



What Employees Want

Benefits that drive engagement and retention

The Guardian Life Insurance
Company of America
New York, NY

guardianlife.com

Renewed focus on employee retention

High employee turnover can have a significant impact on the health of a business, both financially and emotionally. In fact, statistics show that 3.5 million Americans voluntarily leave their jobs every month. This amount of turnover can produce any number of negative effects on business, including lost productivity, money, time and more.

Since employees who are satisfied with their jobs generally don't give them up, high turnover is often indicative of a more significant issue that may require further exploration.

Tackling turnover

The causes of high turnover may vary from situation to situation. But more often than not, they can all be related to the same factors that contribute to absenteeism — interest and satisfaction.

Challenging labor market

3.6% U.S. Unemployment Rate:
April 2019

51% U.S. Job Satisfaction:
August 2018

3.2% U.S. Wage Growth:
April 2019

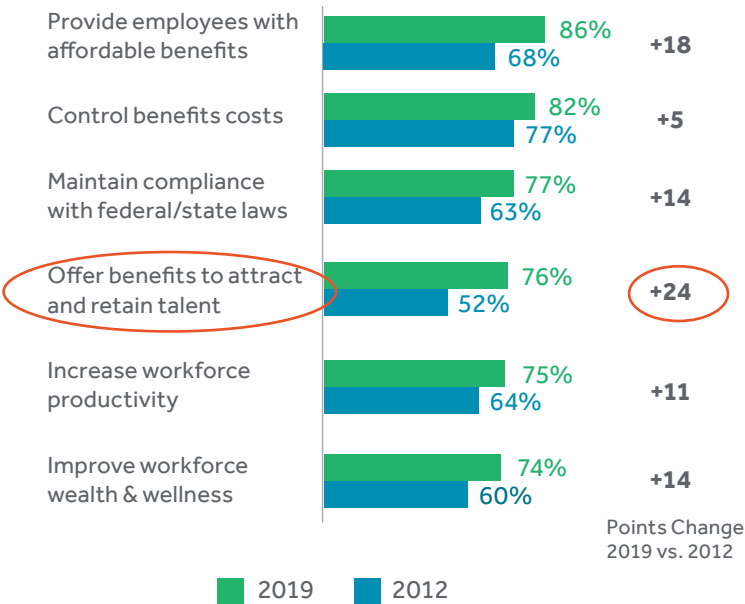
3.7% U.S. Job Turnover Rate:
YTD March 2019

Sources: Bureau of Labor Statistics; The Conference Board; Bureau of Labor Statistics

While a low U.S. unemployment rate is evidence of a healthy economy, a growing surplus of available employment opportunities for the nation's workforce also produces competitive challenges for employers who are attempting to attract and entice new hires, as well as retain those already in their employ.

With that in mind, it is no surprise that offering a more expansive array of benefits to attract and retain talent has increased in importance over the past seven years. The need for employers to take a deeper look at the benefits they offer, as well as the areas that could be improved, has never been more vital.

Employers' top benefits objectives: 2019 vs. 2012



Source: The Guardian Workplace Benefits StudySM; Sixth Annual, 2018

Employee insights:

Understanding the pain points

For the first time in four years, fewer working Americans believe their employers care about their overall well-being. This attitude also extends to a steady decline in satisfaction with the perceived value of benefits being offered by employers.

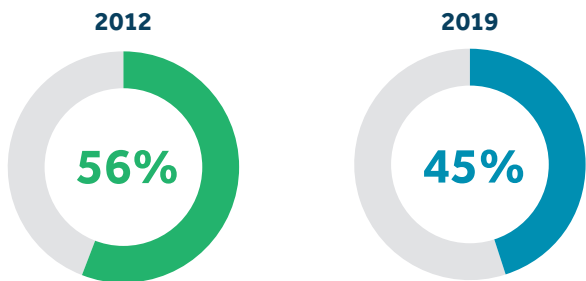
If a company desires to attract top talent or ensure their current employees remain with the business, it becomes necessary to identify any aspects that can be improved or augmented as a way to increase overall job satisfaction.

Roughly half of the U.S. workforce reports high job satisfaction, leaving nearly half (49%) unsatisfied. Some of the more common factors for this include:

Employees do not feel their company cares about their well-being.

