UNIL | Université de Lausanne

HEC Lausanne

Tour d'Horizon de la Rémunération Flexible

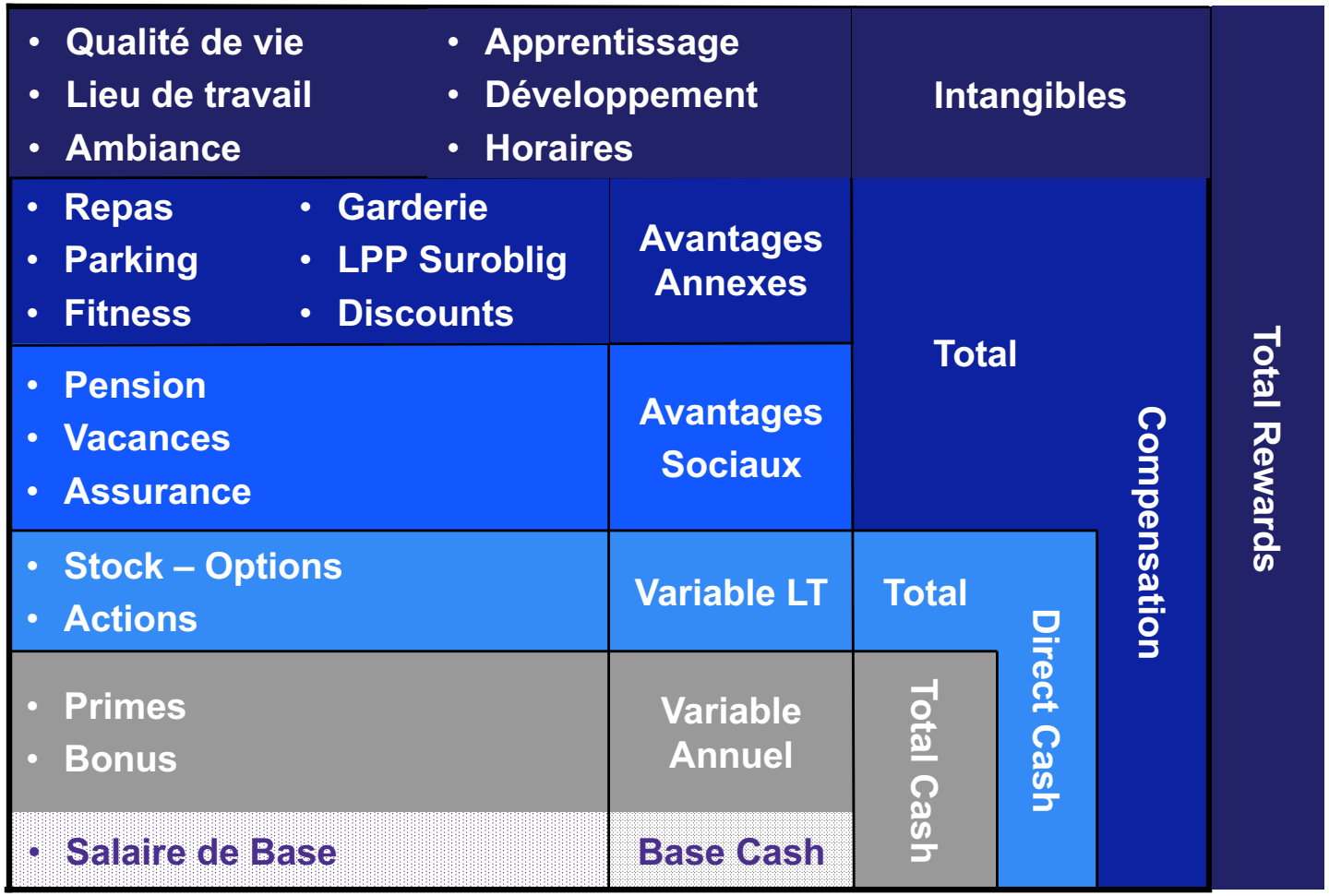
CVCI – 04.05.17

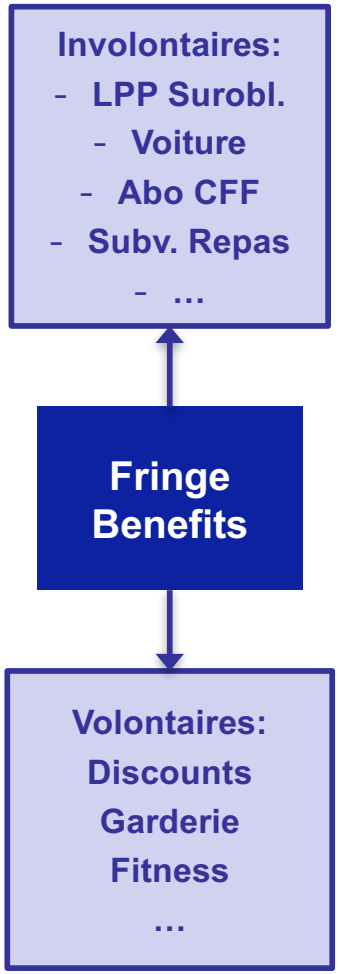
Alain Salamin

| le savoir vivant |

EFMD EQUIS ACCREDITED

Définition : Eléments de Rémunération





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Le Cas General Motors

- A la fin 2002, le Fond de Pension de GM faisait face à un découvert de USD 19.3 milliards
- De même, la couverture de l'assurance santé montrait un découvert de USD 51.4 milliards
- GM USA disposait à fin 2002 de 410'000 retraités avec pensions garanties ainsi qu'une couverture d'assurance maladie (Healthcare) pour eux et leurs familles entièrement payé par GM
- Dans les 10 ans précédents, GM avait déjà injecté USD 37 milliards dans son fond de pension, dont 5.8 milliards en 2002 uniquement
- Le 26 Juin 2003, General Motors emprunta sur les marchés financiers USD 17.9 milliards dont plus de 10 milliards seront consacrés à recapitaliser leur fond de pension
- En 2004, on estimait que le coût de production d'une voiture était pénalisé à hauteur USD 800.- provenant du fond de pension et USD 1'525 pour les couvertures santé offertes aux employés
- Avec l'effondrement des ventes, GM fut sauvée en 4 temps:
  - 2005 – 2008 : désinvestissements massifs
  - 2008 : prêt d'urgence de USD 15 milliards par le gouvernement
  - Juillet 2009 : chapitre 11 de la loi des faillites
  - Août 2009 : nouvelle société avec capitaux de USD 60 milliards injectés par les USA et le Canada

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Constats

1. **Les Frais de personnel > 50% de vos coûts**
2. **Les Benefits > 25% des Coûts du Personnel**
3. **Les Benefits ont un ROI faible**
4. **Les Augmentations Annuelles sont peu attractives**

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Trend 1 : Créativité & Différentiation

BAIN & COMPANY CAREERS

