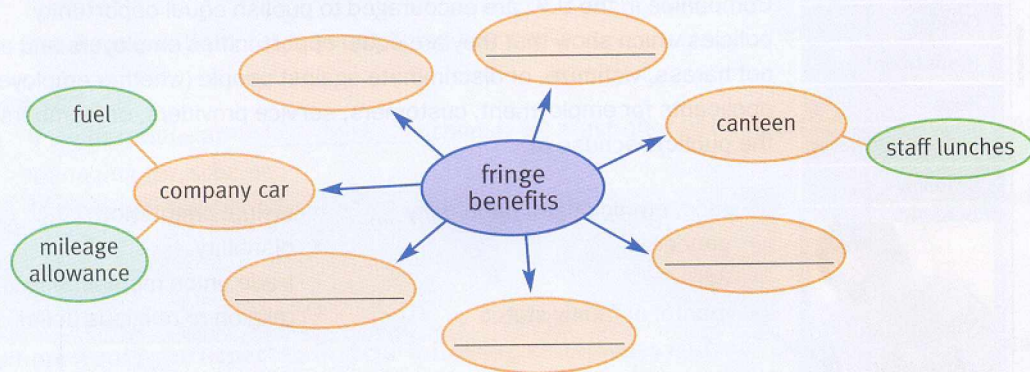


5

Reward and remuneration

STARTER

Benefits (i.e. rewards companies give their staff in addition to money) are often called 'fringe benefits' or 'perks'. Add as many different fringe benefits to this mind map as you can.



Do you think staff are more motivated by receiving a higher salary with fewer benefits or a lower basic salary with lots of benefits? Discuss with your colleagues.

1 Put the paragraphs from an article about a tax-free benefit into the correct order.

On your bike

- The Cycle to Work Scheme allows employers to reclaim the VAT (value added tax) and capital (tax) allowances and loan bikes and equipment to their employees for journeys to work. Alternatively the employee can pay back the cost of the bike and equipment by monthly salary deductions.
- These include the fact that employees should be using the cycle for journeys between home and the workplace (or to the station) or from one workplace to another.
- To promote a healthier workplace and to reduce pollution in the environment, the U.K. government introduced a tax-free benefit several years ago to encourage companies to buy bikes and equipment for their staff and for staff to reduce commuting to work by car. It can be dealt with in one of two ways.

1 2 3

Complete the common expressions from the article by matching the two halves.

- | | |
|----------------|--------------------------------|
| 1 to reduce | a a healthier workplace |
| 2 to introduce | b a tax-free benefit |
| 3 to allow | c employers to reclaim the VAT |
| 4 to promote | d pollution |

What tax-free benefits or perks can you give staff in your country?



2 Listen to the departmental meeting between Sophie Baptiste, the personnel manager of an international company in Birmingham and her staff, Paola Canarutto and Steve Greenway, about benefits. Match the person with the benefit they mention.

- | | |
|----------|---|
| 1 Sophie | a family-friendly benefits and flexible working hours |
| 2 Paola | b childcare and eldercare |
| 3 Steve | c profit-sharing bonus |

Did You Know?

Another term for *pay* or *salary* is *remuneration* or *compensation*.
A *remuneration package* is the total of all financial and non-financial benefits an employee receives (i.e. the salary plus a car, a pension scheme and life assurance).

3 Match phrases from the three columns to make true statements about the meeting. Listen again if necessary.

- | | | |
|-----------------------------|-----------------|--|
| 1 Sophie called the meeting | talked to | the new profit-sharing bonus at their next meeting. |
| 2 Paola felt they needed | to discuss | colleagues in other offices about flexitime initiatives. |
| 3 Steve was in favour of | to prepare | more flexibility for staff. |
| 4 He was keen to | giving | a summary of benefits and costs. |
| 5 Steve will prepare | to inform Paola | employees greater freedom to have a good |
| a proposal | and Steve about | work/life balance. |
| 6 Sophie asked Paola | to submit | their benefits package. |
| 7 Paola has already | encourage | female staff back to work. |
| 8 Sophie is going | to introduce | at the next regular meeting. |

4 Complete these phrases from the meeting.

USEFUL LANGUAGE

Asking for somebody's opinion or ideas

What is your view on this?

