

# As Workers Expect More, Employers Need To Rethink Benefits Strategy

1 in 3 employees say the top reason for seeking a new job was better compensation and benefits. Employees also want flexibility, or a better work-life balance.

The relationship between employers and workers has undergone a generational transformation in recent years. In this brave new world, employee benefits have taken center stage.

“Looking back at the past several years, it has been challenging for employers,” says Sina Chehrazi, cofounder and CEO of Nayva. “This is the first generation of workers who have lived through a pandemic, lived through war and lived through social media. Look at the **Great Resignation** and the Great Reshuffle, and what we have seen is that employees want to work for an employer who supports their values, who offers them what they want from their lives and who values them. We all know how important benefits are in that value proposition.”

Chehrazi and other benefits experts shared their insights during

“Rethinking Benefits: A Focus on Employee Experience and Compliance,” a

July 26 webinar sponsored by ADP. At a time of fierce competition for qualified workers, employees and job seekers hold many of the cards.

“We have gone from a record-high unemployment rate in 2020 at the beginning of the pandemic of 14.7% to 3.6% as of June,” says Maggie Novo-Chavarry, senior principal of ADP Strategic Advisory Services. “The labor market remains strong. U.S. employers added 372,000 jobs just last month. Workers are still in the driver’s seat, so employers have had to get creative to attract talent, remain competitive and retain employees. On top of this, they have had to navigate numerous regulations that are driving changes in employee health plans.”

In a recent study, 1 in 3 employees say the top reason for **seeking a new job** was better compensation and benefits. The second reason was flexibility, or a better work-life balance. “Employers need to continue to navigate the tough road ahead and rethink the impact and value of their benefits,” she says.

Simply put, workers know what they are looking for and are not hesitant to change jobs to attain it.

“What we are learning is that folks are not afraid to leave a steady, stable role to pursue a passion project,” says Susan Oliver, vice president and head of enrollment for Guardian. “It’s paramount now to show the value you

have for employees and show them that you care by providing benefits that matter to them. They are much more holistic in nature than they ever were before.”

For example, **voluntary benefits** now are largely essential instead of optional, as in the past. “Voluntary benefits have become a must-have in your benefits portfolio, so look for ways to expand those benefits and integrate them into an overall benefits strategy,” Novo-Chavarry says.

“There is a trend around lifestyle benefits. This is a way to truly broaden your reach into what your workforce needs and differentiate your benefits.”

Employees now consider these benefits to be essential:

- Medical, dental, vision, life and disability
- Telehealth visits, including mental health counseling
- Voluntary benefits (fill gaps and align to needs of workforce)
- FSA and HSAs
- PTO (vacation and sick leave)
- Paid parental leave

However, benefit offerings alone, while important, are not enough.

Employees also expect these things from their benefits experience:

- Easy enrollment process and accessible resources
- Clear, consistent communications

- Self-service/mobile
- Transparency (lower out-of-pocket costs when accessing care)
- Benefits confirmation statement

Education and communication also are critical. At the same time employees say they know what they want in a benefits package, they also admit they **don't fully understand** what their employer offers.

“Ninety percent of employees rank benefits as the second-most important thing they look at when assessing a new opportunity, yet 70% say they are not confident in benefit selection,” Chehrazi says. “They don't understand their benefits. When it comes to attracting and retaining talent, what's become clear over time is that education is as important in benefits as it is with anything else in life.

“Companies are spending more money than they ever have before on benefits. How are you communicating that investment and making benefits plans come to life? That's where we see the greatest results in the impact benefits can have on a changing workforce.”

Clear communication must begin at open enrollment.

“Enrollment is extra important, because folks don't really understand the benefits that are being made available to them,” Oliver says. “The time to share that information with employees is at enrollment. We have to get to

employees in a manner that works for them, in a mode of communication that is native to them and exactly where they are at the point of open enrollment.”

An effective employee benefit strategy is an important part of recruitment and retention in any economy. In today’s business environment, it’s essential.

“The status quo is not acceptable anymore,” Novo-Chavarry says. “There needs to be a focus on the benefits offered, not just to keep the best talent but also to stand out in the job market. As workers are becoming more selective, a strong benefits package can be the deal breaker for you to onboard your strongest, most-qualified job candidates.”

By Alan Goforth