"Bain World Cup" : tournoi de football pour tous les employés du groupe. 2016: Bruxelles. 2017: Los Angeles.

Goldman Sachs

A rajouté l'inversion chirurgicale du sexe dans sa couverture santé

Spotify

En plus des vacances, fermeture complète de l'entreprise 1 semaine en Décembre et en été

Adobe

6 mois de congé parental payé, plus 1 mois de d'arrangements flexibles au retour. Prise en charge des coûts de fécondation artificielle et de congélation d'ovules/spermatozoïdes

Rembourse 100% des frais d'étude pour un programme Bachelor en ligne à Arizona State University

STARBUCKS COFFEE

Google

Paie au partenaire survivant 50% du dernier salaire pendant 10 ans

WWF

"Panda Fridays" : chaque 2 semaines, libération de travailler le vendredi pour un projet caritatif

salesforce

Les employés reçoivent 6 jours de congés par an pour des projets d'intérêts généraux. Si les 6 sont utilisés, l'entreprise verse USD 1'000.- à l'organisme de bienfaisance désigné par l'employé

Deloitte.

Offre 2 programmes sabbatiques : 1 mois sans justification (et sans salaire) et 3 à 6 mois pour un projet de développement personnel payé à 40%

Scripps

Offre une assurance santé pour les chats et chiens des employés

Genentech
A Member of the Roche Group

Offre toutes sortes de commodités sur site : garderie, médecin, dentiste, coiffeur, spa, sports, etc…

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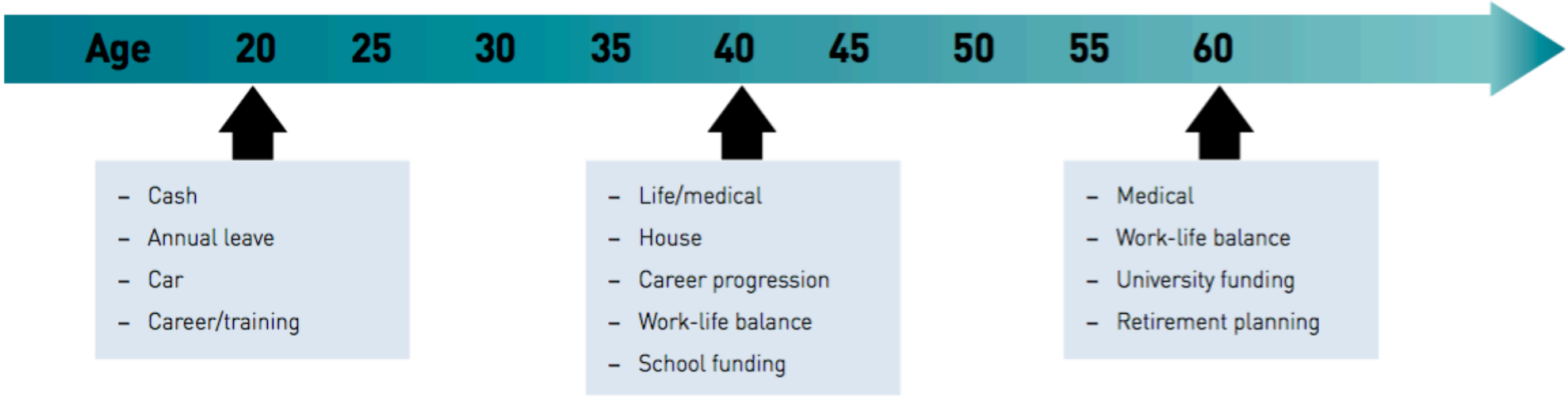
Trend 2 : Offrir la Flexibilité



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Un Exemple Concret :

1 Core benefits

- Flexible benefits allowance.
- Income protection.
- Life assurance.
- Health assessment.
- Private medical insurance.
- Wellness checkpoint.

2 Flexible benefits

- Retirement.
- Life assurance (for your spouse/partner).
- Critical illness insurance.
- Dental insurance.
- Personal accident insurance.
- Holiday flex.
- Childcare vouchers.
- Cycle to work.
- Personal travel insurance.