Could I have some feedback?

Could _____¹, Steve?

_____² prepare a

summary ...?

Clarifying

What exactly _____³

by ...?

As _____⁴, we need ...

I'll fill you in on ...

Giving an opinion or feedback

Yes, I think we need ...

Well, I'm _____⁵

of ...

Good idea.

However, _____⁶

look ...

That's _____⁷.

By the way, ...

5 Two companies have posted their remuneration packages on the job page of their company websites. Label the descriptions of benefits (1–12) with items a–l.

- | | |
|---------------------------------|-------------------------------|
| a performance-related pay | g profit-sharing bonus scheme |
| b sports club membership | h life insurance |
| c employee assistance programme | i cafeteria |
| d flexible working hours | j creche/childcare facilities |
| e relocation expenses | k shares in success |
| f pension scheme | l salaries |

Benefits & rewards

We want to attract, motivate and hold on to our best personnel by rewarding you fairly with the following benefits:

- 1 A first-class non-contributory retirement scheme (i.e. fully paid by the employer).
- 2 Coverage for your loved ones of four times your annual salary.
- 3 Free shares after one year's service, dependent on company profits.
- 4 Fitness, sports facilities, massage, and yoga classes plus 20% off membership of a wide selection of fitness clubs.
- 5 Daily nursery / kindergarten provision.
- 6 Counselling and advice on personal and domestic issues.

Remuneration package

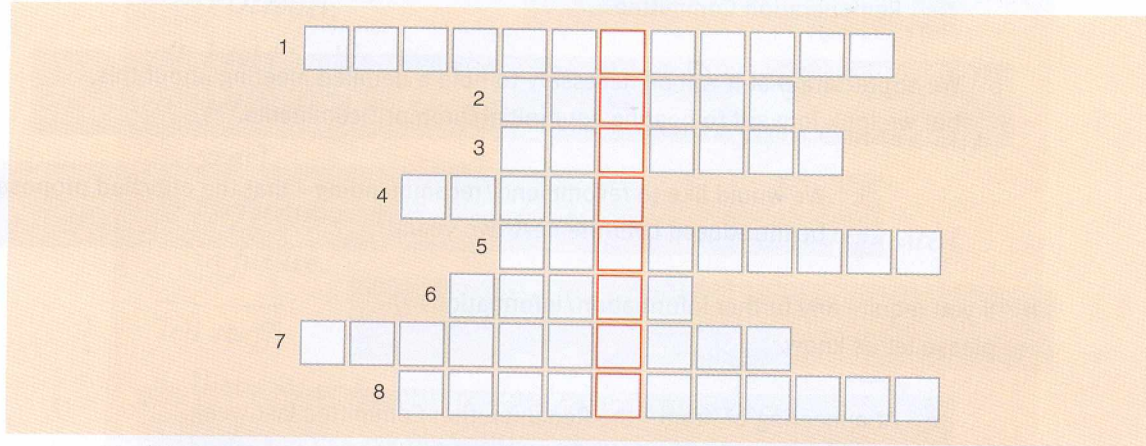
In return for your contribution to our organization, you can expect a role that offers considerable variety and a chance to pursue your ambitions with the company both nationwide and internationally.

- 7 Depending on level, role, and experience, we offer attractive salary packages to recruit and retain the best personnel.
- 8 Payment is reviewed on a merit basis, based on how well you carry out your job.
- 9 You can adjust working hours to suit personal and family commitments.
- 10 Paid out twice a year dependent upon business results.
- 11 Hot meals, salads, and snacks at heavily subsidized prices.
- 12 Comprehensive moving expenses if you take up a new position or are transferred.

Which package do you find more attractive? Why?

