



On-Demand Pay: A Scorecard for Decision Making.

The On-Demand Pay Scorecard: Are You Getting What You Signed Up For?

If you're looking to implement an on-demand pay solution, you probably have a good idea what goals you hope it will achieve — both for your employees and for your company.

These six steps can help you measure the success of the program.



Step 1 Decide on your goals ahead of time

Program KPIs should be established well before program launch. Most employers who offer on-demand pay want to see a boost in employee recruiting, retention and employee financial well-being that leads to increases in productivity and engagement.

Action item: What was your motivation? Set a goal and write it down. Something like: By offering on-demand pay, my goal is to reduce turnover by 45% within my organization.



Step 2 Measure your adoption and enrollment rate

Success is born from high adoption rates. Many organizations improve adoption rates by sending frequent reminders, arranging training sessions and tracking individuals who have been reluctant to hop on board.

Action item: Your on-demand pay benefit provider may track enrollment for you, but it's good to keep your own internal numbers. A "healthy" enrollment rate is generally considered to be 30% of your eligible workforce and above.



Step 3 Compare benefit data with other internal metrics

Measuring how often employees access the benefit is equally important as adoption rates. Determine how frequently employees log in to their on-demand pay account or withdraw funds. How does the frequency compare to other voluntary, company-sponsored benefits? Which are used most often?

Action item: Find a provider that makes it easy to track usage trend reports. Compare these figures to your other internal benefits when possible.



Step 4 Determine if the benefit had a noticeable return

Once the program is launched, revisit performance 1-3-6-12 months to see if your on-demand pay benefit is helping to achieve your goals. This is also the time to observe ancillary changes. Has the recruiting process become smoother? Is the workforce more engaged? ROI may be quantitative and/or qualitative.

In addition, consider measuring changes across these different areas to determine if on-demand pay has had a positive effect on ROI:

Operations:



- Employee Productivity
- Employee Absenteeism
- "Customer Experience (NPS)
- Sometimes called OSAT/CSAT for retailers"
- Cash Shrinkage

Payroll:



% of employees on paper check
Timeclock compliance

Recruitment:



- Time to Hire (From Application to First Day Worked)
- Average Number of Applicants per Posting
- Recruitment Costs per New Hire
- Employee Turnover (first 60 days of employment)
- Employee Turnover (first 90 days of employment)

Human Resources:



- Team Member Satisfaction (eNPS)
- Employee engagement
- Overall Team Member Experience
- Avg. Annual Employee Turnover
- Employee Turnover (first 30 days of employment)
- Employee Turnover (first 60 days of employment)
- Employee Turnover (first 90 days of employment)

Action item: The easiest way to track a return is through control groups or comparisons pre- and post-launch of your on-demand pay program. For example, if your on-demand pay benefit is optional, measure the turnover rate of those who enrolled in the on-demand pay benefit vs. those who did not enroll.



Step 5 Get first-hand feedback

Measure employee experience to help you understand if and how the benefit is helping your workers. Does the on-demand pay provider you're considering measure employee satisfaction? You can also conduct your own internal eNPS and Pulse surveys to gather anonymous feedback that will help you gauge employee satisfaction.

When creating these surveys ask specific questions like:

- What do you use the benefit for?
- Has the on-demand pay benefit reduced stress or improved your financial well-being?
- What changes would you make to the benefit?
- What has your customer support experience been like?

Action item: Send your employees an eNPS or Pulse survey to see what they think about the on-demand pay benefit. Measure customer satisfaction to monitor improvements you might see with increased employee engagement resulting from your on-demand pay solution.



Step 6 Learn from your findings

The data you gather in the previous steps should help detail how well your employees have received the on-demand pay benefit. As your business changes and grows, it's important to continue to review benefits and suppliers. What works today may need adjustments in the future.

Action item: Review your on-demand pay benefit program annually. Part of your review should include research on the current marketplace and new pay solutions that could further enhance your employee experience.

Bottom Line

On-demand pay isn't a "set it and forget it benefit." In order for it to truly make a difference in terms of employee financial well-being and your bottom line, it needs to be continually nurtured among employees and evaluated in terms of the tangible ROI benefits it is providing.

To learn more about on-demand pay, see The On-Demand Education Series (link to overview page), dailypay.com/on-demand-pay which includes the following:



Understanding On-Demand Pay



The Real Costs of On-Demand Pay Solutions



Implementing and Managing On-Demand Pay Solutions



The Employee Experience: Solution, Rollout, and Support



The On-Demand Pay Scorecard. Are you getting what you signed up for?



The On-Demand Pay RFP



Fostering Diversity, Equity, and Inclusion with On-Demand Pay