3 Voluntary benefits

- Employee assistance programme (EAP).
- Employee charitable giving and company matching programmes – you give and we match.
- Employee car plan.
- Discounted reloadable gift cards.
- Discounts on products and services, including:
  - BP regular or ultimate petrol and diesel.
  - Ford car purchase discount.
  - Ford and Volvo car lease scheme.
  - Electronics, clothes, shoes and jewellery.
  - Books, entertainment, sports and fitness.
  - Food, drink and eating out.
  - Insurance cover such as home, motor and breakdown cover.

e is made up of 3 elements:

2 Flexible benefits	3 Voluntary benefits
Use your flexible benefits allowance and base pay to take advantage of these benefits.	Enjoy discounts on a wide range of goods and services all year round.

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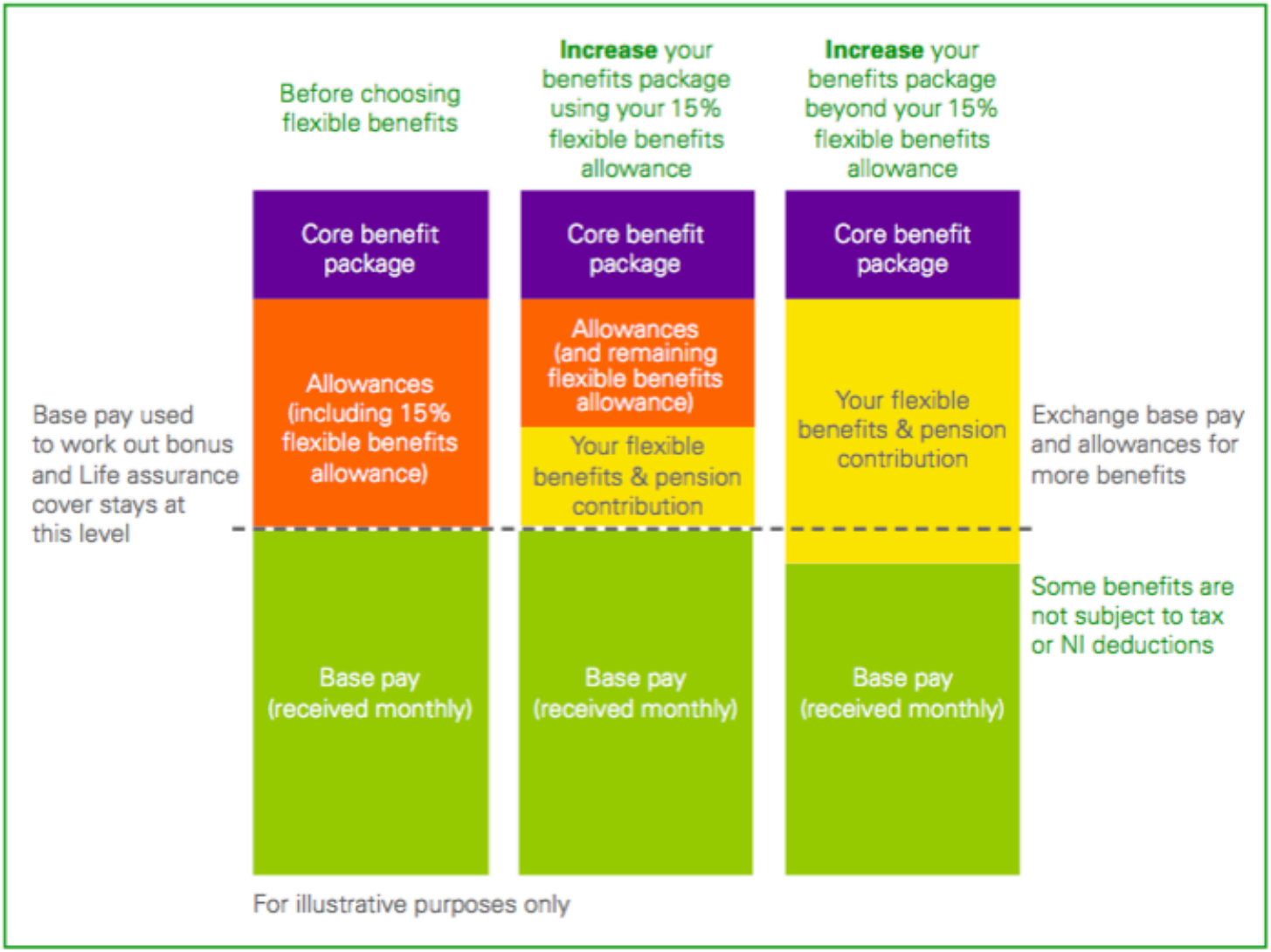
Un Exemple Concret :



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Un Exemple Concret :

Retirement and savings

Retirement NI T*

- You can change the percentage of base pay that will be paid into the DC2010 Plan (from 0% to 100% of your base pay).
- You can choose where to invest the contributions, from a range of investment funds. You can make your choice through **your benefits, your way** when you first join the plan and afterwards through Aegon at

Life assurance (for your spouse/partner) NI

- Pays a lump sum if your spouse or partner dies.
- To begin with, you can choose from a range of cover levels from £25,000 to £250,000. So long as your spouse or partner can satisfy a short online questionnaire, they won't have to show extra evidence of their health.

Critical illness insurance NI

- Pays a tax-free lump sum of up to £250,000 if you're diagnosed with a specified serious illness or permanent disability, including cancer.

Insurance and protection

Personal accident insurance NI

- Pays a lump sum if you are in an accident that causes certain injuries (for example broken bones), disabilities or death.
- You can choose cover for yourself in steps of £25,000 up to £500,000 at most.

Life assurance C NI T

- Pays a lump sum in the event of your death.
- The core level of cover is 4 times your base pay.
- To begin with, you can choose cover of up to 14 times your base pay. So long as your cover is under £1.8 million, you won't have to show evidence of your health. Any cover over £1.8 million will need further underwriting.

