



Next Year's Benefits Can Make or Break Employee Loyalty

Deanna Cuadra: Employee Benefits News

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Editor's Note

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The great resignation shows no signs of slowing down, as labor shortages promise even more burnt-out employees in understaffed workplaces and more uncertainty surrounding commitment to their current role.

Microsoft's 2021 Work Trend Index predicts that over 40% of the global workforce will consider leaving their current employers within the next year. Can employers still reverse the tides?

Workhuman, a company that uses technology to facilitate moments of gratitude and recognition within companies worldwide, has released its Human Workplace Index, revealing that 66% of employees are waiting for review of their company's new benefits offering before deciding whether to stay or go.

"We like to call the great resignation 'the great talent swap' because ultimately those employees are going to go somewhere," says Chris French, Vice President of customer strategy at Workhuman. "They all think they're going to go somewhere with greener pastures. Employers need to ask themselves if that's their organization."

In this case, greener pastures seem to indicate better, more relevant benefits. As work has transformed over the course of the pandemic, employees have shifted their priorities to healthcare, mental health, and flexibility, explains French. Even salary size does not hold as much weight as benefits do. Workhuman reported that 63% of those surveyed would leave their company if offered better benefits but less or equal pay.

“I’m not sure that two years ago you would have had the same response,” says French. “But the fact that work is changing means that the benefits a company might offer should also change.”

Vitality, a healthcare solutions company, found that 80% of employees say having an employer who cares about their health and well-being will affect their future career choice. Vitality also reported that 60% of remote workers would be at risk of quitting if forced to return to the office full-time. However, French warns that employers can’t bet on simply offering more benefits—employers have to know who these benefits are serving.

Notably, Workhuman also reported while 57% of employees did not feel very satisfied with their current benefits, while 71% of all respondents said they are staying with their employer because of their current benefits. French views this further insight into why employees emphasize benefits over salary in their career decision: people do not want to let go of their benefits without the promise of better ones.

“It’s psychologically proven that people are more likely to do something to stop from losing what they have than they are to gain something new,” says French. “Benefits can be an anchor to help people stay through this period of uncertainty and change. But if your benefits are not great, someone will still be able to pick your people off.”

Beyond benefits, French stresses that employees must feel appreciated at work. According to Workhuman, the majority of women and people of color only feel “somewhat valued” at their company. French explains that without ability to see people in real-time and create connections by thanking them for their work or sharing in their joy when they experience a momentous occasion, there’s a social void that not even benefits can fill.

“All solutions can’t be from company to the individual,” French says. “You have to be looking at solutions that unlock the power of the crowd because it always was a huge benefit to have friends and connections at work.”

It seems now more than ever, employers and leaders have to make conscious efforts to know and connect with their workforce, whether through relevant benefits or taking the time to communicate gratitude and understanding.

“As much as people like to talk about flexibility and working from home, we will see what happens in two years when we haven’t had any emotional connections with anybody at work,” says French. “People are not going to stay at companies where that’s the reality.”



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