



GIVE YOUR TEAM THE INCREDIBLE BENEFITS THEY WANT

STRATEGIES FOR ATTRACTING
AND RETAINING TALENT

How important are benefits to attracting and keeping the talent your business needs to thrive? In a word: very. Both traditional and non-traditional benefits are critical in establishing value with job candidates and employees.

“With low unemployment and more jobs available than job seekers, it is an important time for companies to re-evaluate their incentive and benefit offerings to recruit and retain employees,” said Catherine Wragg, senior vice president of Human Resources at TriNet. “It is no longer just about compensation, as employees also view time spent with family and friends—and pursuing other aspects of their life—as highly significant.” Wragg added, “Non-traditional benefits can help employers stand out by offering uncommon perks that can be meaningful to employees, positively impact company culture and potentially help retain top talent.”

Your efforts to offer benefits that employees value can be complicated by the fact that the kinds of benefits workers want most can vary based on many different factors. Following is an overview of the types of traditional and non-traditional benefits you might consider offering.

TRADITIONAL BENEFITS

Traditional benefits include health coverage, such as medical, dental and vision benefits, as well as life insurance, disability coverage and retirement plans.

Health benefits: Medical, dental and vision coverage is always an important aspect of an employee’s decision to join an organization. A 2017 survey of U.S. workers found that one traditional benefit, health insurance, is extremely important when considering whether to stay in or move to a new job.¹ So, while traditional benefits may sometimes get glossed over, the tried and true health care benefits still factor in to most employees’ decisions when determining their career path. According to the Centers for Medicare and Medicaid Services, “national health spending is projected to grow at an average rate of 5.5% per year for 2017-2026 and to reach \$5.7 trillion by 2026.”² Given this information, it is easy to see why these benefits can be so important to employees.

1. Employee Benefit Research Institute, “Workers Rank Health Care as the Most Critical Issue in the United States,” <https://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content_id=3534> (Accessed May 1, 2018).

2. The Centers for Medicare & Medicaid Services, “NHE Fact Sheet,” <<https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>> (Accessed July 15, 2018).

Health savings accounts (HSAs): Most employees value an HSA after realizing the tax advantages of contributing. HSAs allow employees to save and grow funds on a pre-tax basis to pay for eligible health care expenses including future expenses, because they allow employees to roll over their account balance from year to year.

Short-term disability benefits: This ancillary benefit provides employees who have either unpaid sick leave or who exhaust their accrued paid sick leave with a certain level of wage replacement. It's especially valuable for employees who suffer an accident, unexpected surgery or illness with a long recovery time.

Life insurance: Life insurance is important as a way for employees to protect assets such as their home and savings. Buying a life insurance policy through an employer allows them to obtain coverage at more affordable rates than policies purchased on an individual basis.

Retirement plan contributions: Don't discount the importance of retirement planning. Employees give serious thought to how much money they will need to accumulate before they can retire and company contributions that help them reach their retirement savings goals can be a significant factor to attracting and retaining talent. As an example of the importance of company contributions to retirement plans, only half (53%) of baby boomers—born between 1946 and 1964—either “somewhat” or “strongly” agree that they are building a large enough retirement nest egg.³

3. Transamerica Center for Retirement Study, “18th Annual Transamerica Retirement Survey: A Compendium of Findings About American Workers,” <https://www.transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2018_sr_18th_annual_worker_compendium.pdf> 136 (Accessed July 15, 2018).

NON-TRADITIONAL BENEFITS

TriNet conducted its own survey⁴ this year which found that 91% of respondents at small and medium size businesses (SMBs) view non-traditional benefits as an important⁵ aspect of their job satisfaction. Non-traditional benefits include perks such as flexible work schedules, pet insurance, and training and mentoring.

Flexible work arrangements: Flexible work arrangements—which include flexible hours, compressed workweeks and working remotely—are valued most by employees surveyed by TriNet with a 4.38 weighted average importance ranking out of 5. A Gallup poll conducted in March 2017, shows that 43% of employees are anticipated to work from home in 2018—up from 39% in 2012.⁶ While this is a trend, an article by Forbes Magazine cautions employers to make sure the job is suited to remote work.⁷

Work-life balance: The potential need to help care for family members or to minimize the amount of time spent commuting to an office increases the value of work-life balance for all employees. In the TriNet survey, employees put the highest priority on having a work-life balance when compared to other non-traditional benefits categories with a weighted average importance ranking among respondents of 4.36 out of 5.