Income protection C NI T

- Pays a regular income if you are absent from work due to illness or injury for at least 26 weeks.
- It will pay 50% of base pay for up to 5 years, or earlier if:

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Un Exemple Concret :

Health and wellness

Private medical insurance C NI

- Personal private healthcare paid for by us. You only pay an income tax charge*.
- Provides fast access to the diagnosis and treatment of an illness.

Dental insurance NI

- This insurance helps cover the cost of dental treatment, whether you are a private or NHS patient.
- Covers you for pre-existing dental conditions and you can stay with your current dentist.

Work-life

Childcare vouchers NI T

- A tax-efficient way to pay for childcare.

Cycle to work NI T

- A tax-efficient way to hire a bike for 12 months through a Government scheme.
- Provided by Cyclescheme.

Holiday flex NI T

- You can increase the total holiday you can take in a holiday year by 1 or 2 days (the 'holiday year' runs from 1 January to 31 December).

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Un Exemple Concret :

Voluntary benefits

Discounts and savings

- Visit *bp.com/voluntarybenefits* for savings on a variety of everyday purchases.

Employee car plan

- Our Employee car plan, provided by Zenith, offers you exclusive discounts when you buy from leading car manufacturers.

Charitable giving

- The BP Foundation supports worldwide humanitarian aid, as well as activities in the community.
- We value your energy, enthusiasm and time working with schools, charitable organisations and community groups, and want to reward these efforts.
- We will match your time, effort and gifts to your favourite UK charity to the value of $5,000 a year.

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Logiques Justifiant les FLEX ?

"70% des employés pensent que leur employeur devrait les comprendre avec la même finesse qu'ils sont sensés comprendre leurs clients. Seuls 43% des employés pensent que leur employeur répond à cette attente"

pwc

Millennials at work
Reshaping the workplace

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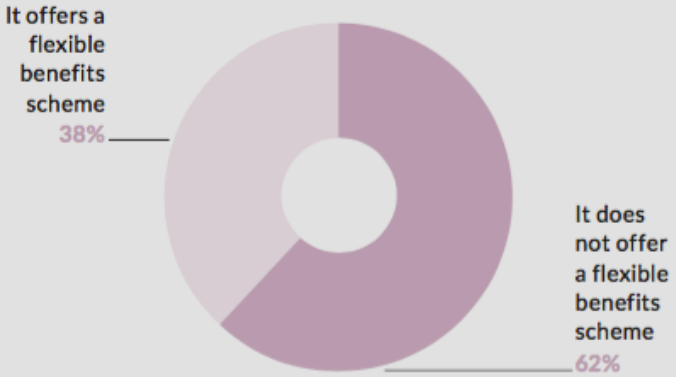
Où en est-on avec les FLEX ?

employee benefits
salary survey 2017

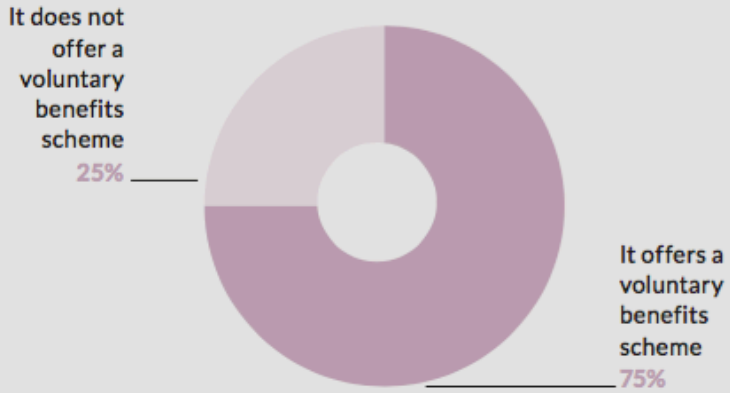
01

Proportion of respondents who work for an organisation that offers a flexible benefits scheme Sample: All respondents (231)



02

Proportion of respondents who work for an organisation that offers a voluntary benefits scheme Sample: All respondents (233)