When workers feel their benefits package is not meeting their personal needs, it is easy for them to conclude that their overall value to the company is less important. This, in turn, creates dissatisfaction.

Percent of workers who feel their employer cares about their well-being.



Employees feel financially insecure.

This insecurity often stems from their inability to keep up with the increasing cost of living or to adequately meet their financial goals. In either case, both can directly impact overall well-being and satisfaction.

Many working Americans neglect their health.

The rising cost of health care and higher out-of-pocket medical insurance costs for workers often results in employees deliberately neglecting their own health needs.

2 in 5 working Americans are neglecting their health due to high deductibles.



Among those in high-deductible health plans 40% report skipping doctor visits, fulfilling prescriptions, or having recommended procedures in order to avoid paying large medical bills. The resulting effect can have an impact on increased days off or even lead to decreased performance and productivity within the work space.

While many of these pain points indicate potential areas where employers could improve their benefit offerings to increase employee satisfaction, findings show that much could also be done to increase communication and education among employees as a way for them to better understand and utilize the benefits currently available to them.

Workforce insights:

Understanding what employees want

While competitive pay and good benefits have been shown to influence an employee’s decision to join and stay at a company, it is also becoming increasingly important to deliver a more targeted, personalized approach that caters to an increasingly diverse workforce.

Beyond medical and other core insurance and retirement benefits, what could an employer provide that would appeal to employees, as well as help improve retention? In other words, what do employees want that would influence their decision to work for an employer?

Expanding beyond the core benefits

Top benefits that employees say would cause them to want to work for an employer



58% want time off for parental bonding/caregiving

Findings show that what employees want more than anything is *time*. With nearly 6 in 10 working Americans saying they would prefer to work for an employer who offered paid time off for parental bonding and caregiving, the conclusion that could be made is simply that employees are looking for more flexible work arrangements and options that allow them to address their various situations.



55% want supplemental health insurance benefits

Likewise, nearly as many stated that supplemental insurance offerings, like accident, critical illness and hospital indemnity coverage, were viewed as a welcome addition to help pay for expenses not covered by their medical plan, as well as expand care possibilities.



25% want a student loan repayment benefit

Student loan repayment also continues to be one of the hottest new benefit trends currently being offered by employers across the nation. In fact, for the past two years, it has been the most asked about benefit at job fairs. Nearly 7 in 10 millennials say a student loan repayment benefit would influence their job decision.



22% want access to mental health counseling/substance abuse rehabilitation

To round out the top four, 1 in 5 employees stated a desire to have access to counseling and substance abuse rehab benefits. However, it is important to note, many employers already offer access to these types of services at no cost through an Employee Assistance Program, highlighting the need many have to improve awareness and education of current benefit plan offerings.

58% want time off for parental bonding or caregiving

Findings show that what employees want more than anything is time. But what does that mean exactly? What does time look like to the typical worker? For most, time can be identified as more flexible work arrangements. Included among those arrangements are telecommuting and other opportunities that allow employees to feel like they have more freedom and control over their own work-life balance.

The biggest demonstration comes in the form of paid time off. With greater emphasis being placed on caregiving, parental bonding, relationships, personal growth and individual tasks, more and more employees seek employment opportunities that will allow them greater access and ability to manage their own time.

Startups and fast-growing companies are using work-life balance benefits and HR technology to deliver a better employee experience.

Source: The Guardian Workplace Benefits StudySM: Sixth Annual, 2018

Offering a PTO benefits package has not only been shown as a more competitive way to attract a quality workforce, it also offers more flexibility than traditional time off plans that include vacation and sick days. Additionally, offering PTO benefits can lower administrative costs by reducing the time spent tracking and managing employee time, increase employee autonomy by allowing employees to manage their own productivity and raise morale by giving employees the ability to recharge and reconnect as needed.

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Over the last several years, benefit offerings have become increasingly complex for many different reasons, including the economic climate and health care reform, as well as the demand for more flexible, personalized employee-paid plans that can help improve health and financial security.

As such, more and more employers are beginning to recognize a greater need to offer a wider variety of benefits that people with diverse needs value as a way to improve morale and attract and retain new talent. Most importantly, with health care costs and major medical plan deductibles continually rising, most employees appreciate the “safety net” supplemental insurance plans provide — both on the wallet and on the mind.

