Lester. Maggie is someone that I've known for probably about 15 years.

[00:40.9]

We originally met in Asia when we were both working in Hong Kong. She has over 20 years international experience working for consultancies multinationals in the UK, France, Switzerland, Japan and Hong Kong. She currently heads up the employee benefits for Merck Group, based in, based in the UK but they're headquartered in Germany and they cover around 60,000 employees across 65 jurisdictions.

[01:04.0]

She's also worked for Meta, HSBC and Reuters. So today we're going to talk about the evolution of benefits and the changes that have happened over the years. It's a really interesting. Listen, Maggie has some great observations from her experience and I hope you enjoy the show.

[01:27.8]

Hi, Maggie, welcome to the show. Hi, Stuart, how are you? I'm good, thank you. How are you? Yeah, I am very well. For our audience. Do you want to do a little intro into you and your background? Yep. So, Maggie Lester, a, strategic benefits leader is how I like to think of myself and thought, Thought, thought leader.

[01:47.8]

Started, my career in UK actuarial pensions consulting, and moved into the international benefits space, after spending some time abroad. Stuart, you and I met in Yep. So I think, one of my highlights is working for different multinationals in different sectors, in different.

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With different, globally geographically positioned headquarters. So for US headquartered multinational UK and so on. And currently for, Merck KGaA. So a German headquartered multinational. Yeah. Very nice.

[02:27.3]

And you mentioned you started as an actuary, is that right? I'm a failed actuary. I didn't pass the exams, but I started in actuarial consulting. Yeah. So how did you make the move to benefits? What was, what's the link there? I, think that was a period of my life when I was definitely not, not able to focus on passing exams.

[02:47.0]

And so, sort of made the shift, away from actuarial consulting, and sort of went, right, I'm going to move into that point. It was largely pensions area. Right. I think the real thing for me when my, when I feel like my career took off was the, with the international bit, because that's the bit I love.

[03:07.4]

The cultures and the different legal accounting in the old days, tax ways of doing things that all impact, you know. Yeah, benefits. And when did you make the move to Hong Kong? So Hong Kong was 2010. Yeah, that was.

[03:23.5]

I actually moved there from Paris. Very nice. Was Paris your first international assignment? Yes. Okay. Yeah, so I was, yeah, Paris, Paris, Vietnam, back to London, Tokyo, Zurich, back to London, Paris, Hong Kong, back to London. I think that's it.

[03:46.9]

That's pretty extensive international coverage in my view. Is that. Have you always enjoyed that? Is that part of what makes you who you are? Yeah, I mean, it definitely is now. So the first stint in Paris, you know, I took my school, GCSE French and became fairly fluent.

[04:08.3]

And I think that definitely opened up a side of my, my brain and personality that hadn't been there before. And then, you know, a, couple of years in, in Ho Chi Minh City in Asia, attempting to learn Vietnamese. It's still useful, but in that way fluent.

[04:26.0]

And again, that was kind of how, how language leads into culture. And then to me how, how important culture is within the benefits. But space, you know, that actually people's expectations, people's social norms, the shape of a family and so on in, in, in Asia tends to be quite different.

[04:43.4]

You know, the support for the previous generation tends to be quite different and that does impact it when you have to look at benefits. So yeah, so, yeah, and that's, that's probably when I started to fly and actually say, hey, I seem to have landed on a good career here. Yeah, I love, I like what you said there because I have to say a lot of people I don't think see benefits quite like that.

[04:59.7]

I think they see it much more of like this is what we offer and that's it as a company. But I think that's really before we jump into all of that outside of work. What do you do outside of work? I run, I do yoga. I have two very annoying children and I now live in West London.

[05:15.6]

I have a little garden and I cook, I make bread and I even occasionally make cheese. That wasn't a Covid thing, the making bread thing or is that just the making bread thing was a Hong Kong thing. Right. I think you'll understand I'm fed up with paying this amount of money, for, for bread and the very good as well it stems from then.

[05:35.4]

That was when it started. And how old are you boys? So boy aged 11, girl aged batch turned 9, just going on 10. Yeah. So very cool. So they are a handful. Yeah, yeah, yeah. Full time job. Very, very cool. You've obviously had a really extensive career in sort of the benefits space. How.

[05:53.8]

I just want to talk openly about how benefits have evolved over time. Like it'd be good to get a sort of summary of that from when you started almost to now actually. Yeah. So I mean, I think, you know, you go back said I started in pensions. Pensions. And then you did the life assurance and medical, private medical if it was there, disability, if it was there on this, on the side.

[06:13.0]

But the big thing was pensions because of the amounts of money. And also, you know, we're going back to the time of the defined benefit to defined contribution transition. You know, I think it was around 2001 that the defined benefit, assets and obligations went on the balance sheet.

[06:31.8]

And so, you know, I have this joke that, that point my CFO had my number in his mobile phone. Yeah. Particularly when you were doing any And A work. Right. Because it was such a material part of it in certain Countries. And I think what you've seen, what you've seen is that pensions piece becoming managed, less volatile, less.