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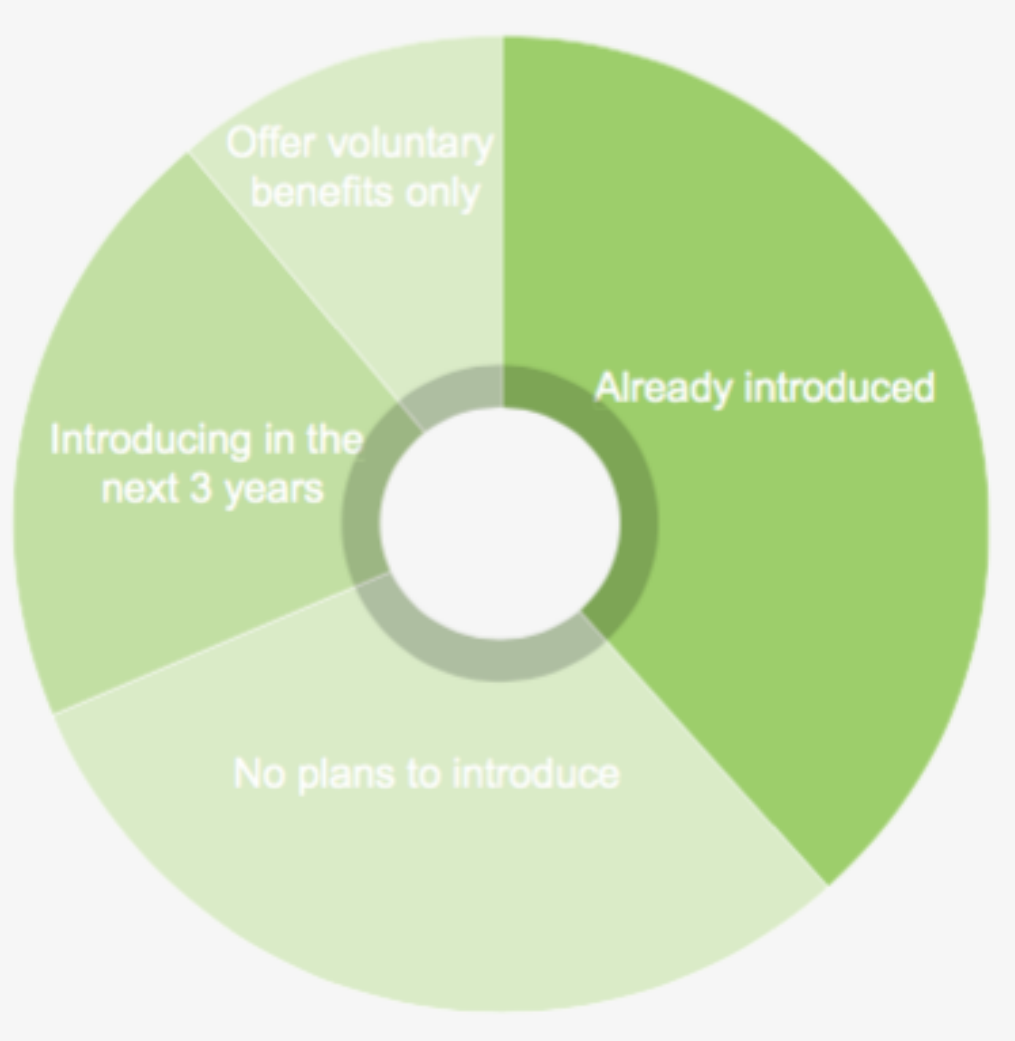

Aon Employee Benefits Benefit & Trends Survey 2016

AON Empower Results®

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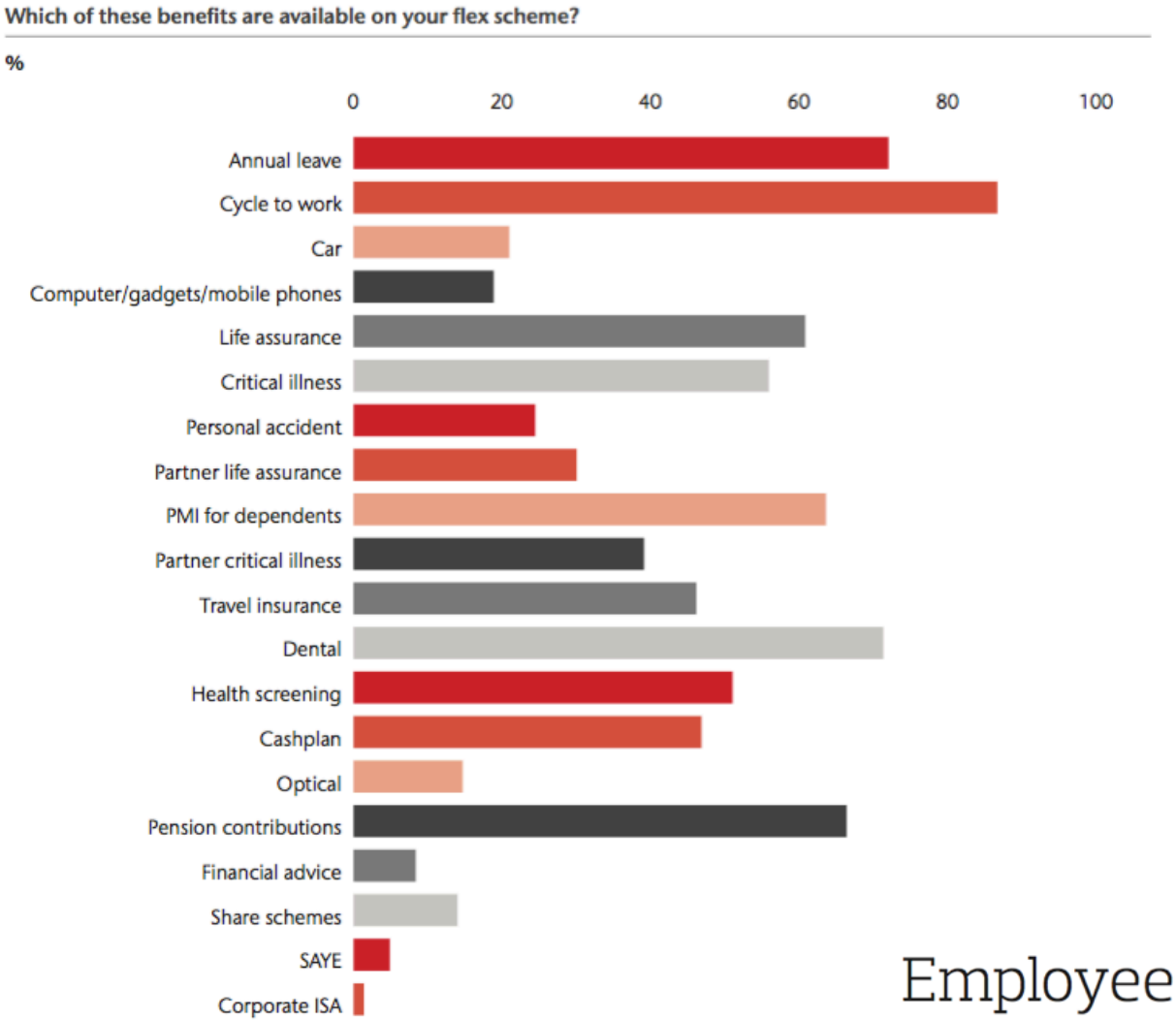
Où en est-on avec les FLEX ?



