



Employee Value Proposition and Benefits:

Past, Present, and Future Connections

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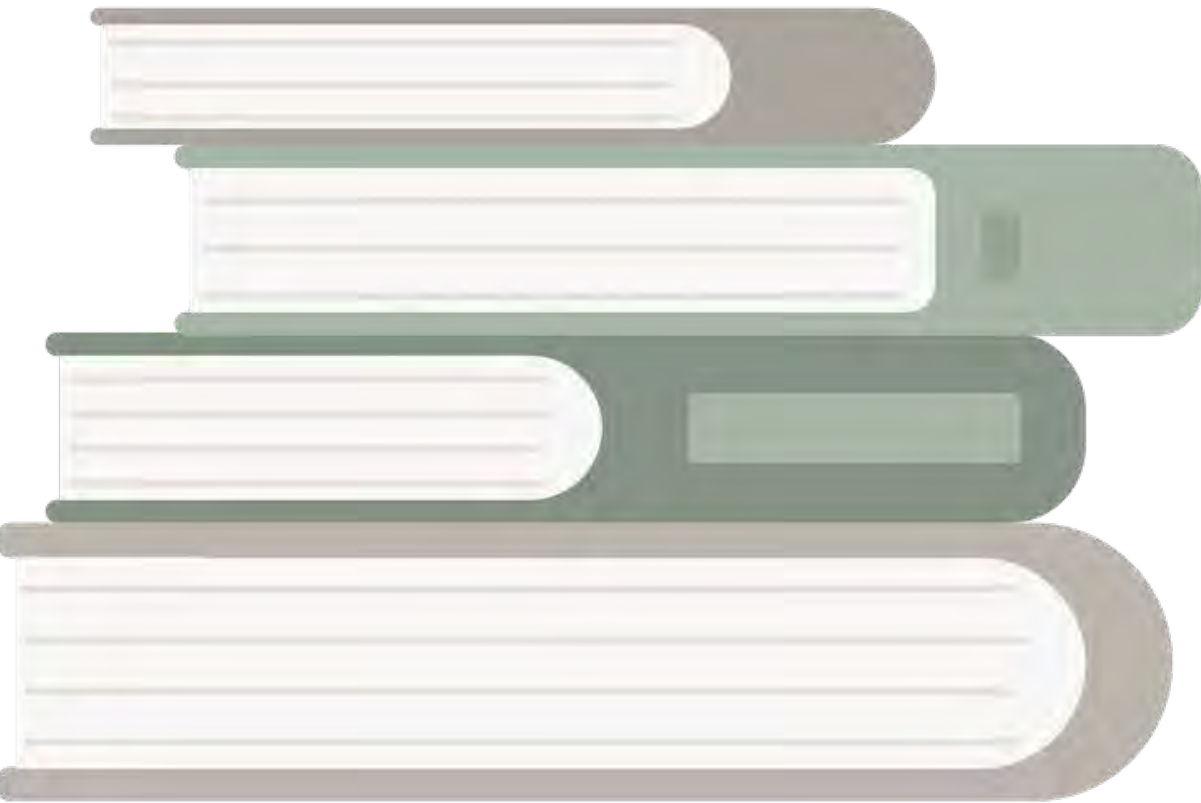
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STUDY FOCUS

Research Question



- I. How are benefits successfully **measured, changed, & communicated** across employee populations?
- II. How do benefits connect with the **employee value proposition** and strategic aspects of the **employee experience**?
- III. What are the **future-facing** benefits on the horizon?

A top-down view of a wooden desk. On the right side, a silver laptop is open, showing its keyboard and trackpad. In the center, a white ceramic mug is filled with dark coffee. To the left of the mug is a spiral-bound notebook with a white cover and lined pages. Above the notebook, a magnifying glass with a light-colored handle and a dark frame is positioned. Below the notebook, two pens are visible. The desk surface is a dark, rich wood grain. A red banner with white text is overlaid on the bottom left portion of the image.

CURRENT EVP AND BENEFITS:

The unique set of benefits that employees receive in return for their skills, capabilities, and experience

