Low-Cost and No-Cost Employee Benefits

By Paula Santonocito

HR professionals know that competitive salaries and an attractive benefits package are essential to attracting and retaining top talent.

However, when it comes to benefits, HR and employees don't always speak the same language. Oddly enough, it's the little, seemingly insignificant things that employees point to as great benefits.

Interestingly, the communications gap also extends to the term HR uses for these benefits. In HR-speak they are often called rewards; but, unless they are tied to job performance, employees think of them as benefits.

Show Me the Bennies

Rewards, perks, benefits. Whatever you call them, employees want them. And in tough economic times, such perks arguably matter more.

Barbara Mitchell, co-author with Sharon Armstrong of "The Essential HR Handbook," says it's especially important to come up with ways to keep employees engaged when economic news is negative.

The good news is many of these benefits cost little or nothing.

Among Mitchell's suggestions are:
• Pizza delivered on a day when staff is particularly stressed over meeting a deadline
• Ice cream served on a hot Friday afternoon
• Passes to a local movie theatre when a highly anticipate movie is released

Doesn't sound like a big deal? Maybe not, but it speaks volumes to employees. What's more, you can bet employees mention these kinds of perks to family and friends. Suddenly, you're the company known for pizza, ice cream, and movies. That's not a bad employer brand.

But Mitchell's suggestions aren't all food or fun related. She also taps into the employee preference for professional growth and recommends providing a training opportunity.

Here again it doesn't have to be all-encompassing. Simply create a situation that

allows for skill development or a chance to acquire new knowledge.

Dr. Bob Says

Bestselling author and motivational speaker Dr. Bob Nelson has long touted tapping into no-cost and low-cost ideas and best practices to reward and energize employees.

Nelson continues to update his books, first published in the 1980s and 90s, to accommodate changing times. Yet, perhaps not surprisingly, many of the case studies and examples he cited early on still apply today.

Consider this as an example: All employees at Apple in Cupertino, Calif., who worked on the first Macintosh computer had their signatures placed on the inside of the product.

Talk about being part of the company and its legacy. How might this translate to something at your organization?

Nelson offers numerous, big-picture creative ideas that have been put into practice at other companies.

He also provides everyday ideas, including:

• Casual dress

• One-on-one lunch with the manager

• Extended lunch time

• Floating holidays

• Outdoor meetings during the summer

• Tickets to sports events

• Flexible work arrangements

That last one, flexible work arrangements, continues to be a preferred employee benefit.

Other Ideas

Experts also cite time off to give back to the community or work for a charitable cause as a highly valued benefit. Nelson includes a company that offers this benefit among his case studies.

Employee discounts for the company’s products and services likewise rank high. If you already offer a discount, is there the possibility of increasing it? Going from 10 percent to 15 percent wouldn’t impact the company all that much and the additional savings would be huge to employees, particularly in tough economic times.

Giving employees an extra holiday, their birthday, is another popular benefit.

At Your Organization

So, where do you begin? Borrowing from the best always helps get you started.

But a brainstorming session that includes HR and a few select managers will also

yield a list of ideas. Encourage the group to be creative – you can always eliminate the really oddball suggestions later.

Two things to keep in mind when exploring and implementing low-cost and no-cost benefits: 1) Make sure the benefits are appropriate for your workforce and 2) Recognize the collective value of multiple benefits.

With regard to appropriateness, if a significant number of your employees are pursuing weight loss, for example, you may not want to focus on pizza and ice cream.

As far as collective value, a movie pass may not seem that exciting; but a movie pass, tickets to a sports event, and an extra day off, well, now you've got new bennies.

The bottom line: Don't underestimate the value of low-cost and no-cost benefits. They can positively impact your workplace culture and help boost morale and employee retention, and enhance your employer brand and recruitment efforts—all without negatively impacting the bottom line.

Isn't it time you perked up your offerings?