AON
Empower Results®

Employee Benefits and Trends Survey 2015

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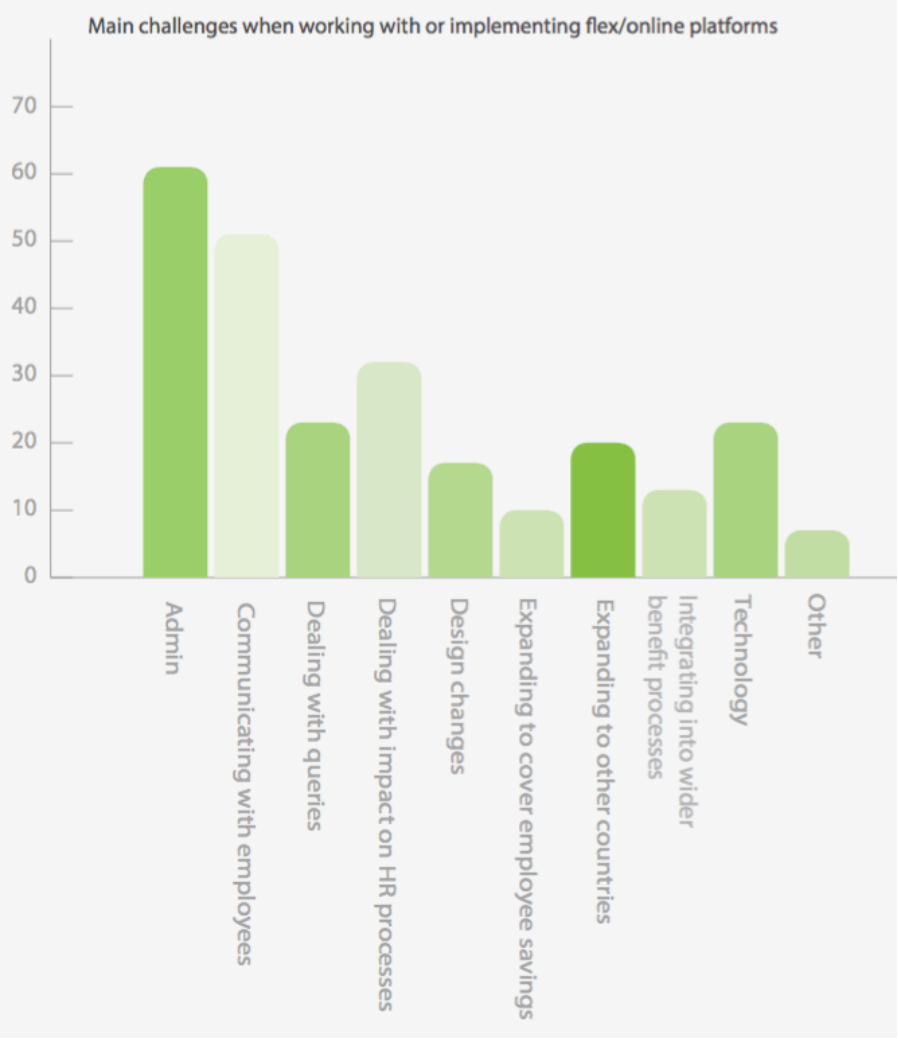
Où en est-on avec les FLEX ?



Aon Employee Benefits
Benefit & Trends
Survey 2016

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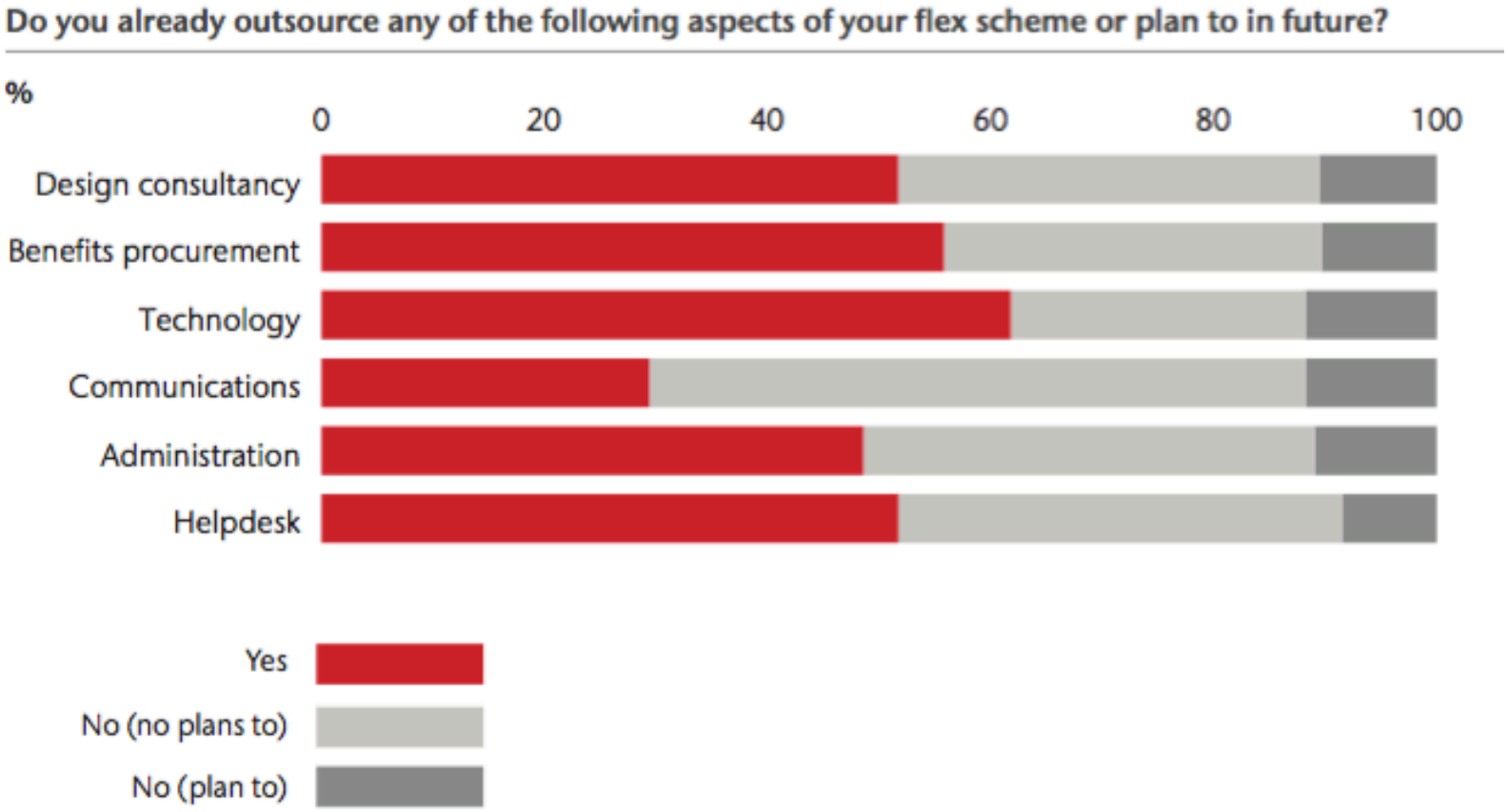
Où en est-on avec les FLEX ?