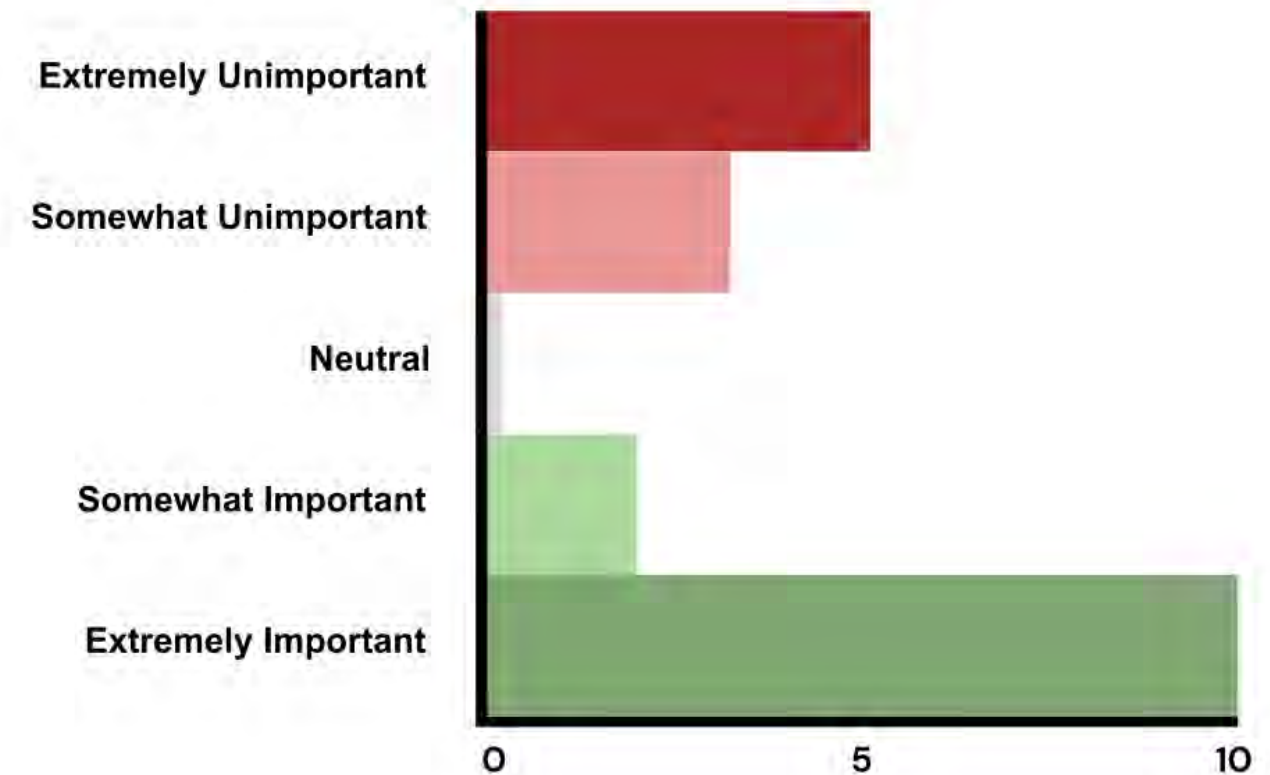
How important are benefits to your company's employee value proposition?

40%

of companies say
benefits are
unimportant

60%

of companies say
benefits are
important



Defining EVP + EVP-Benefits Link

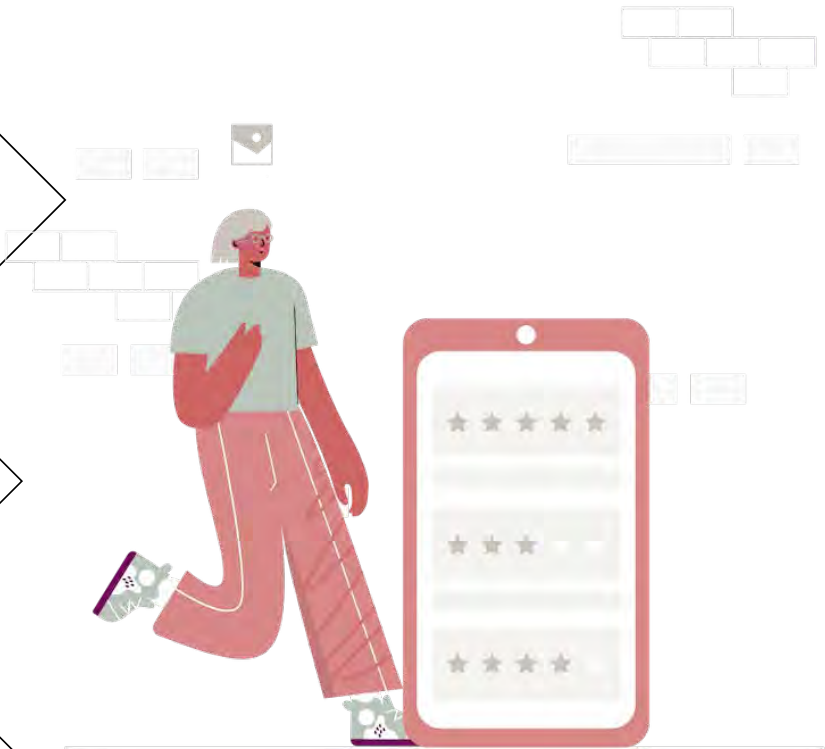
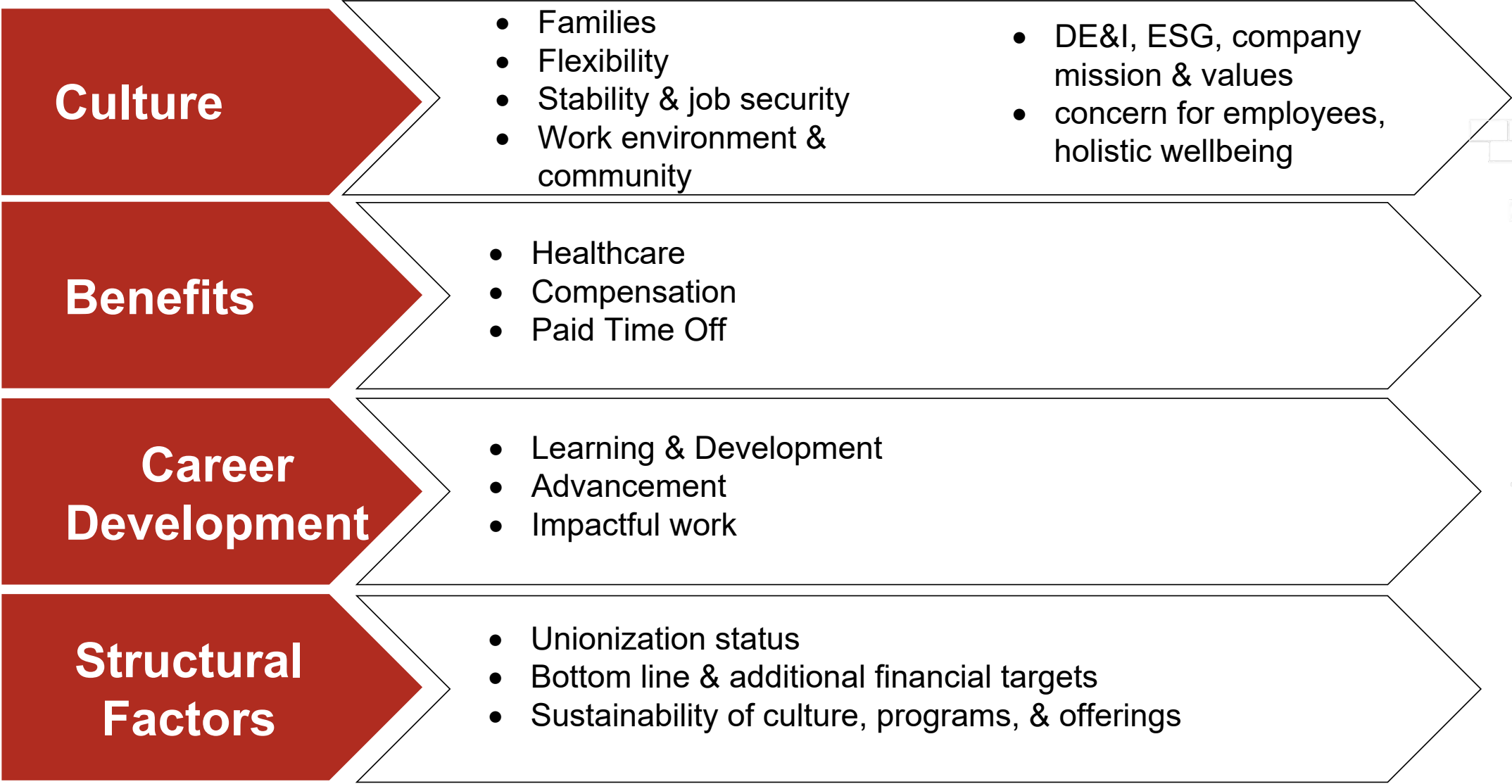
EVP boils down to three factors: culture, mission & purpose, and wellbeing. Benefits are a fourth major aspect of the EVP, but there were two general approaches to EVPs for partner companies with regards to the role that benefits played: benefits as foundational versus benefits as a component.