Many still lack adequate financial protection



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Over the years, student loan debt has reached an astronomical sum. This extreme debt has taken an enormous emotional toll on millions of working, college-educated adults who feel they will never make enough money to reach their financial goals.

In response, many forward-thinking companies have begun partnering with student loan refinancing companies or incorporating student loan repayment options into their benefits packages as a way to attract new talent, as well as foster meaningful relationships with current employees in an effort to boost morale, retention and workplace value.

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It may not be breaking news, but people want to feel happy at work. As more and more workers seek out great places to work — places that fulfill their professional and personal needs — it's becoming increasingly important for employers to consider their current and prospective employees' mental health at work.

Providing employees with access to mental health benefits or substance-abuse programs not only gives employers a leg up within a competitive job market, it also assists to create a culture of understanding and compassion within an organization. And having employees who feel valued and cared for isn't just good for business, it's good for life.



65%

strongly agree... "I believe employers should create a workplace culture that is flexible and empathetic."

Source: The Guardian Workplace Benefits StudySM: Sixth Annual, 2018

70% of employees strongly agree: “I am more likely to be loyal to a company that offers me employee benefits that are personalized to my needs.”



Creating a better benefit enrollment experience

Workplace satisfaction comes from more than just the benefits offered; it also includes the experience in how those benefits are communicated and how employees are enrolled.

Recent surveys indicate most employees do not fully understand the benefits offered to them. In fact, the average score on Guardian's 2019 Employee Benefits I.Q. Quiz is a 68%, or C- on a standard grading scale. Among millennials, scores were lowest, with 1 in 4 failing the quiz. Workforce knowledge continues to be limited about disability insurance and supplemental health plans, such as critical illness and hospital indemnity insurance.

Many working Americans continue to express interest in more personalized benefits communications and an enrollment process that better supports benefits decision-making.

What employees want from an enrollment experience:



Easier to Understand: Clearer explanations; simpler language



More Personalized: Information & advice tailored to my needs; 1-on-1 help



Expert Guidance: A professional to answer questions/validate choices



Digital Support: Mobile apps, modeling tools, short videos

Employees who have a very positive enrollment experience are more confident in their benefits decisions, place higher value on their benefits package and have a more favorable view of their employer.

Conclusion:

Improving the benefit education and enrollment process

As it stands, very few might call the annual benefits enrollment process “fun.” However, considering the lack of awareness surrounding current benefit offerings, improving the enrollment experience is another vital opportunity for employers to help their employees make important, informed decisions that could affect their immediate and long-term future.

An improved experience will also help to improve the employee/employer relationship through a shared understanding of each other’s needs and how those needs are being addressed. In other words, having a clear, simple understanding of what is being offered is a proven way to improve employee morale and job satisfaction.

Nearly 50% of employees find making decisions about benefits very stressful.

Benefit awareness and enrollment can be a challenging aspect for those concerned about their bottom line and staff retention. But it doesn’t have to be.

- Make benefits easier to understand by reducing or even removing jargon from materials
- Provide clear explanations for how benefits fit together and what each provides
- Access to digital tools like mobile apps, educational videos and professional consultation to answer specific benefit questions
- Make the experience more personalized to each audience’s needs

Using benefits to help reduce employee turnover

Today, many companies are facing their employee retention challenges head-on by seeking to enhance their

benefits package on a continued basis in order to keep up with evolving trends. This includes offering policies and programs that allow for greater employee flexibility through paid time off and other work-life balance measures; incorporating new or augmented benefits intended to help relieve outside financial pressures, such as student loan repayment and supplemental health insurance options; as well as providing access to additional resources for continued personal improvement, such as mental health counseling and substance-abuse rehabilitation.



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of employees strongly agree... “I am more likely to be loyal to a company that offers me employee benefits that are personalized to my needs.”

Source: The Guardian Workplace Benefits StudySM: Sixth Annual, 2018

Retaining employees for longer periods can have numerous benefits for an employer, including the time, effort and cost associated with finding and training the right people for the job. With this in mind — and with the high cost of employee turnover and the current competitive state of the labor market — it’s more important than ever for companies to provide the best employee experience possible. This includes having a better understanding of today’s diverse workforce, as well as an increased awareness and understanding of what benefits would best align with employee needs and desires.

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