Designing Benefits for a Generationally Diverse Workforce

What factors do you consider when designing your benefit plan?

Many employers might start with cost or budget restrictions; some might start by considering their corporate culture while others might begin with looking at responses from employee surveys or other external survey data. All are great things to consider but should be viewed together rather than individually.

MetLife’s 15th Annual US Employee Benefit Trends Study provides some very interesting and useful data about what employees’ value. It provides insight into the things employees consider when deciding whether to accept a job offer or leave a current employer. In this article I will highlight some of the findings and discuss some ways an Alaskan employer can use this information to attract and retain high quality employees.

I am a firm believer that an employer should survey its employees on a periodic basis to gain insight into how employees view the benefits the employer offers and use the information to make improvements. The scope of benefits included in the survey should not be limited to the products such as medical or life insurance purchased. There are many “benefits” employees value such as the ability to work from home or having a flexible work schedule.

According to the MetLife study there are five ways to “meet employees where they are”:

* **A broader definition of benefits**

Adapting to employee diversity is important. Employees value the ability to shift work hours and work from home. According to the study 75% of employees are more likely to accept a job and 74% are more loyal to current employers that offer flex time while 64% of employees are more likely to accept a job and 66% are more loyal to an employer that allows them to work from home.

Overall employee wellbeing is a priority to employees. Finding work/life balance is becoming more difficult. With more employers offering the ability to work from home and/or flexible work schedules and the use of mobile technology, employees are able to be more productive and connected. But the lines of work and life become blurrier. Employees want more harmony between work and life needs and expect employers to provide the solutions for their changing needs.

Employees are increasingly looking to their employers for financial security and they are looking for wellbeing programs that reward healthy behavior. Employers can provide a more complete benefit experience by providing the benefits employees need and don’t necessarily have to pay for

Employees are interested in less traditional services such as on camera (telemedicine) visits and apps that enable a consult with a specialist or the ability to schedule same-day appointments.

* **More tailored benefits**

The landscape is changing for employees in many ways. The evolving definition of family of one and the demographics of the workforce is more diverse now with four generations in the workforce and employees are delaying retirement.

With this diversity in workforce comes differing perspectives of the importance of benefits. The study found that employees between the ages of 51-64 most valued the medical and prescription drug benefits, and not surprising the prescription benefits were least valued by employees between 21 and 24. Knowing what specific benefits your workforce values is critical to designing a plan to meet their needs. This is information only gathered through periodic surveys customized for you.

Employees are concerned about financial wellbeing; retirement planning and security as well as the assurance they can meet financial obligations in the event of a disability and protection from the unexpected. Besides offering traditional 401k and disability plans, some employers offer benefits to fill this need such as identity theft protection, accident and critical illness coverage or legal service. There are many options to provide these benefits at a low or no cost to the employer and offering them can increase employee satisfaction and loyalty. According to the study 61% of employees are more likely to accept a job and 59% of employees will be more loyal to their current employer if wellbeing benefits are offered.

* **More accessible benefits expertise**

Employees want personalized support from trusted resources. Eighty-four percent said at least one of the following sources is effective. One on one in person consultations with an enrollment representative, group meetings, one on one phone consultations, financial advisors, doctor/medical professional.

 Other resources employees find useful include benefit handbooks provider’s benefits website confirmation of benefits enrollment elections, employers, online decision support tools and benefit fairs. These resources are available to employers of all sizes in Alaska.

* **A clear explanation of benefits**

After payroll, the benefits program is often the number one overhead expense for employers. This “expense” should be viewed as an investment. It’s an investment in your number one resource – your employees. However, if you are not doing a great job of communicating with your employees about those benefits you are not getting the value from the money spent. Taking the time to communicate with your employees in a way that is clear and easy to understand will pay dividends to you. According to the study, 59% of employees’ state health/wellness benefits are important and drive loyalty and 74% of employees gain peace of mind by achieving financial wellbeing through benefits.

Employee communication should include a variety of mediums. As previously stated employee value face to face communications, but your communications strategy should include other mediums such as printed materials, electronic information provided via email, websites or apps.

* **A simplified enrollment and engagement experience**

If the enrollment process is too complex employees will disengage and become stressed. The use of online benefit administration tools is increasing. The cost of the system can easily be offset by the increase in employee satisfaction and understanding of their options. More employers are also offering enrollment counseling through an enrollment firm which can make the process smoother, employees are more satisfied and enrollment increases.

It’s important for an employer to have a benefits strategy; for some employers the strategy is simple: avoid the ACA penalties. For others the strategy is more complex or cultural; attracting and retaining top-quality employees. Whatever the strategy it’s important to revisit the discussion periodically and review the benefits to be sure what you are offering is helping you reach your goals.

An experienced benefit advisor is a valuable resource that can play a vital role in supporting the employer in developing and implementing the strategy and educating employees about their benefits. According to the MetLife Study 81% of employers said an Insurance agent or Advisor played a significant role in the benefits they selected. Employers rely on advisors for a wide variety of services including:

* 65% to help reduce frequency & expense of claims
* 64% for assistance with legal, regulatory & compliance issues
* 65% to recommend new & innovate benefit solutions
* 68% for assistance with services issues, answering questions
* 58% to recommend non-medical solutions
* 62% for assistance with creating/maintain employee benefits handbook
* 64% to provide benefit administration platform
* 64% to recommend product bundling to meet employee needs

If you and your Advisor haven’t reviewed your strategy in the last year now is a great time to do that before the January renewal season.