[06:57.3]

And so, you know, no, the CFO doesn't have your number in his phone anymore. But I go back to the fact that those benefits were there when we were still in a largely lifetime employment model. And so it was as it is now, your brand and your culture.

[07:17.2]

If people are coming to work for you for most of, or the whole of their working life, then the, one of the things that you need to do is to make sure that they have money to live on when they retire. I mean it's, you know, it goes back that far. So it was brand. That was brand.

[07:33.2]

And I think where we are now is exactly the same. It's just that, how we want to present our brand or what's important about it is different because people aren't working for a company for the whole of their life anymore. And you know, if you argue that those things such as pension, retirement and life insurance and medical and so on are sort of almost hygiene factors, then we are a much more open society about, the challenges we face in life and who we are.

[08:07.5]

Bring your whole self to work and so on, because you tend to work better like that. And that means that we look at other areas such as the inclusivity piece and Yeah. And so that's the transition I've seen in what I'm being asked to do is moving very much into, diversity, equity, inclusion, ensuring that that's enshrined in your benefits rather than just automatically excluded.

[08:34.4]

Because that's how the insurance company wrote it. Yeah. And how that feeds into culture and brand. So the people I speak to most now tend to be comms, external end, internal brand, LinkedIn posts, all that social media team and so on.

[08:52.1]

Social media much more than the finance team. Yeah. Okay. That's really. I want to continue on down the road of like how it's evolved and even some basic things. Like I remember getting to Hong Kong and one of the things that used to resonate there was how, I suppose holidays, even holidays were like 14 days for especially a lot of local companies.

[09:12.1]

And I think in the U.S. i know the U.S. is still a lot of only 10 days. Has that changed over time? Like have we seen people been given better benefits over the last 20 years? I think, it's an interesting one.

[09:27.4]

I mean the US is always not strictly true. The 10 vacation, they'll get a little bit more a Lot of other stuff as well. Right. I think you have seen different companies try and do different global initiatives, you know, such as around global parental leave or a minimum standard for global parental leave.

[09:47.4]

The vacation thing. I mean it's funny. One of my, one of the benefits that was put in when I was at HSBC in Hong Kong, which actually did not come from me but I got a lot of credit for which is quite an unusual situation was birthday leave.

[10:06.2]

Oh wow, this is really popular in Asia. And I sort of, I position it as a self care day. I think it's quite cute actually. You know, if you don't have generous leaves, you know and it's great with the younger generation. The younger generation.

[10:21.8]

I don't know that those people who don't have the family commitments who go, well, the benefits don't work for me because I'm not going to die, I don't need a medical plan and I'm not, you know, I'm not retiring in the next 30 years. Yeah. So it can work quite well like that. I've not seen, I've not seen. I mean what I would like to see would be a global approach to the market positioning on leave.

[10:44.0]

Right. I do think it is one of the, one of the things that a candidate takes into account when they're deciding whether to accept an offer. Right. I mean you know we all total, the total package and everything like this. You know, it's not just the salary, it's the bonus and the equity and the retirement plan.

[11:04.1]

Well, you know, most people do look at that and say okay, that's 10% of my salary. That's kind of worth having. The medical, does it cover my family? That sort of thing nowadays. Yeah, I think people look at those and then the third thing I think they will look at is the vacation. Yeah. So I do think it can be quite short sighted particularly if you've got any wellness initiatives to not actually be giving people the time off to recharge. Yeah.

[11:29.3]

So, but I'm very much on a, sort of a local market thing. So I think you need to look at the local market and say, okay, you know, somewhere split the difference between what, what you think. If you're going to take a global initiative, don't, don't push out 30 days the whole way around the world because it's really is a bit bonkers in some locations is in some locations.

[11:52.9]

I want to go back to you mentioned about linking benefits to brand and culture earlier on, I suppose I just want to go a little bit deeper into that as well. Have you, has that significantly changed then over time? I think I, Yes.

[12:08.0]

So I'm going to go back to another HSBC story which is when I first started to actually get involved right. Very actively in the diversity and inclusion piece. HSBC were heavily involved in sponsoring an event called out on the street in Hong Kong in the.

[12:27.8]

I think it was probably around 2015, but can't remember the date. And so we were. A colleague of mine was asked to look at our LGBTQ coverage across the region and we were both gosh, I don't think they realize quite how hard that is in this region.

[12:50.3]

But I started working with this HR generalist colleague who was, who was who was our expert in that area. So speaking to each country and basically going through all the areas of discrimination, you know, did they have mandatory health checks, that you know, someone that's, that's going to be a disability exclusion. Right.

[13:14.1]

Did they have nursing rooms? Because as, as you will know, know the time off for after having a child in Asia is very short. And so you really need nursing rooms in the, in the workplace if people are going to carry on feeling and, and so going through those whole questions and I can remember a colleague, HR generalist or reward colleague saying what are you doing working on diversity and inclusion?

[13:37.9]

You're aren't you benefits or have you changed role? But to me, although the discussions we were having weren't just in that we, it was also around, you know, medical, into the medical plan. If you have, you know, if you have exclude pre existing conditions then you know, if someone had had something, you know, even if it's a, I don't know, a knee operation due to playing too much football five years ago, they may hesitate about changing job if that's not going to be covered. Right.