In the first approach, benefits played a role as more influential factors across culture, wellbeing, and mission & purpose.

In the benefits as a component approach, benefits are a tool to bring the EVP to life but not a major part of the employee experience (EE). One partner company considered themselves competitive with benefits, but deemed benefits as separate from the EE. Another stated that competing on the grounds of benefits wouldn't be sustainable for them, therefore they used "the type of work" employees do as differentiator. Similarly, companies with average/below-average benefits may rely on culture/mission to drive EVP.



What factors *most* influence your company's employee value proposition?



Trend: EVP as **flexible** and dependent on key moments in employee lives.

Signature Benefits

We defined “**Signature Benefits**” to mean “**key benefits that differentiate a company from their competitors.**” Some of our partners also expressed that their signature benefits are deliberately intended to improve employees’ lives/wellbeing, not just make them a more attractive employer.

FINANCIAL

- Financial advising
- Savings plan
- Retirement account match
- Immediate vesting
- Tuition reimbursement
- Student loan contribution

LEAVE

- Sabbatical
- Parental leave for all family structures (e.g., adoption)
- (Unlimited) Vacation time

MEDICAL

- Low/no contribution
- Dental plan
- Health & fitness discounts
- Transgender health coverage
- (Limitless) Fertility benefits
- Adoption stipend
- Surrogacy stipend
- Breastmilk delivery

WELLNESS

- Mental health coverage
- Access to clinical trials
- Flexibility
- Peloton
- Benefits concierge
- Access to cultural institutions
- Emergency Childcare services
- Health-related speakers

Spotlight: Diversity, Equity & Inclusion

DEI in Benefits

- Generally, we see a large focus on DEI, though many companies are at different stages of their DEI journeys.
- DEI is commonly being considered when creating/reviewing offerings and policies.
- There is a prevalent aim for benefits equity based on geography, whether that be domestic or international.
- There is an expansion of DEI-focused benefits, such as adoption, surrogacy, disability, fertility, parental leave, and gender-affirming procedures.

Some CAHRS partners are aiming for inclusivity, while others are pushing for broader equity.

Best Practices

- Execution on the DEI-benefits link is largely tied to company values and should be a built-in component of decision-making rather than a fringe effort.
- Retroactive reviews are vital for ensuring that a company's practices and policy language meet current standards.
- Seek regular feedback from DEI teams and employee resource groups.
- Only work with partners/vendors that meet internal standards.

The companies prioritizing DEI in benefits seem to be devoted to DEI initiatives at large.



Strengthening the EVP-Benefits Link

How often are benefits changed?

