

Benefits Insights

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The Best Benefits Offerings to Avoid the Great Resignation

Employees are walking away from their employers in record numbers. A Prudential survey conducted toward the end of 2021 found that 46% of workers were actively seeking or considering finding a new job, and labor statistics backed those findings. According to the U.S. Labor Department, approximately 4.5 million workers quit their jobs in November 2021, setting a new record.

This might appear like welcome news for employers looking to hire—greater unemployment means more potential job candidates. However, confoundingly, there were still around 1.5 available jobs for each unemployed person near the end of 2021, according to USA Today. And, for the last six months of the year, job openings posted by employers topped 10 million, according to the U.S. Labor Department.

This information helps illustrate the key problem employers face right now: Workers are willing to quit jobs—and turn down open positions—that don't satisfy their needs. During this period of mass resignation (sometimes referred to as "the great resignation"), employers need to demonstrate their value to employees or risk losing them. In other words, employers must show that they can provide workers with more than just a paycheck. One of the best ways to do this is by expanding employee benefits offerings.

This article outlines some of the most attractive perks some employers are using to strengthen their attraction and retention efforts.

Affordable Benefits, Generally

Many workers who quit their jobs at the end of 2021 were front-line, low-wage or low-level employees, according to a Mercer survey. Few of these workers—often from the service sector—had access to meaningful employee benefits, if any at all. After enduring the worst of the COVID-19 pandemic, these employees concluded that their labor wasn't worth their compensation.

Savvy employers have picked up on this and are now beginning to offer more attractive offerings to low-level employees. Beyond increased compensation, some employers are starting to offer affordable health plans and financial wellness resources. Since these workers have historically been unable to access such offerings, even modest benefits can make a huge difference when courting these employees.

Retirement Plans

Retirement uncertainty remains a top concern for employees. Only 62% of workers feel secure about their ability to save enough to retire, according to the Employee Benefits Research Institute.

Providing employees with retirement plan options, such as a 401(k), can be a great way to add value and financial security to a position. Some employers have been going further with their offerings and have started increasing their retirement plan matching. Such efforts help prove an employer's investment in employees and their futures, which, in turn, fosters greater workplace loyalty.

Flexible Work

Workplace flexibility is another critical issue for employees. A Gallup survey found that 91% of workers who worked from home at least some of the time during the pandemic want to retain that perk indefinitely. Separately, according to a Randstad survey, nearly a quarter of employees (24%) said flexible working hours are the most important employee benefit. These figures indicate that if employers want to stay competitive, they will need to allow for some workplace flexibility—whether through flexible work hours, work-from-home arrangements or hybrid work scheduling.

Moreover, by 2025, almost a quarter (22%) of the U.S. workforce is expected to be fully remote, according to an Upwork study. That's why some employers are expanding their flexible work policies now as a way to recruit talent. According to a Robert Half survey of senior managers, 41% said they were now allowing employees to choose where they work. Employers can expect to see similar policies crop up in the near future as workplaces compete for employees in this evolving market space.

Personalized Well-being Resources

Personal well-being has never been more important to employees than during the COVID-19 pandemic. This makes sense given that the pandemic exposed and worsened issues, including financial insecurity and mental health problems.

Some employers are expanding their voluntary benefits to help workers deal with these types of issues. After all, helping employees navigate personal problems at home can lead to better focus and productivity in the workplace. That's why employers are tacking on benefits such as mental health counseling, financial planning assistance and student loan repayment plans.

Conclusion

Choosing the right employee benefits for a workplace can be a tricky decision. Employers must weigh employee desires against benefits budgets and operational objectives. Yet, despite potential challenges, providing meaningful benefits is certainly worth the effort. In this unprecedented labor market, an employer's benefits offerings can be the difference between a satisfied workforce and a great resignation.

Reach out to MST Insurance Solutions, Inc. to discuss benefits options that are right for your unique workforce.

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