Paid leave: Paid leave (excluding vacation pay, sick pay and paid time off) is the next most coveted non-traditional benefit category, at a weighted average importance ranking of 4.31. The Family and Medical Leave Act (FMLA) requires public agencies and private sector companies that meet certain requirements to provide 12 weeks of unpaid, job-protected leave in a 12-month period to eligible employees for certain family and medical reasons. Many companies attract and keep hard-to-replace talent by offering fully paid FMLA leave without requiring employees to use accrued vacation, sick days or paid time off.

Pet insurance: According to Scott Lyles, Chief Pet Insurance Officer at Nationwide, “About one in three Fortune 500 companies now offer pet insurance, not only to appeal to animal-loving prospective hires, but also to help retain current pet-owning employees.”⁸ Having pet insurance gives employees entering the job market one less thing to worry about as the cost of pet care rises. Although this is a popular benefit with all employees, millennials—defined as those between the ages of 18 and 34—are now the largest segment of pet owners in the U.S.⁹

4. Survey conducted by TriNet between May 14 and 21 with approximately 3,000 respondents who were all employees of TriNet clients.

5. Percentage referenced is representative of respondents who selected either “extremely important,” “important” or “somewhat important” as their answer Gallup, “America’s Coming Workplace: Home Alone,” <<https://news.gallup.com/businessjournal/206033/america-coming-workplace-home-alone.aspx>> (Accessed July 15, 2018).

6. Gallup, “America’s Coming Workplace: Home Alone,” <<https://news.gallup.com/businessjournal/206033/america-coming-workplace-home-alone.aspx>> (Accessed July 15, 2018).

7. Forbes, “The Future of Work: Flexible Work Arrangements,” <<https://www.forbes.com/sites/forbescoachescouncil/2017/09/21/the-future-of-work-flexible-work-arrangements/#536529a9ff3f>> (Accessed July 15, 2018).

8. Fortune Magazine, “Pet Insurance Is Now the Hottest Employee Benefit,” <<http://fortune.com/2016/06/23/pet-insurance-is-now-the-coolest-employee-benefit/>> (Accessed May 1, 2018).

9. Healthy Pets website, “The New Generation of Pet Owners, How They’re Strikingly Different.” <<https://healthypets.mercola.com/sites/healthypets/archive/2018/01/12/millennials-pet-ownership.aspx>> (Accessed May 1, 2018.)

Training and mentoring: Formal mentoring programs and training will help you find and motivate employees who are considering a career track in high-turnover fields like retail and hospitality. An American Society for Training and Development study found that 71% of Fortune 500 companies have some type of corporate mentorship program.¹⁰

Phased retirement programs: Close to a third (30%) of employees plan to transition into retirement by shifting from full-time to part-time work.¹¹ Phased retirement allows employees to continue earning income while scaling back on job responsibilities and time spent working. This makes it easier for companies to retain experienced workers and attract new talent.

Mobile-enabled HR: Ease of communication is critical for employees, as schedules may change by the week. Many people these days are juggling more than one commitment such as work, school and family. Companies are beginning to respond by providing mobile HR processes, including access to paycheck and benefits information and online requests for time off. In fact, U.S. companies invested more than \$2 billion into HR technologies in 2016.¹²

BENEFITS FOR EMPLOYEES AND EMPLOYERS

A comprehensive benefits plan brings far more than its monetary value. In TriNet's survey, most respondents said that providing non-traditional benefits improves employee morale (85%), employee retention (82%) and company culture (73%).¹³

Employers can help keep valuable institutional knowledge from walking out the door by making sure that all employees have what they need to succeed. Whether it's training and advancement or benefits and flexible work arrangements, there are a host of options that an employer can draw from to make their workplace nothing short of incredible.

10. Investopedia, "The Best Fortune 500 Mentorship Programs," <<https://www.investopedia.com/articles/personal-finance/022315/best-fortune-500-mentorship-programs.asp>> (Accessed May 1, 2018).

11. Transamerica Center for Retirement Study, "18th Annual Transamerica Retirement Survey: A Compendium of Findings About American Workers," <https://www.transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2018_sr_18th_annual_worker_compendium.pdf> 136 (Accessed July 15, 2018).

12. Business News Daily, "How Technology is Changing Human Resources," <<https://www.businessnewsdaily.com/10128-technology-changing-hr.html>> (Accessed July 15, 2018).

13. Survey respondent selected more than one answer as their response.

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