We found that EVPs are infrequently reviewed or changed because they are cultural and are most successful when employees are given time to understand and interact with them. On the other hand, benefits are regularly reviewed—often on an annual or ongoing basis—and are changed as-needed. Benefits changes tend to be small tweaks rather than major overhauls, are almost always additive (either in substance or quality), and are typically targeted at satisfying specific concerns (such as employee feedback or industry benchmarks).

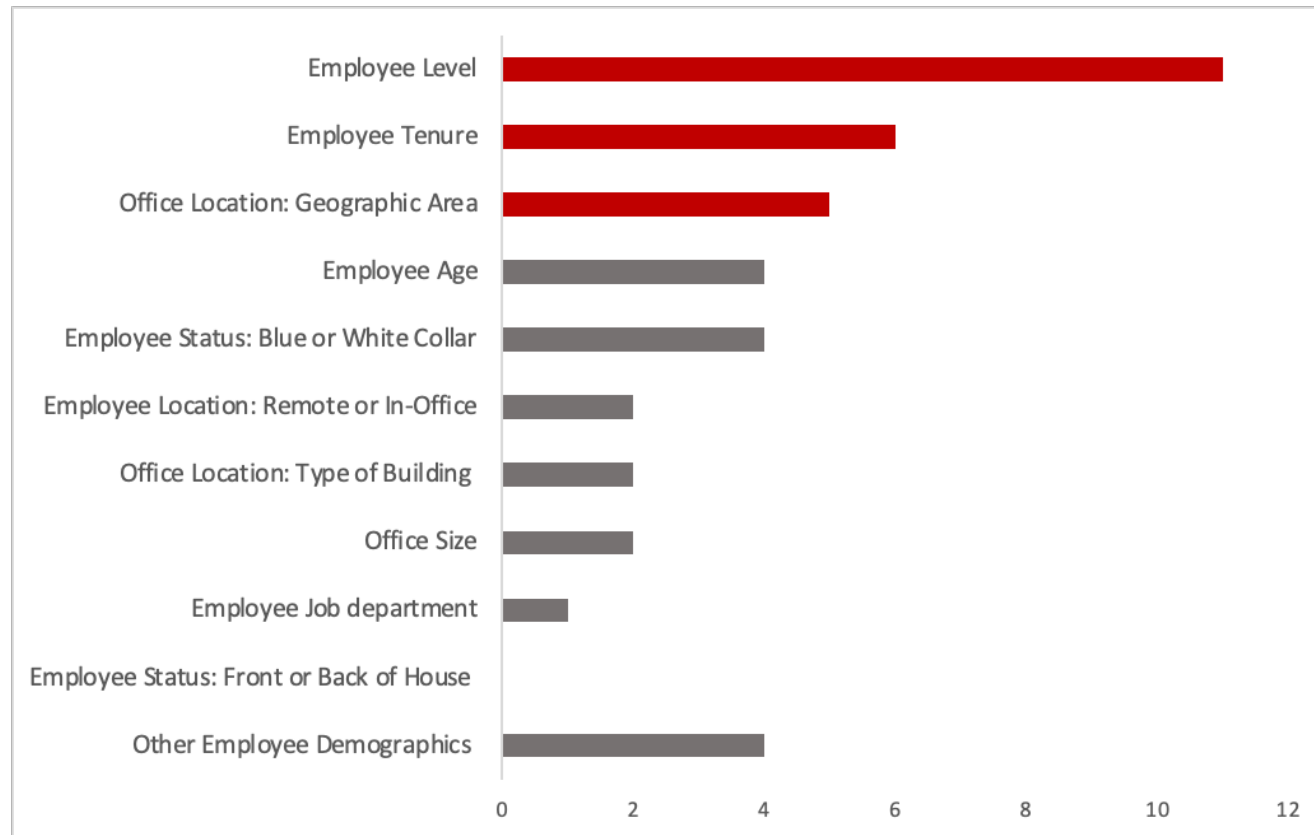
What are changes in benefits based on?

- External benchmarking
- Employee feedback
- Utilization Rates
- Claim data
- Costs and/or budgetary pressures
- Employee productivity
- Company culture & values (improving alignment through new offerings and/or DEI expansion)