[14:09.9]

And as you get older you accumulate more pre existing conditions. And so you know, looking at that and then looking at really the medical plans, was, was really the big one. You know, the conversations around, okay, so you're excluding anyone from the medical plan who's self harmed, or you're excluding playing out life assurance for someone who's committed suicide. Yeah.

[14:35.9]

And that's very cultural in about three countries in Asia. The medical plan one I thought was quite strange and you know, conversations around that, such as, they might try and do it again. That's potentially was one of the weirdest conversations I've had at work.

[14:52.8]

The other, the other, the other weird conversations were obvious around sexual orientation. Yeah. And what actually is illegal in certain countries. Yes. And actually I'm not interested in that fact. I'm interested in whether you are sharing your financial expenditure on your home with another adult.

[15:10.5]

Right. And then I can cover that other adult under a medical plan. Wow. I'm really not interested in what the law prohibits, which is usually something far more intimate and physical. Yeah. That clearly I don't want to know about because it's not my area. Yeah.

[15:29.8]

But so, so that, so it started to move from there and then, you know, various roles for me. But particularly when I was at Meta, and looking at fertility benefits and menopause and working with the trans health community at Meta to try and ensure that trans health benefits were available outside the US and accessible because obviously somewhere like the UK they were always available.

[16:05.4]

But a six year waiting period is not acceptable in that situation, mental health wise. And so again that comes into medical plans. Fertility benefit usually sits outside your medical plan, for a number of reasons.

[16:22.2]

Menopause, one of the most extraordinary things. It's almost the only specific exclusion in UK medical plans, private medical plans. Other things more normally like chronic conditions are managed back to the nhs. Yeah. But menopause is still specifically excluded in most UK medical plans. Wow. Yeah.

[16:40.9]

And I know there's quite a lot of championing around that and trying to change that, isn't there now? I think, Yeah, I think Fiona's been on the show previously, who, who's a big advocate of, of promoting I suppose the menopause in the workplace. And I know that's been a big thing.

[16:57.6]

But coming back to the brand and culture piece, we get a lot of people that if we say, if we say a company has 20 days holiday, let's say as an example, the response a lot of people will say to us that is indicative of the culture of the firm and that's a challenge that almost, I think people seem to believe that that means that they don't believe in that much time off.

[17:21.0]

They believe that they don't promote that as it were. And I've definitely seen more of that in the last 10 years than I did in my first 10 years in recruitment. Yeah. I think, I mean, I think probably you always saw a value placed on time off, as people get older, have families, have more personal commitments.

[17:41.5]

But I think, you know, if you look at the tech,

[17:49.7]

Visas for people sort of, you know, working from anywhere. Yeah. This is around quality of life. And most of those people aren't in any way people that you'd accuse of not working hard and not being brilliant at their jobs, otherwise they wouldn't be able to, you know, do what they do. They wouldn't, you know, be paid to sit in Dubai or somewhere and do their job. Yeah.

[18:07.9]

So I think there is a recognition that, that recharge is good. I, I find it, I find the French from, from the time I spent in France. I find the French sort of rhythm, quite interesting because we do the same in the uk, we just don't acknowledge it. Right.

[18:26.4]

Which is, you know, that, you again know this having worked in Asia, but the whole sort of UK shutdown for two weeks over Christmas in New Year, is very, very Europe specific, really. Quite UK specific. Even, you know, the US shuts down around Thanksgiving and then a bit around Christmas.

[18:45.2]

So it's, it's different. Right. But that sort of two week break at Christmas and New Year is a UK thing shuts down. Right. And we all come back a bit bouncy in January to get through the snow and everything. Right. Or, you know, the pay review cycle or whatever was ever happening.

[19:00.9]

And then the, you know, the entree in France, you know, when you come back in September and everyone comes back absolutely buzzing, just like we're going back to school. Sorry. I just find those breaks, it makes sense. There's a rhythm. There's actually a rhythm.

[19:16.6]

And giving people enough time off to have that, to me makes sense. Definitely. On the vacation thing, I think it's very short sighted. It's a difficult one to get through your CFO or your board because it's quite, you know, it apparently has a high price tag attached to it, particularly if you're talking about production facilities and things like that.

[19:36.9]

Right, Yeah, I can imagine that. I have to say, a lot of the clients we used to work with that had sort of, I suppose, fewer days always used to say, well, I'm your manager and what the book says on one hand, I'm prepared to give you a little bit of leeway on that and we won't officially sort of note it down.

[19:55.0]

So that almost seemed a little bit of a workaround, which I suppose said more about the working style of the manager, which again was a positive thing. Yeah. I mean, I do say that a lot of what is done within HR is around ensuring that what a good manager does a not so good manager has to do or is authorized to do.

[20:14.1]

Yeah. Or is required to do because of the policy. So, you know, moving into a role because you've got a good manager is great. Until they leave a year later. Yes, yeah. Very, very much. You could end up in a very sticky position on that side of things.