Employee Benefits and Trends Survey 2015

AON Empower Results®

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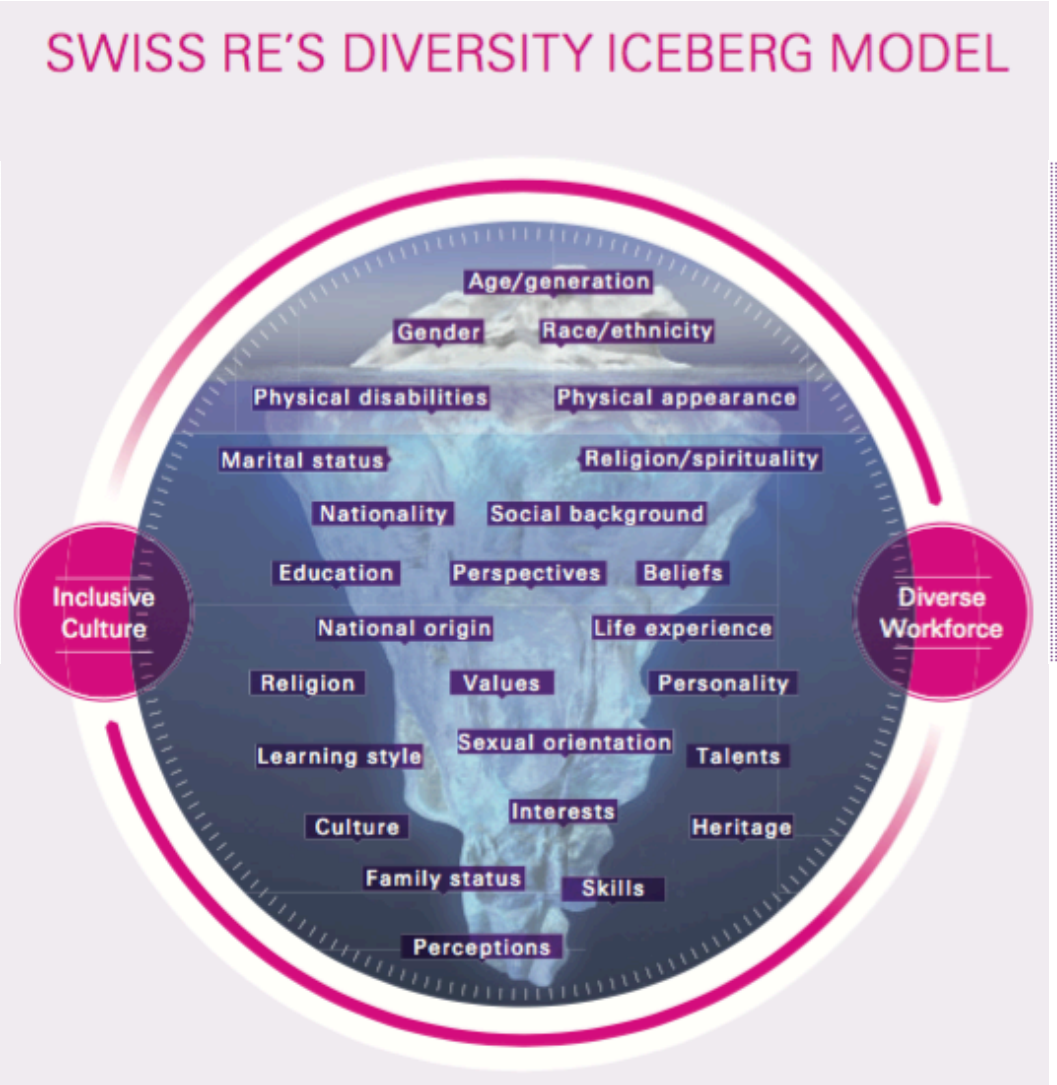
Plus de Flex chez Swiss Re