6 Use the clues to complete the puzzle and find the hidden word.

- | | | |
|---|--|---|
| 1 you don't have to pay anything: non-... | 4 a small part of a company which is bought or given as an investment | 6 according to how good you are: on a ... basis |
| 2 a place where children are looked after | 5 an informal restaurant where you take the food to the table yourself | 7 moving an employee to a new worksite |
| 3 money received regularly after retirement | | 8 giving professional advice |



7 Word families: Complete the following sentences with words related to the key words. (You might need to add prefixes or suffixes and change the form.)

benefit

- We all _____ greatly from job satisfaction.
- People receive sickness and unemployment _____ from the State.
- Your husband is the _____ of your life assurance policy in the event of your death.

review

- Salaries are normally _____ annually.
- We carry out appraisal or performance _____ in September/October each year.

8 Now use phrases from page 43 and below to role play a meeting with your colleague(s) about benefit packages. Either refer to the role cards in the Partner Files or think of your own situation.

PARTNER FILES

- Partner A File 05, p. 61
- Partner B File 05, p. 63
- Partner B1 File 07, p. 63

USEFUL LANGUAGE

Agreeing and disagreeing

- I entirely agree.
- I'm inclined to agree with you on that.
- Yes, but have you considered ...?
- I'm afraid I can't go along with that.
- Sorry, but I really can't agree.

Interrupting

- Could I just say that ...?
- I'd like to add a point here.
- Excuse me, can I just come in here?
- Sorry, but may I just clarify a point before we go on?

9 You are writing a short follow-up email to the Board about your recommendations. Choose the correct words in each sentence, then put the sentences in the right order.

Dear Board Members

- a Best wishes/Yours faithfully¹
Remuneration Committee
- b We appreciate that it will be necessary to hold a detailed meeting about this, but we look forward to hearing your initial/prompt² comments.
- c We would like to recommend/recommending³ that the attached proposals be introduced over the next two years.
- d If you require any further information/informations⁴, please let us know.
- e At a meeting of/from⁵ the Remuneration Committee last week, the question of a new benefits package has been/was⁶ raised.
- f We feel this would offer/involve⁷ the staff more flexible working arrangements, while benefiting the company in terms of a happy and contented workforce/workers⁸.



10 Sophie is now talking to the marketing manager, Tim Brown, about salary increases for his staff. Listen to their conversation. Then complete what they say by matching the two halves of the sentences.

- 1 ... we haven't reviewed salaries
 - 2 ... come back to me
 - 3 ... we haven't had to make
 - 4 ... are there any staff developments
 - 5 Your department
 - 6 I'm worried about the number of hours
- a is particularly vulnerable ...
 - b on the horizon?
 - c for over a year.
 - d any staff redundant.
 - e some of your staff are working.
 - f with recommendations ...



Look at Tim's notes from the meeting and correct them where necessary.

- 1 The Board ^{has agreed} ~~needs to agree~~ the ^{5%} ~~5.5%~~ review, effective from 1 October.
- 2 I told Sophie that there are at least six staff who should get more than 5% (those who relocated from Canada last year).
- 3 Performance review and salary review will be separated in future.

Tell staff

- 4 There won't be any redundancies this year.
- 5 Performance reviews will take place in the new year.
- 6 Flexitime will be introduced next year.
- 7 No figure for next year's bonuses yet.

Action

- 8 Give Sophie my recommendations asap.
- 9 Keep reviews to the agreed level if possible.

Listen again to check your corrections.

DID YOU KNOW?

In the U.K. a salary increase is also called *a rise*. It is called *a raise* in the U.S.

Can you remember the words Sophie and Tim use to talk about trends? Enter them below. Then listen again or read the transcript to check.

upward movement

downward movement

an increase

USEFUL LANGUAGE

Talking about figures and numbers

Figures and numbers are used extensively in human resources to talk about salaries, bonuses, and budgets. The following abbreviations are commonly used in writing:

k	thousand	€50 k (fifty thousand euros)
m	million	\$10 m (ten million dollars)
bn	billion	£5.75 bn (five point seven five billion pounds)
inc	including	€25,000 (inc benefits) (twenty-five thousand euros, including benefits).
ph	per hour	\$10.00 ph (ten dollars per hour)
pa	per annum	€20,000 pa (twenty thousand euros per annum)

Note the differences:

459	four hundred and fifty-nine (U.K.)	45,000	(Not: 45,000)
	four hundred fifty-nine (U.S.)	\$8.75	(Not: \$8,75)

11 How do you say these figures? Say them or write them out in full.

- | | | |
|--------------|----------------|-----------------|
| 1 €5000 | 3 \$50,239,150 | 5 \$110,000,000 |
| 2 £60,000 pa | 4 €70 bn | 6 £150 ph |

12 In the U.K. it is usual to quote salaries when advertising jobs. Match the salaries or wages below (1–6) with the extracts from job adverts (a–f). How do these salaries and hourly rates compare to those in your country?