[20:29.7]

Absolutely, absolutely. Yes. It's a really interesting. But a lot of it again, is coming back to that sort of global local piece again, which we'll, we'll come to a little bit. But I want to sort of touch on. You mentioned earlier on about global fertility trans health benefits. I think you experience a lot more Meta. Yeah.

[20:45.1]

Has DEI always been part of the benefits package or is it a recent thing? It has. I just think it's come to the, come to the forefront and I think also because we do try approach things a little bit more globally now. So, you know, the, the point at Meta was that the community was very well connected globally and so could turn around and say, well, why, you know, if I was in the US I would have this medical coverage.

[21:12.3]

Why do I not have it here? Yeah. Or, you know, I'm in the US and I have this medical coverage, but my friend in Singapore doesn't, you know, why? Or, you know, I've got a friend in Singapore that would like to come and work for us but won't because that's not there.

[21:29.9]

Yeah, I, I mean, I think there were a couple of interesting things I learned. You know, I had, I do think, it was an immense privilege to work with, the trans community at Meta.

[21:46.6]

It gave me opportunities to speak directly to people and understand their actual experiences in different countries, which I would never get in another company. Right. Because the community was large enough and open enough and Trying to change things and therefore willing to talk to me.

[22:07.2]

And, you know, the piece to me was around quite often you put support for trans health in not because there's someone working in the company already who needs it, but because of the options it gives you for the talent pool going forward. Because if you're known as a company that, supports diversity.

[22:29.8]

And you know, we have to remember that a lot of this is correlated with neurodiversity. And I think that was also an interesting point around. Software engineers tended to be quite correlated with neurodiversity. Correlation, not causation very much so Venn diagrams and so on.

[22:46.5]

But you didn't want to shut off that talent pool. And, you know, you look into trans health and neurodiversity and so on, they're all correlated. So it really to me is around keeping your talent pool as large as possible. The other thing for me is that this isn't just the individuals who are directly impacted, but it's around, the people who are more.

[23:14.6]

The fact that an awful lot of us are more comfortable working in an inclusive and diverse environment. So, Merck, last year we rolled out globally, fertility benefit, 65 odd countries.

[23:33.8]

It's a, it's a big piece of work. Very, very, very proud of what we've done. There was a lady in Latin America in HR who helped me implement it in, in latam. Haven't spoken to her in nine months or so. And she pinged me the other day, and said, oh, you got five minutes, Maggie.

[23:51.1]

She called me up and she said, I, I kind of want you to know, before my boss, five years, I'm, I'm now 13 weeks pregnant. And you know, it's it was an amazing feeling. Right. There's a few things like that that happened to me during my career that, you know, interacting with the trans community was also very meaningful at Meta.

[24:13.4]

A few things relating to HSBC in Hong Kong, which impacted people I knew. And you went, yeah, I did a good thing there. That was, that was pretty amazing. Right. You know, I want to be, I want to work for a company that wants to support people in, you know, who they are. I fundamentally believe in diversity as a business case.

[24:32.9]

It creates better business products if you have diverse thought in the room, it makes the company more successful. This isn't, this isn't, this isn't around being nice to people. It is really. I mean, that's a side, that's a side bit, of course, of course.

[24:49.4]

And helping people through tough times because quite often, because it's, you know, the other side of the role is the medical and the death benefit and so on, quite often it's that side. But, you know, this is to me around the diversity of people in the room, developing products, making decisions.

[25:07.6]

Talent pool. The wider your talent pool is that diversity round the table, then the other piece you need to do is the psychological safety, which is culture right around allowing people to actually, you know, bring their, their individual experiences to the table too. back to a little bit to the

[25:28.7]

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[26:21.8]

geopolitical situation now as well and how that's impacted. But I just want to sort of touch on, I suppose the, you mentioned of this fertility and I suppose a lot of people will look at that and go, well, what about the cost to that? How is it costly? Or is it something that is, I suppose, not as costly as people make it out to be?

[26:39.5]

Not as costly as people think it's going to be. So when we were, that was one where we had to interact with finance, to get board approval for it. And what I did is like most companies, we already have this benefit in place under the U.S. medical plan.

[26:54.9]

It's been there for about 10 years. I actually looked at the figures across a couple of companies and broadly speaking, I would say 1 to 2% of employees claim every year. The majority, the huge majority of those claims are small amounts because they're tests. Yeah.

[27:13.5]

A small percentage of that 1 to 2% go on to do an IVF cycle or freeze their eggs or something which has a cost attached to it. Of the thousands, potentially 10,000, probably not much more than that. But the number that then go on to do a repeat cycle because it is such a horrible procedure and such a stress.

[27:33.7]

Yeah. Is so small it's ridiculous. Right, right. So you know, we now have a global lifetime limit for an employee claiming a fertility benefit. You know, I took a couple of steps to get to this, but it's, it's a hundred thousand euros. Yeah. So I'm, I'm expecting to have maybe one person hit that in every two to three years. Okay.