JOURNEY TOWARDS AN AGILE WORK CULTURE



OWN THE WAY YOU WORK™

LIVING TEAM SPIRIT

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Plus de Flex chez Swiss Re

1 ONE SIZE DOES NOT FIT ALL

Embrace agility and support both traditional and non-traditional work models

2 WORK SMARTER NOT LONGER

Find new ways of collaborating across functions and different time zones

3 FOCUS ON THE TEAM RATHER THAN THE INDIVIDUAL

Discover ways to perform at your best through collaboration with your team

4 REINFORCE TRUST, RESPECT AND OPEN DIALOGUE

Strengthen these values between you, your team and your manager

FLEXIBLE WORK ARRANGEMENTS AT SWISS RE

Flexible Working Hours Arrangements

- Flexible hours – adjusting arrival and departure times on a daily basis
- Compressed work weeks – working longer hours over a reduced number of days

Flexible Part Time Working Arrangements

- 3 different models of part time/reduced hours work arrangements
- Job sharing – two employees equal to one full time role
- Part year/seasonal work – term-time contracts
- Unpaid personal leave

Flexible Place of Work Arrangements

- Formal teleworking – designated office is the employee's home
- Alternating teleworking – work a few days a week from home but keep office location
- Occasional teleworking – work from home from time to time

FLEXIBLE WORKING GENERAL GUIDELINES

- One size does not fit all: flexible work arrangements do not work for all work fields or for all employees.
- Business and team needs always come first.
- Flexible working arrangements are not an entitlement.
- Performance needs to be at satisfactory level.
- Formal work arrangements require a signed agreement.
- Mandatory time keeping requirements must be considered.

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Toujours plus de Flex chez HubSpot

Customers are more easily attracted with a **great product**.

Amazing people are more easily attracted with a **great culture**.

Whether we plan it or not, culture will happen.

Why not create a culture we love?

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Toujours plus de Flex chez HubSpot

	THEN	NOW.
FOCUS	Pension	Purpose
NEED	Good Boss	Great Colleagues
HOURS	9-5	Whenever
WORKPLACE	Office	Wherever
TENURE	Whole Career	Whatever

AND ALTHOUGH PEOPLE HAVE DRAMATICALLY CHANGED...

... and as if amazing people are just happy to have a job.

Many organizations operate as if they're **frozen** in time.

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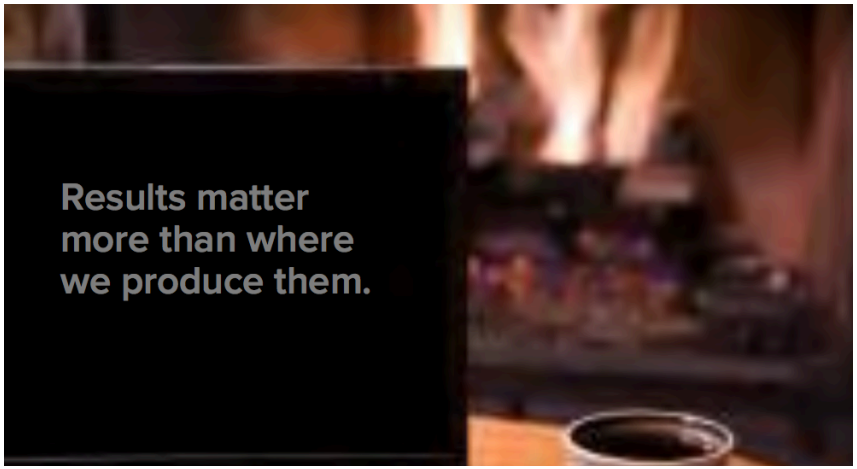
Toujours plus de Flex chez HubSpot

Social media policy.
Travel policy.
Sick day policy.
Buy a round of drinks at an event policy.
Work from home during a blizzard policy.

Our policy on all of these (and most other things):

USE GOOD JUDGMENT.



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Plus de Liberté chez

Managers: When you are tempted to "control" your people, ask yourself what context you could set instead

Are *you* articulate and inspiring enough about goals and strategies?

Netflix Policies
for Expensing, Entertainment,
Gifts & Travel:

"Act in Netflix's Best Interest"

Most companies have complex policies around what you can expense, how you travel, what gifts you can accept, etc.

Plus they have whole departments to verify compliance with these policies

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Plus de Liberté chez

Whether Netflix is prospering or floundering, we pay at the top of the market

– i.e., sports teams with losing records still pay talent the market rate

Health benefits: employees get $10k per year

– If they choose Netflix plans that are less than $10k, they keep the difference
– If they don't need benefits from us, they keep all $10k
– CEO or receptionist: everyone gets $10k for benefits

Big salary is the **most efficient** form of comp

– Most motivating for any given expense level
– No bonuses, no free stock options, no philanthropic match
– Instead, **put all that expense into big salaries,** and give people freedom to spend their salaries as they think best

No Fixed Budgets

- There are no centrally administered "raise pools" each year
- Instead, each manager aligns their people to top of market each year – the market will be different in different areas

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Optional Options

- Employees get top of market salary, and then can request to trade salary for stock options
- Some people take all cash, some people request half their comp in options
  - Both are OK
- This is consistent with freedom and responsibility, and lets employees decide how much risk/reward is comfortable for them

Details on Stock Options

- The options are *fully vested* and are 10-years-to-exercise options, independent of how long one stays at Netflix
- These fully vested options are granted monthly at the then current stock price, so employees get price averaging on their exercise price
- These options cost employees less than half of what such options would cost in the open market, and are from pre-tax salary, so are a great deal
- Employees can change their option request annually
- Options become valuable *only if Netflix stock climbs*

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Conclusion

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