**BENEFIT ADMINISTRATION ACROSS
EMPLOYEE POPULATIONS**

Segmenting Employee Populations



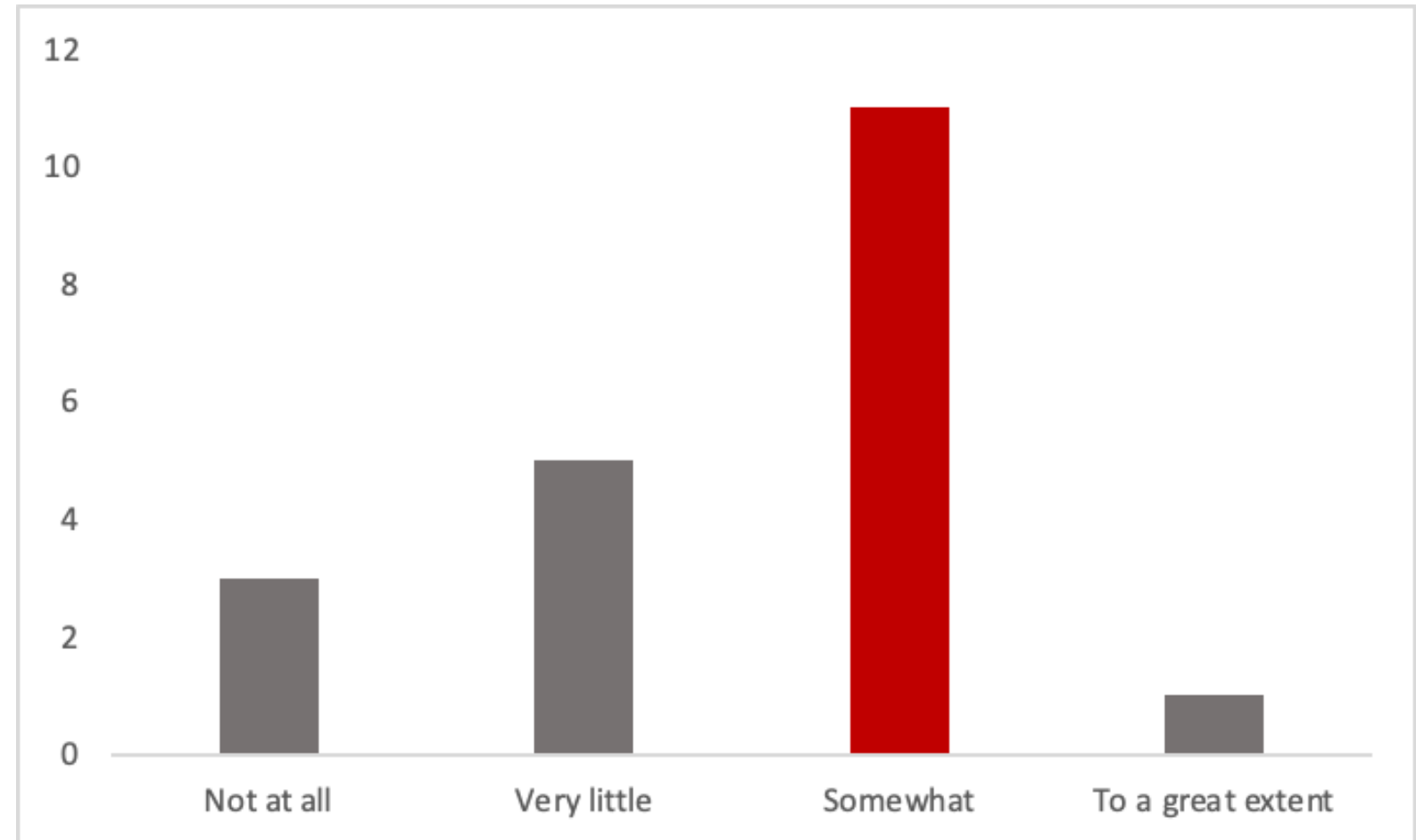
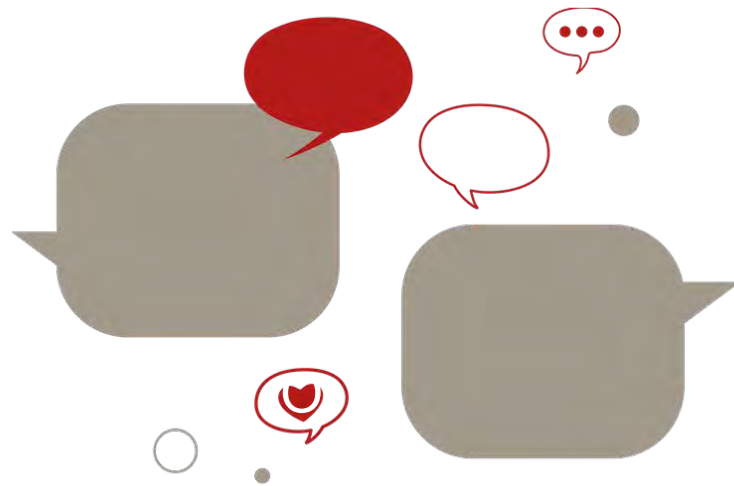
What primary factors does your organization use to segment employees when strategizing and allocating benefits?

Employee level was the most salient factor that companies segmented their employees by, followed by employee tenure and geographic location.

Communication Across Employee Groups

To what extent do you change your benefits communication strategy based on the factors you selected above?

The majority of respondents change their communication strategy based on the employee segment they are targeting. Each employee population has different employee experiences and utilizes benefits differently. Thus, communication of benefits is somewhat adjusted to meet the needs of different groups.



Benefits Administration



Benefits tend to be allocated consistently across different employee groups; all benefits eligible employees typically have access to the same benefits.