- | | |
|--|--|
| 1 Salary approx. £18,000 pa | 4 £8.25 per hour (rising to £8.80 per hour after 12 weeks) |
| 2 £45,724–£48,750 pa – a relocation package is available | 5 £8.00 ph Monday to Saturday/£10.00 ph Sunday and bank holidays |
| 3 £8.00 per inspection | 6 Salary £50,000 + car + extensive benefits |

Read this article from an HR trade magazine and discuss the questions which follow.

a Vehicle Inspectors

Use your own car to look at the vehicles of prospective insurance customers and complete a simple checklist. Pay according to how many inspections you carry out. Ideal candidate must have own car, hold a full driving licence ...

b Customer Service Assistants

We are currently seeking people with previous customer service experience, who can work flexible shifts. The job involves dealing with our customers at the airport, giving advice, recommending products, and offering travel tips ...

c Now recruiting bus drivers ...

Full-time vacancies available for PCV licence holders. You will benefit from 4 weeks' paid holiday, pension scheme, and free travel on bus and underground services ...

d Head of Personnel Services

One of the oldest police forces in the country with ca. 2300 staff, with an excellent reputation for performance, seeks an experienced HR professional to lead an HR team across the county ...

e

Electricians

Productivity bonus, 40 hours per week, vehicle supplied. Applications are invited from experienced and qualified electricians to join our busy team. Please apply for a recruitment pack by phoning ...

f

U.K. Sales Manager, Essex

required to lead the U.K. sales force. At least five years' successful experience in a similar post in the food and beverage sector is a must. Excellent communication skills, a flair for business, and a competitive spirit are essential ...

Did You Know?

Wage was traditionally used for the money paid regularly to a worker (usually in cash on a weekly basis) and *salary* for monthly pay. However *wage* is still used as an alternative to *salary* when talking about *pay* in general, e.g. *wage differentials*, *wage freeze*, *minimum wage*.

OUTPUT

Dissatisfaction over benefits packages

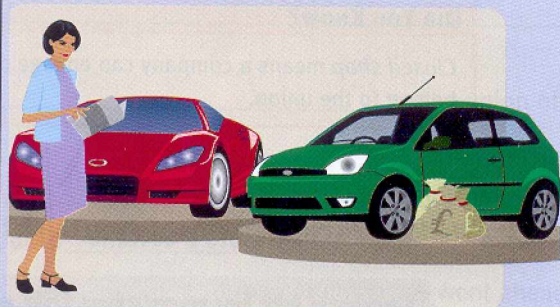
Companies are wasting billions providing non-salary benefits, the value of which is not understood by employees

New research has revealed that many employees don't appreciate their benefits or know their value in monetary terms, despite the fact that 90% of employers believe such benefits are essential to both attract and keep staff.

At a time of strong competition in the recruitment market, it's essential that money is spent on relevant benefits and that they are appreciated by the staff. There is a move towards more flexible benefits where employees can choose their package, the report stated. A number of initiatives are currently being piloted by companies.

One such company recently decided to introduce a new benefits package in stages and then issued all staff with an employee benefits statement, so they could see exactly what they were getting. Now they are running focus groups on the scheme, before introducing fully flexible benefits. These focus groups allow staff and employers to examine the full

extent of the benefits being offered, and to find out which benefits have the most value to each individual and how they can best help the work/life balance of today's employees.



Is this being too democratic? As long as budgets are not exceeded, what could be better than to consult with employees on what benefits they prefer? You could have a more contented and motivated workforce at the end of the day.

OVER TO YOU

What fringe benefits, if any, are negotiable in your company? Are new employees ever asked what benefits they would prefer to have?