[27:57.4]

It's a very. So in the grand scheme of things it's, and the tote. The total cost is you know we're in the, we've run it for a whole year now. We're in the, we're about 2 million. Okay. Across 60, 60,000 odd employees. Right.

[28:16.4]

Excluding the, excluding the US and Canada. So take, so about 45,000 employees let's say. But you know, it's about where we thought it would be potentially a little bit lower. The coverage we got in the first DAX company to introduce it. So the coverage we got in Germany, social media coverage, influencers as well as press coverage.

[28:38.6]

Like I've, you know, as an ex Reuters employee, I never thought that something I did would actually be covered by Reuters. It was covered by Reuters as a piece of business news in, in, in Germany. So you know, media interviews, television, everything. So the cost of generating that much positive news about a company, I have no idea because it's not my space.

[28:58.5]

Right. But yeah, but it's pretty amazing like to be, yeah. To be seen like that in that way. And to your point about the cost, it's nowhere near as, as people, I suppose think it would be. But the branding to that implies the culture of the organization is huge and let alone if you're a female PhD, which in Europe tends to mean you're probably in your late 20s I would guess, the conversations that 20 year old women are now having at university around freezing eggs and so on.

[29:31.5]

I think, you know, going to work for a company that allows you to freeze your eggs. So you can actually say, right, I've got my PhD now can I actually. Now I actually want to do something with it. Yeah. You know it's, it's everyone's, it's giving people that flexibility to kind of time their life things differently. Absolutely, yeah.

[29:47.9]

Life changes and life evolves so, so much. And how about the, go back to the geopolitical piece that I mentioned. Has that has that shift in, I suppose, DEI or the prioritization of DI over the last say 6 to 12 months. Has that impacted benefits in any way?

[30:05.2]

Not really. So I think what's really interesting here is, you know, there's a lot of people running around in most multinationals saying we need to comply with the law here and we need to comply with the law there too and we need to walk a fine line between the two. And there are a few things that have a few very visible things that will go away because of that.

[30:26.4]

Right. Because so I think certain you know, gender parity pieces and things like benchmarks and so on will go away. I think the other thing that we're probably all very aware of is balanced slates for recruitment.

[30:41.7]

So impacting recruitment probably I think a lot more in the benefits field. You know, one of the things I always joke with my comp colleagues is you get someone's salary wrong, you can just sort it out with inflation over a few years. Right. If you put in a benefit, it's really, really difficult to unwind it quite often in certain countries like the Philippines, basically impossible.

[31:03.7]

Right. Wow. You legally cannot take something away. So you know, you look at the benefits included under a U.S. health plan, you know, fertility, trans health and so on. These are all standard. They've been there for years. No, one's taking them away.

[31:20.6]

They're open to anyone that wants to use them. So they don't, they're not actually impacted. So I think there's been a bit of a shine taken profit. But I was, yeah, I think there is this, this is not hr.

[31:36.9]

This should be a business imperative. It is a business imperative because otherwise you end up with products that don't work for everyone and yeah, they don't sell as well. That's, that's, that's fair. Actually before we started and we were going through the list of questions, there's a question on here as well that be worth you explaining it and I, I'd say it's, I want to say it's the most bizarre question I probably had on the podcast.

[32:00.2]

But the question itself is why are WOKE benefits not the same as peanut butter? And I suppose that is definitely one and the note next to it says Maggie to explain. So I definitely think this needs a proper explanation. Yeah, so that was one, that was a way of expressing something that came to me, came to me the other day, around the, that one of the most nutritious afternoon style balanced afternoon snacks you can give to a child that they will eat, is a peanut butter sandwich.

[32:30.2]

Right. But and my kids are after school club most days so they need to take something in with them. So if they were coming home that was fine. I could give them a peanut butter sandwich. But they can't take nuts into school. So this is something you, you can't do. Right? You can't, you know, you can't put nuts in anything.

[32:47.2]

But nuts are such a nutritious thing. But we all accept that because there is no way that you would want to be in any way responsible for another child having you know, a nut allergy attack and definitely having to go to hospital and potentially dying.

[33:03.3]

Yeah, I was gonna say. Yeah. So we all, we all accept that minor inconvenience. You know, to that end I think the WOKE benefits piece was around fertility, and caregiver leave which is another one that we've been, we're in the process of introducing globally and when you look at the take up rate of these, which as I said is 1 to 2% but usually that's a quite, that's quite a low amount.

[33:32.4]

The total cost of this when you put it into your your salary and benefits budget, which for most multinationals is just you know, off the ceiling. It's such a large part of running a company. Right.

[33:49.0]

You put in a couple of million for 45,000 employees into that and it doesn't touch the sides. Finance really. You know, we'll manage it. We know that the positives are good. We know we want to do this right branding wise. The positives are so good we want to do it so it doesn't impact the person that's not claiming.

[34:07.6]

It doesn't reduce their salary, it doesn't reduce something else. And I think the reason this came to mind for me was that I have had, in a couple of locations, one specifically put down to a works council, asking the question around, why, why would you give that much money to one person?