However, communication strategies differ across employee groups, based on the below factors:

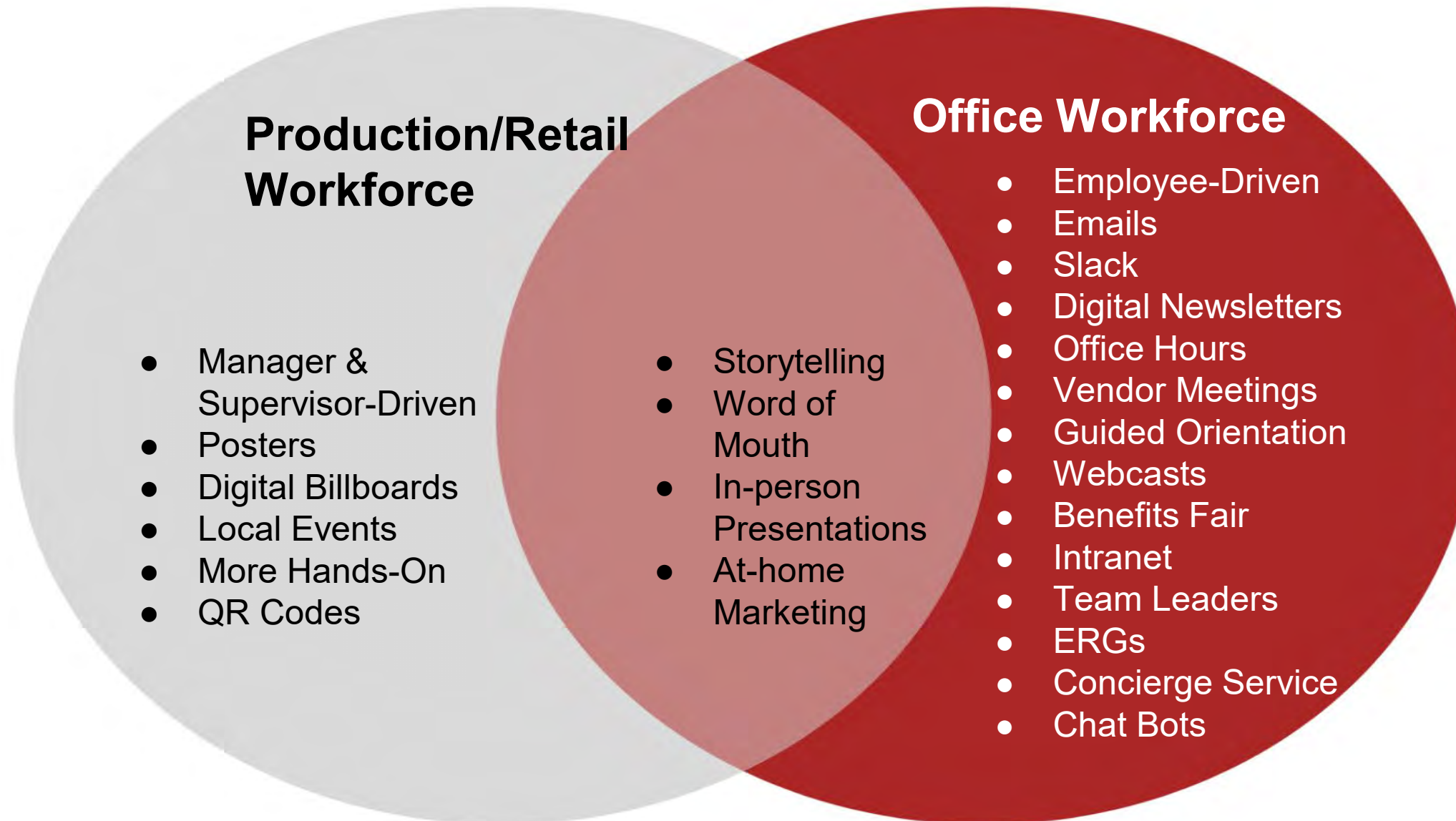
- Production vs. desk employees
 - Needed communication channels are different
- Union vs. non-unionized employees
- ERG-based social identities
- General population vs. niche location (e.g., fulfillment center)
- Executive vs. non-executive
- Domestic local vs. foreign local vs. global

We explored the idea of benefits customization with participants and found that it is a divided topic:

- Most commonly, participants feel that employees have a decent amount of choice due to the high number of benefits and vendors that organizations offer and can choose what they want to utilize, even if benefits are not being specifically customized to their needs.
- Some say customization is impractical; some say “true flex” isn’t possible in U.S. due to size and administrative concerns
- Some want to meet baseline access for all employees first to ensure equity across groups
- Some feel it is necessary for inclusion; even if customization is not possible for one employee, can consider working with ERGs to offer customization in other ways

Communication Strategies

One of the greatest challenges is to guide employees to the benefits they need when they need them, and personalizing communication to different employee populations can help.



Although there is some overlap in strategies, the main differences in communication were across production/retail and office workers due to access to technology.

Communication Strategies

Common Challenges

- Having many benefits can be overwhelming for employees to understand
- Knowing which benefits apply to you currently can be difficult
- Employees already inundated with communication
- Benefits decision makers are at home
- Each employee has distinct needs & desires
- Information sometimes difficult to find

Strategies

- Keep communication short and sweet to avoid overburdening employees with information
- Organize benefits into “moments” to simplify benefits and connect EVP (i.e. family building)
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- Involve family members by sending communications via mail to the household
- Personalize communications based on employee demographics & data
- Guide employees to a one-stop shop benefits portal



