





can be enhanced, whereas benefits items that are 'above-market' can be reduced or removed. In the MPEP diagram, 'product discounts' are highlighted in red because this benefit is 'below-market'. 'Medical leave' is highlighted in yellow because it is 'at-market' while 'marriage gift' is highlighted in 'green' because it is 'above-market'.

Secondly, 'benefits cost' refers to estimating the cost of the company's staff benefits. Benefits that are expensive are less likely to be adopted than benefits that are less costly.

Thirdly, 'employee preference' is measured via a benefits survey, whereby employees need to rank staff benefits from most important to least important. All the benefits must be ranked because feedback such as "all the benefits are equally important to me" is useless for decision making. Benefits that are rated highly by most employees can be enhanced, whereas benefit items that are rated lowly by most employees can be reduced or removed. If product discounts are rated '1' for 'employee preference', it means that most employees voted product discounts as their most preferred benefit. Employee preference is affected by your company's current employee demographics. If your company has many older employees, benefits such as a retirement plan is likely to be rated '1'. However, if your company's HR strategy is to hire younger employees, you can decide not to increase retirement plan benefits although it is highly rated by most of its current employees. Benefits should be designed to attract the segment that the company wants to hire and retain.

Fourthly, 'arrows' in the MPEP Benefits Analysis diagram shows the employee benefit item that the company is proposing to increase or decrease. In the diagram, the arrow is pointing upwards for annual leave because this company plans to increase its employee's annual leave benefit.

The 'MPEP Benefits Analysis' factors needs to be considered in totality. If annual leave is marked 'red'

for 'market position' and '1' for 'employee preference', companies might want to increase this benefit item because it means that its annual leave is below-market and their employees highly value this benefit. However, if the 'benefits cost' of giving employees additional annual leave is too costly, companies might finally decide not to increase annual leave.

Many companies do not realise the significance of an organisation's benefits on business strategy, employer branding and HR strategy. Offering free or discounted company products to employees is one of the best 'benefits-to-company' as it motivates employees, enhance employee's product knowledge and generate business for employers themselves. Hotels that offer their employees a free hotel stay allow their staff

to enjoy the hotel facilities that they work in and help to enhance their product knowledge. It also generates business for the hotel as employees often want their family and friends to experience their company's product or service. Employer branding requires taking bold steps to create signature-benefits and ensure the benefits programme are tailored towards the firm's unique employee profile. An important part of the MPEP approach is that it involves employees in decision making process via the benefits survey. With this approach, management can easily help employees understand the rationale of the company benefits in a one-page graphical format from the MPEP perspective of market-position, employee-preference, signature-benefits and benefits-cost. If you take these tips to heart and apply them within your organisation, you can increase the likelihood of having happy, motivated employees who are proud to be in a company famous for its signature benefits!



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