[34:26.3]

Why can't we just spread it, you know, give everyone €10, €10, rather than, you know, giving one person the money they need to put them in the same position as a person that didn't struggle with fertility, you know, so it's an, It's a basic equity thing.

[34:41.6]

I found it quite strange because I sort of think I'm sitting in capitalist, capitalist, UK now, and this was a conversation coming from a slightly more socialist country in Europe, from a works council, no less. But it did, so it was a shocking question. Right.

[34:57.4]

But it's come up a couple of times. So it's not one person that feels, you know, it's the unfairness thing. Someone, you know, perhaps. Yeah. But it is a strange way of looking at it, in some respects, yeah, I find that a little bit strange to look at it in that way. But I thought, playing it with the. I said the, no, I can't do peanut butter sandwiches in his lunchbox today.

[35:18.2]

I like the explanation on that. And so I want to go back to. Again, we mentioned a little bit early on global versus local benefits. And I suppose trying to get that global consistency in an organized or an international organization. We're only a small firm and we even sort of struggle with it to a lot of degree.

[35:38.0]

How do you get that balance? How do you make sure that you are globally consistent and locally aligned is probably the phrase. So my mantra is that benefits are local and it's why benefits are a lot harder than comp. Right? Because comp really is quite a lot easier, particularly nowadays to just market positioning in that market, but using global tools and so on.

[36:01.9]

I think the nuances of benefits in a local market are just way more complex and you are recruiting in that market. The primary thing of benefits is to support the individuals in that location. So why do you want to have a global view on it would be almost, the pushback.

[36:22.6]

What are the benefits of the global view? So, you know, I know 10 years ago it was around knowledge and control and making sure that you didn't suddenly have a scary, additional cash call or liability or something. Come up in the balance sheet. I think, to me now, it is more around that culture and brand.

[36:42.8]

If I want to talk about the company in a way that we have an inclusive environment, I need to have a decent handle on what's happening globally.

[37:00.5]

When we were talking about the lgbtqi, coverage under medical plans, the. Yes, there are certain things you can't do. You also need to be careful about whether you actually want to shout about it in a country. But at a global positioning, you might want a different one. So it's a huge balancing act.

[37:16.4]

I do think that is a tendency to try and pull globally at the moment, and I push back and say, well, how is that going to benefit the individual? So with the fertility benefit, when we put this in at Merck, one of the really two really big things.

[37:33.2]

One was ensuring it was the access was to any employee and their partner. So not just restricted to infertile heterosexual married couples. In certain places in the world, it is restricted. But that's not my doing. Right. That's a legal requirement locally.

[37:50.6]

The other bit was around confidentiality in that, I cannot have your manager know that you've claimed under this because otherwise you won't claim. Right. And so my big success on this is actually the amount of money we spent and the variety of countries people are claimed in.

[38:06.7]

So the confidence, the fact that we've managed to do this so that although we run it through internal finance, it swishes off so that it doesn't go anywhere near the manager's cost center. Okay. So to me, this is around impact on the employee as well as the global branding.

[38:23.8]

It's a balance and it's what makes it such fun, right, Is I actually want to impact the people. I want people to claim this benefit. I want them to be able to use it. I want to make, make them their lives better, to make it an inclusive environment locally, et cetera, et cetera. People want to come and work for U.S. talent pool.

[38:40.4]

And I want to be able to do the branding globally with a light touch. So you sometimes use wording that's a little bit unspecific, like financially protected caregiver leave, which gives you a little bit of leniency around not fully paid. It might be 90% paid in some countries because that works better.

[38:58.8]

So there's a little bit of nuance around the language and also a light touch on the global approach. So I think also being very specific, not trying to be too encompassing. So the caregiver leave, we've Gone for supporting terminal and urgent care.

[39:16.8]

So someone who's hospitalized because of an accident or an illness incident, or you know, where there's someone who's, who you've been told has got a short time left to live. We've gone for 10 days. Fully protected, financially protected.

[39:32.3]

Again that's that wording very specific. Close family kept the family quite close. Countries can expand it if it's culturally appropriate. Yeah. So I think it's a. What do you need to be able to say at local global to make it precise, targeted but actually not trying to change the world and make it one market.

[39:51.5]

Because it isn't. Because it isn't. Yeah, it just isn't. And then on that I suppose what are you seeing as the sort of the newest benefits and trends in the space at the moment? So the caregiver piece, I think you and I were mentioning earlier that I was at a business school alumni event a couple of weeks ago and people I haven't seen for 15 years.

[40:14.8]

And what I really noticed was that the conversation, maybe it's just me but the conversation in the room everyone was talking about parents and dementia. And this is an international group. Right. And I wonder whether you know when we so focus on generations nowadays and sandwich generations and so on whether this is.

[40:34.6]

Whether this has always been there but if it's always been there it was possibly quite often handled by the non working partner. Yeah. Be it the parents or the parents in law and that's that elastic and flexibility just isn't there for most of us any anymore.

[40:53.4]

And so I do see that as being you know, the current if you like slightly more diversity and inclusion benefit. I think the other one, the other one for me in the next five, 10 years is actually retirement provision and financial planning for retirement coming back because of workforce planning because we have an aging population who are capable of working longer and in Europe we have no fixed retirement age.