Encouraging Broad Utilization

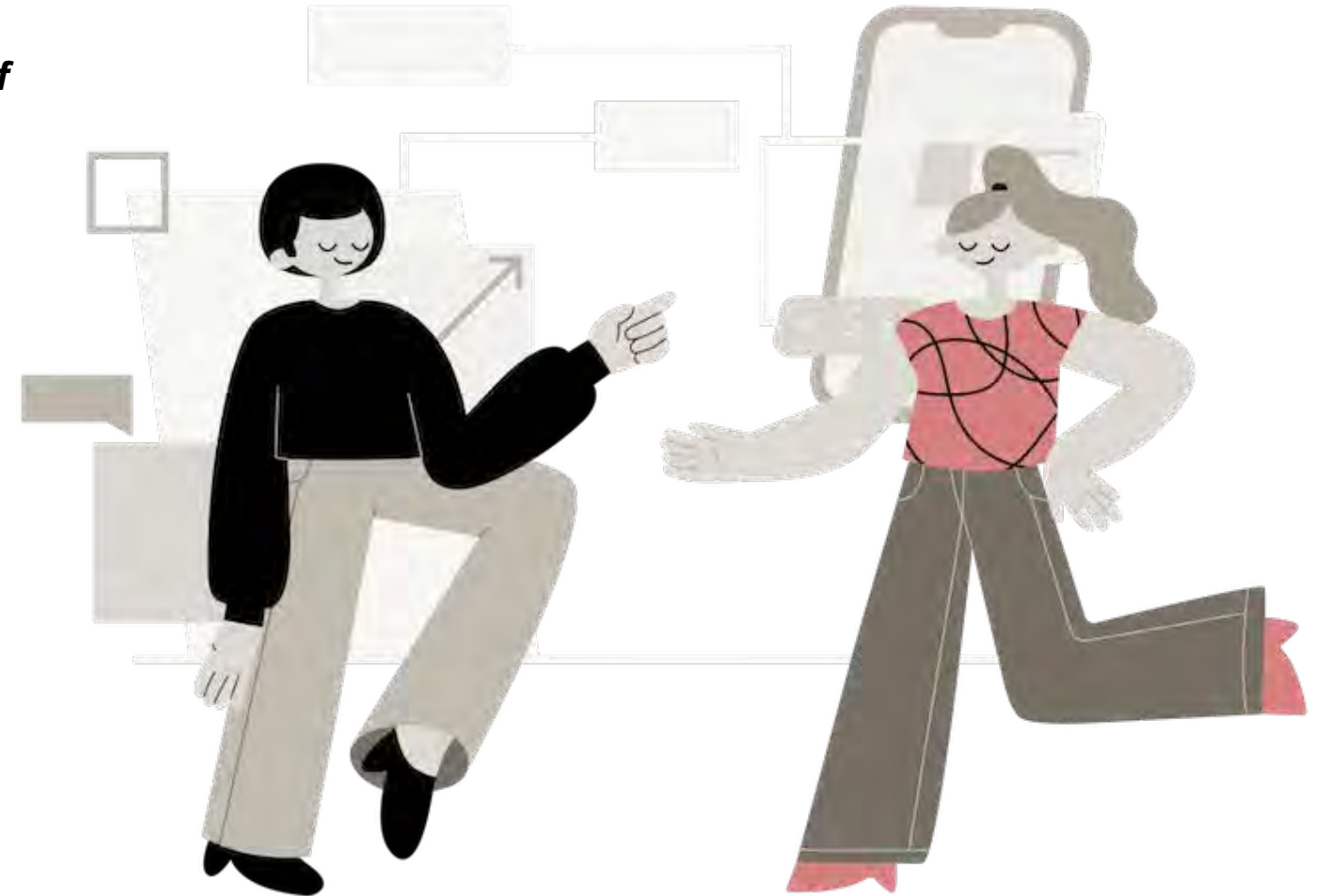
Encouraging broad utilization of benefits that are tied to productivity and other positive business outcomes is important. However, with so many benefits to offer, encouraging high use of benefits can be difficult. Through our research, we found the following methods to be effective for our participants:

1. Employee Testimonials
2. Communication from leadership (e.g. CEO blog, newsletters)
3. Town Halls
4. Personalization
5. Home Mailers
6. Automation (e.g. auto rollover)
7. ERGs
8. Benefits concierge

High impact impact benefits can lead to:

1. Storytelling (word of mouth and formal storytelling)
2. Role modeling

These methods of encouragement are particularly important for stigmatized benefits, such as mental health and wellbeing benefits.



A black and white photograph of a measuring tape, coiled and laid out on a light surface. The tape features numerical markings in centimeters, with larger numbers every 10 units (e.g., 95, 96, 97, 98, 99, 100, 101, 111, 112, 113) and smaller markings for millimeters. A solid red rectangular overlay is positioned in the lower-left quadrant of the image, containing the text "MEASURING SUCCESS" in white, bold, uppercase letters.

MEASURING SUCCESS

Metrics of Success

Staple Metrics

- Engagement, Participation, & Utilization
- Company performance considerations
- Benefits Cost
- Benchmarking
- Process & Outcome Measures
- Impact on User
- ROI

Employee Mechanisms

- Employee Resource Group feedback
- Feedback surveys
- Employee Sentiment, Satisfaction, & Testimonials
- Social feedback channels
- Focus groups for targeted benefits
- Entrance & exit interviews

External Sources

- Vendors:
 - Offer several metrics around utilization, appeals, etc.
 - Regular metrics discussions
 - Compiled data warehouses
- External consultant feedback
- Macro-level market trends



Benefit Metrics: Challenges & Strategies

Measuring Impact

- Hard to measure extent of benefits impact; impact a desired measure
- Want to better measure connection between benefits and productivity

