

BENEFITS insights

Employee Benefit Trends

Employers are constantly looking for ways to better their benefits programs, particularly balancing cost management with employee satisfaction. It is important for companies to understand how employees are thinking, along with what other employers plan to do regarding their benefits in the near future.

MetLife's 9th annual Study of Employee Benefits Trends addresses this important topic. The 2011 survey offers many valuable insights; highlights are summarized in this article.

Falling Employee Loyalty

The primary theme identified by the report is that employers seem to be completely unaware of falling employee satisfaction, which could equate to unexpectedly high turnover in the next year or two. Here are some of the statistics:

- More than one-third of surveyed employees hope to be working somewhere else in the next year, for companies of all sizes.
- Employee loyalty has declined yearly since 2008, while employers have been absorbed with handling the recession.
- During that same time, employer perception of employee loyalty remained steady.
- Employers are focusing less on employee satisfaction and work-life balance than they did a year ago.
- Employees who strongly agree they are satisfied with their benefits are much more likely to be loyal to their employer.

Changing Benefits Structure

- Each generation of employees shared unique attitudes and issues in common, suggesting that employers may want to shift focus away from a one-size-fits-all benefits package.
- When asked about factors considered important to loyalty, 64 percent of employees cited retirement benefits and 59 percent cited dental, disability, vision, life and similar benefits.
 - However, only 38 and 37

- The survey also identified a connection between financial and physical wellness, according to both employers and employees.

Health Care Reform

- Employers revealed a range of expected strategies to respond to health care reform, with little consensus.
- One-third of employers expect to make health plan design changes and one-third plan to shift more health care costs to employees.

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- 64 percent of employers (respectively) cited those same benefits as important to employee loyalty.
- Flexibility in benefits is very important to employees and many are willing to pay part of or the entire cost to have access to such benefits.
- The majority of employers agree that wellness programs are likely to lower health care costs and increase productivity, and there has been a steady increase in wellness offerings over the past three years.

- Both of these strategies are much more popular among larger companies (500+ employees).
- One-third of employers don't know how they will respond to health care reform at this time (this response is largest among smaller companies with fewer than 500 workers).
 - 54 percent of companies expect to rely on their brokers even more due to health care reform.

For full survey results:
www.metlife.com/assets/institutional/services/insights-and-tools/efts/Employee-Benefits-Trends-Study.pdf