[41:24.4]

And so if people cannot afford to retire they will not be leaving. They can't. And so you will be put in positions of whether you're either performance managing them out, which is always a lovely thing to be asking a manager to do to a 65 year old or a compromise agreement or redundancy, which costs money.

[41:47.5]

In the old days we all used ill health retirements, early retirements, augmented early retirements in defined benefit plans. I think we've got this great thing about the workforce working longer if they want to but you need to have people who want to work, not working just because they can't afford to retire.

[42:09.3]

So I, I, yeah, I see. That's the one that's coming in five, ten years. Yeah. Yeah. Do you, do you ever, has there ever been a discussion around sort of almost generational benefits? We look at, we look at generations as it were. Right. Gen X's, gen NY's, millennials. Gen Z is like. Is there a, has that ever been a discussion?

[42:28.9]

A lot. Okay. Oh, well. And I, I, we, you and I were also talking about India. So I remember this period in India and I'm gonna have a stab at it. 2005, when Bangalore was happening and everything.

[42:44.7]

And people were crossing the road for, you know, 10 more dollars a day. Yeah. And cashing out benefits was the way to go. Nobody wanted benefits. Young workforce, cash them all out. Give them the cash so that they can actually retain people. And then someone takes their some 20 year old, drives their motorbike into the company car park and dies.

[43:08.5]

And you still pay a life assurance benefit. Right. So there's a piece to me that's paternalistic. Yeah. But protecting the company as well because said in that case you're still going to pay it out. So there's a paternalistic piece that needs to sit there. I'm a fan of, I am quite a fan of flexibility within benefits because it gives, most people don't actually operate it that much but it gives people a feeling of agency and it also requires annual communication.

[43:41.9]

I used to hear about that a lot. Flexible. Bennett used to, it was a big thing quite a number of years ago and I have to say I don't really hear about it as much now. No, I mean people, you know, the UK still has it unless unless the Chancellor decides to remove the tax and NI incentives which may happen yet.

[44:00.9]

I understand, I understand there's been a, there's been a questionnaire gone out on that which is quite interesting. About how it would impact, you know, main impact would be on large multinationals, not on small and medium sized companies. So that's quite an interesting one. But you know, generally in the uk, because of the, the favorability around salary sacrifice flex is a no brainer. Right.

[44:23.8]

And then you add more things in. Yeah. Because once the platform's there, it kind of, you know, it's not extra cost to add more things in. It's never really taken off in the same way in places where it doesn't financially pay for itself. Right. It is popular to have, China has quite a lot of it, actually.

[44:44.1]

But it's, it's a different form to what you'd see in the uk. So I think Flex, where it works, where there's a local argument for it, there is a company that rolled it out globally, completely everywhere at one point, and that. I won't say who it was, but that kind of never lasted very long. Right.

[44:59.5]

It's very expensive to do it. I mean, great brand. Right. But. But probably not value for money on the brand. But I think, you know, yes, it comes up an awful lot. You know, that, you know, I'm, I'm 20, the company gives me nothing because I don't claim any under any of these benefits.

[45:22.9]

And there are. I think that's where some of those inclusivity and fertility piece actually sit down quite well. Yeah. You know, because most of us, not everyone, but most of us, if we know that the company is supporting a close colleague, we're happy with that.

[45:42.6]

It doesn't have to be us that the money's being spent on. Yeah. So I think that that can work. I think, Flex working is clearly popular in the. In the. Theoretically, at least. And that was good.

[45:57.8]

I was thinking it's more popular also when you, when you, when your family life becomes more complicated. But, I think, yeah, some of, some of those things. But it's an argument that's been going on for a long time. And if you come back to the fundamental piece around supporting people through their blips and so on during their lifetime, you know, when we're in a good space and we don't need to claim it's a good place to be.

[46:23.6]

Yeah, yeah, yeah. And then, and then just, just to sort of wrap things up a little bit, if you, if you were offering any advice to people reviewing their benefits or looking at their benefits or wanting to make changes, what, what would you, what would you give to them? Look at your insurance policies and look at the exclusions. Okay.

[46:42.1]

Because you will, at some point find that you've tried. Someone's trying to claim something that you think should be covered and isn't. Right. And I think, you know, the menopause piece in the UK is still going back to diversity inclusion thing.

[46:57.3]

If you generally think that 50% of your management should be female and 50% of your board should be female, then the current position is that your talent pool is restricted to women who had an easy menopause, which is a really bizarre requirement to have for a board position. Yeah.

[47:16.3]

Because, you know, most women who go through, really, through a reasonably tough menopause, an awful lot of them tend to leave the employment market. Is that because they don't have access to HRT or any. Yeah, because actually they don't know what's going on with them and they just can't. They're just not functioning so well anymore.

[47:32.3]

And without getting the support that isn't provided through private medical and isn't provided still through the nhs, you know, the answer is, I can't do this. They just leave. Yeah. Yeah. And, you know, the stats are very clear on that.

