

Three Ways to Improve Your Benefits ROI

You offer an assortment of benefits because you're expected to, right? But what if it's the wrong assortment? How do you know if candidates are rejecting you or current employees are leaving because of your benefits mix — or the lack of it? You may be surprised to learn how easy it is to tailor your offerings to your multigenerational workforce and earn a nearly instant return on your investment.



We've come a long way since the early days of benefits when all that was offered was major medical and hospitalization coverage. Today's benefits are a sophisticated mix of rewards that may include medical, dental, and vision coverage, as well as life insurance, savings plans, time off and leaves, emotional health, learning opportunities, and employee discounts. The range of benefits can be overwhelming for some small- and medium-sized businesses to manage. Then throw in employee preferences for when, where, and how to access and manage their benefits, and it feels like you need a full-time staff just to handle benefits.

Still, personalizing your benefits package to your workforce is possible, and it doesn't have to be complicated. Here are three easy ways to refresh your benefits strategy.

1. Find out what your employees really want

It's not enough to say, "Good morning, Sharon," and "How's your golf game, Dave?" Knowing an employee's name and hobbies is just scratching the surface. If you want to learn what benefits your employees value most, you have to ask.

Cultivating a more engaged staff isn't only about what goes on in the workplace. It's also about what goes on at home and how workers are able to balance their home life with their work life. Are they working on a degree, trying to have a baby or adopt, caring for young children or elderly parents, or saving for a house? Of course, you don't want to get too personal or violate any privacy statutes, but you can learn what kinds of benefits your employees want by simply asking.

Be sure to integrate feedback into your HR process, and use your onboarding and annual enrollment seasons as initial and continuous engagement opportunities.¹ You can also send out questionnaires, hold town-hall meetings, or host informal roundtables to better understand your employees' needs.

2. Personalize your benefits mix

For the first time in history, there are four distinct generations in the workforce: baby boomers, Gen X, millennials, and Gen Z. Millennials are now getting a lot of attention as they make up a third of American

workers and are increasingly moving into management positions. Research suggests that millennials will make up 75% of the global workforce by 2020.²

Different generations have different needs and expectations, and the roughly 18-year spread between the oldest and youngest within a generation means one flavor of benefits doesn't necessarily fit all. For example, older millennials are more interested in prescription drug coverage and retirement savings plans than younger millennials.³

What does your data tell you?

Your own employee data can tell you a lot. While it doesn't replace actual employee feedback, your records can serve as a good starting point. Determine what your employees use, what they don't use, and what they value to guide you in shaping your benefits program.

Start by segmenting your population in the aggregate by age, gender, marital status, and whether they have children. In aggregate, this information can tell you where your employees land on the life stage spectrum and, for example, whether:

- Retirement savings plans are valued.
- Dependent Care Flexible Spending Accounts are needed.
- Prescription coverage might be important.

Generations by the numbers

Traditional	Baby Boomer	Gen X	Millennial	Gen Z
Born before 1946	Born 1946 to 1964	Born 1965 to 1979	Born 1980 to 1994	Born 1995 to 2010

Depending on your workforce demographics and culture, discretionary benefits (also called lifestyle benefits) may be just as important as nondiscretionary or traditional health benefits.

These nuggets of data can help you identify benefits gaps and determine where your business might be overspending. Use the worksheet to create a snapshot of your workforce. This information can help you determine which types of benefits may be the most appropriate for your employees.

Visit bit.ly/2nLOulk to download a printable copy of the worksheet.

Benefits they value/use	Age/Generation				Gender	Single/ Married	Children Living in Household (Y/N)
	Baby Boomers	Gen X	Millennials	Gen Z			
Medical							
Prescription							
Wellness programs							
Flex schedules							
Flex work location (on-site or virtual)							

Work with your insurance carriers to find out participation rates and utilization. If feasible, look to add a centralized digital solution that tracks employee eligibility, performs benefits calculations, schedules communications, and manages workflow.

Give them what they want!

Here's a roundup of what employees value in the workplace.^{2,4,5}

Pay

Money is a key motivator across generations, particularly among millennials and Gen Xers who are looking to change jobs. Baby boomers want to be paid fairly for their current job.



Recognition

Regardless of age, employees consider financial rewards the best form of recognition. Other types of rewards (such as praise and Employee of the Month awards) are less meaningful to baby boomers.



Benefits

Younger workers favor education-related perks and paid maternity/paternity leave, while baby boomers are more interested in employee discounts and wellness programs.



Wellness programs

With medical costs continuing to rise, workplace wellness programs have gained popularity. These types of preventive care programs may include gym memberships, onsite health screenings, and access to wellness experts. These programs have been especially embraced by millennials.



Flexibility

All employees strongly value a work/life balance. However, millennials place a higher value on being able to build downtime into their work schedules compared to Gen Xers and baby boomers.



Company leadership

Millennial workers greatly value company leaders who inspire their employees to succeed. Likewise, having company leaders who aim for transparency is also important to millennials, but less so to Gen Xers and baby boomers.



Onboarding

While workers in all age groups find effective onboarding fairly important, it has greater value to millennials.



3. Don't just administer your benefits; market them

For many companies, benefits represent their second-largest workforce expense. Yet, aside from annual enrollment periods, many companies don't take the time to promote the various aspects of their benefits package. But keeping your benefits top of mind can help increase usage rates and improve employee retention.

You may find it useful to create a calendar and promote at least one benefit a month. Maybe all employees are eligible for discounts for local fitness centers or weight loss programs. Maybe they can earn points for healthy activities through your medical plan — points they can later spend on fitness-related goods and services. Remind them to get a flu shot, schedule their preventive care visits, and spend down their Flexible Spending Accounts.

As for how to get the word out, employees want communications to be timely, relevant, personalized, and to the point. They also want employers to adapt to current technologies. Be sure to use the formats your employees prefer, including mobile, texting, social tools, video, and, of course, face-to-face meetings. Lastly, make sure your managers are prepared to answer questions and know where to direct employees for more information.

Research tells us that lifestyle benefits are nearly as important to today's worker

TIP: Reach out to your plan administrator or insurance carriers to see if they have collateral you can use to market your various benefits. Or consider outsourcing to an HR partner, like ADP®, that manages this process for you.



as health benefits. Use lifestyle benefits to differentiate and promote your employment offerings to both current employees and candidates. By crafting a meaningful employee experience overall, you set yourself apart and improve your chances of attracting and engaging the people you need the most — now and in the future.

Make the most of your benefits with ADP®

Benefits can be a major factor in retaining your employees and recruiting new talent. ADP can help you collect employee data and benefits needs, and compare them with your competition to help you determine the mix of employee benefits you should be offering. With ADP's HR Outsourcing solutions, your employees will have access to competitive benefits program choices that match their needs — and ADP handles the benefits administration, enrollment, and employee benefits education on your behalf.

¹ ADP Spark 2016, Attract, Engage and Retain with Multifaceted Benefits Plans.

² Thomson's 2015 Global Employee Benefits Watch.

³ MetLife Employee Benefits Trends Study.

⁴ Aon Hewitt 2016 Workforce Mindset Study.

⁵ ADP 2016 Employee Engagement Study.