[47:48.2]

And I think when you look at trying to, you know, you said you're. If you look at, well, what's our talent pool? What are, our requirements for the board and what is our talent pool for the. For the board? Well, your talent pool is reduced substantially. Due of that. Due to that. Yeah. So suddenly you're not looking for a, you know, a female director that has great financial experience, but you're looking for a female director that has great financial experience, that had an easy menopause and that's quite a small. Yeah, that's.

[48:12.3]

I don't know, a small proportion of the population. Yeah. And as we close, actually, I just thought of one more question that I just wanted to ask, actually. Wellness. There's a lot of chat around that during COVID because of the situation that people were in, the working from home aspect as well. Has that changed dramatically over the last couple of years in terms of the benefits that people have offered?

[48:34.4]

So it's still probably the most cold calls in males I get are around wellness, mental health, apps. There's a lot of move towards apps. Yeah.

[48:51.5]

Calm is one, isn't it? I think. Yeah. And, you know, a lot of them, a lot of them are, you know, I think so. As I said at the beginning, I'm a runner. Right. One of the things that fascinates me is the different motivations people have for running a half marathon, doing so.

[49:12.9]

These are things that some people do to raise money for charity. Some people do with friends. Right. These fitness, apps and things like that. Some people, these really. And I think people's different motivations for, you know, raising large amounts of money for charity, whether it's be.

[49:34.3]

You get specific examples where someone's been impacted by it or something. But quite generally there are people who are hugely motivated by the fact that they've committed to raise money for a charity. And there are other people who need to do this for their mental health or because they're doing it with a group of friends.

[49:51.7]

So these different motivations that get us all to do things, but they're so very different. Right. And I think the wellness space, just the general mental health space is so different like that in that, you know, people talk about, exercise, about, you know, gardening, about making bread.

[50:12.6]

You know, getting enough sleep is very important. And meditation or mindfulness, they're different for different people. And I think having those options open to you is, is, is, you know, it works for someone, it doesn't work for someone else.

[50:31.2]

I think the most interesting development I'm seeing in this area, is, and I'm still sort of working this one through is a company where we're, we're using who actually do life.

[50:49.9]

Inflection points 101s. So my thinking on this is around most of us bumble along with a moderately okay level of mental health, but there are tougher points in our life. Those tougher points are quite often started by an event.

[51:08.6]

And one of my fun comments on this is if you've never organized a funeral before, is the right time to learn to organize a funeral when you're bereaved? Probably not, but that's when you're going to be doing it. And what would be really helpful would be to have a little 101 video that actually took some of the stress away. Right. And so I.

[51:33.7]

And divorce and things like this. These incidents which are known to be occasions when people fall into poor mental health because it's just all on top of everything else. And so I think that's quite an interesting space. Probably I'm, I'm more excited by that than I am by the more general. Yeah. Area.

[51:52.5]

I have one general question. Then again, I'm sort of bolting questions on here. Have you seen any rise in the way of, I suppose fat loss drugs like as MPIC and stuff start to appear on medical policies or anything like that or people claiming on that. Because again, it feels like that's another step now that, that you could go down, in the U.S. yes. Okay.

[52:14.7]

Common on policies in terms of being able to. I believe so. Yeah. But I mean a lot of policies had bariatric surgery on them anyway. So. Yes. To my knowledge, I mean obviously I'm dealing with multinationals. Whether you see it in smaller companies in the U.S.

[52:30.2]

not, not. Not so sure. Yeah, outside the U.S. not yet. Okay. Is it coming? Yes, probably, I was going to say. And you know, the interesting stuff around that is not just the weight loss stuff around the fact someone said to me the other day that, apparently it stops you biting your fingernails.

[52:47.9]

Just never thought about that. But all those kind of, like, bad habits. We have, you know, the. I've heard things about. It's good for mental health. It's good for. Yeah, I just heard some noise about it. Just more noise about it at the moment than I've heard in a little while, if that's all. Yeah, no, I mean, I do think it's, It makes complete sense.

[53:05.5]

I mean, you know. Yeah, it's definitely coming. Yeah. Good. Good one to put on the. What's coming as well. Fair enough. Well, it's been an absolute pleasure having you in the studio. Thank you so much for coming in. Thanks, Joe. Benefits, I think, is going to increasingly become, I suppose, I think, a hot topic. I really do. Yeah.

[53:23.2]

I think, it's all around who you are as a company. Right, yeah, totally agree. But thank you very much for coming in. Good to have you and lovely to see you again. Thanks, Stuart. Bye. Cheers.

[53:39.4]

Thank you for listening to today's show. If you have any questions on that please do contact me on at search@elliottscotthr.com before you do go, I do want to mention that we have a Resilience survey that we'd love you all to complete. This is a survey that we're doing in, conjunction with the Resilience Institute.

[53:57.7]

They've, been a really good partner of ours over the years and we want as many HR people globally to complete this. We will then be sending around the results in a couple of months time. Any questions, again, as I said, please let me know. My email is seatescotthruh.com and I hope you enjoy the show. Thanks a lot.