Data Accessibility

- Data overload: Excessive data from several different sources
- Visualization & Dashboards: improving quality & availability
- Doubt surrounding health outcomes data

Vendor Management

- Lack of standardization in vendor measures (e.g., engagement)
- Lack of transparency & accessibility of vendor data
- Data visualization

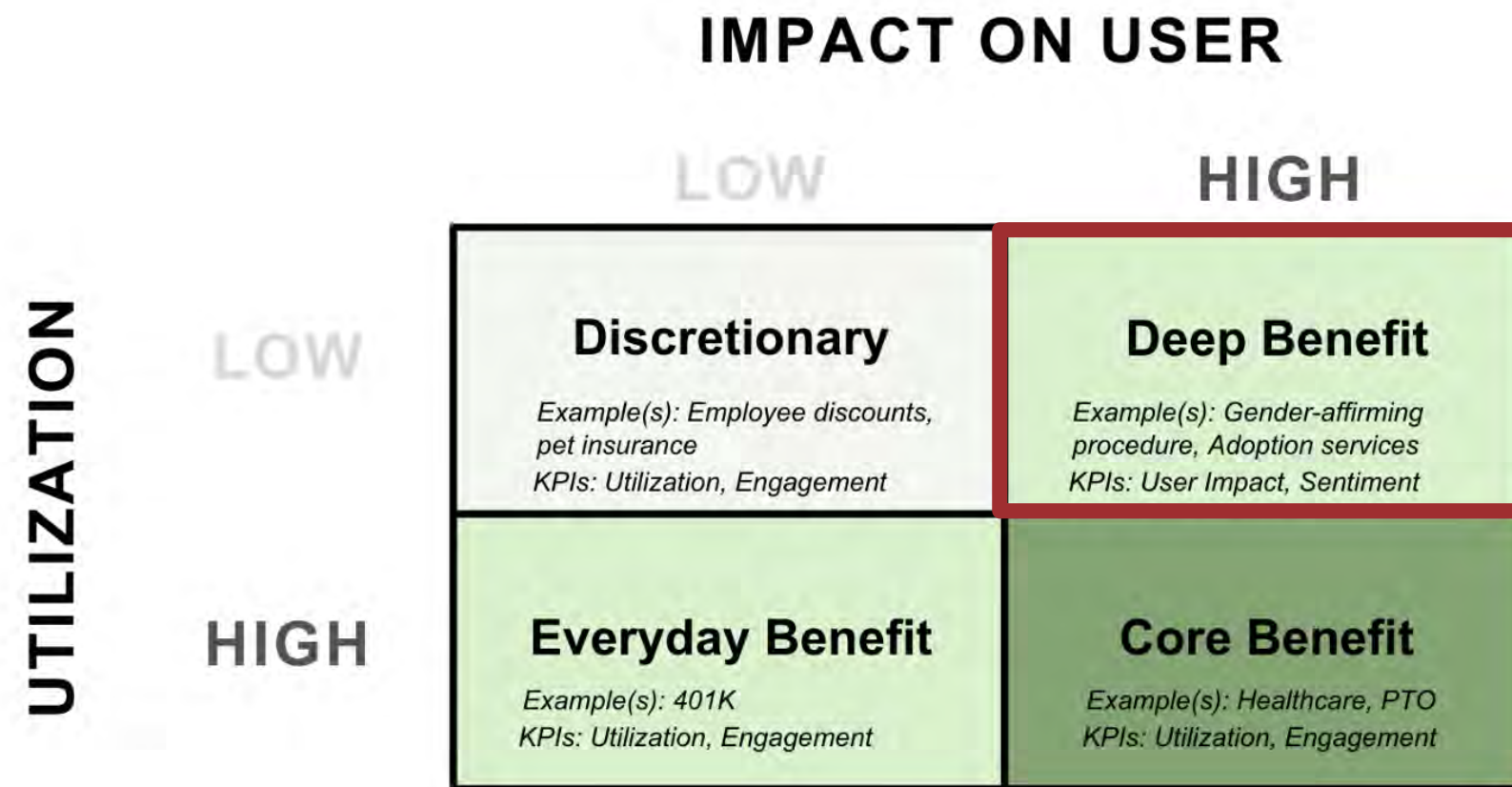
Strategies

Targeted focus groups, in-depth interviews, process measures

Determine KPIs, standardize measures where possible, determine key health claim data

Build in-house data warehouses, fees of risk alterations

Benefit Categories



TYPES OF BENEFITS

- **Deep Benefits:** Benefits which are not widely utilized by the broader employee populations but are life-changing for those who do use them.
- **Core Benefits:** Benefits which are widely utilized by the employee population and are highly important.
- **Discretionary Benefits:** Benefits which are not widely utilized and generally do not dramatically affect employee livelihood.
- **Everyday Benefits:** Benefits which are widely utilized but have lower day-to-day impact on employees.



BENEFITS ON THE HORIZON

Current "Grand Challenges

Communication, Awareness, & Utilization

- Communication was, by far, the most prevalent challenge.
- How can you teach employees what benefits are available to them? How can you improve benefits awareness and access in crisis situations?
Companies offer so many great benefits, but the increased number of offerings and/or vendors increases overall complexity of benefits systems and muddies communication.

Cost

- Cost is a ubiquitous concern, which is only being exacerbated by rising vendor and healthcare prices.

Administrative Complexity

- Companies are generally trying to offer and administer benefits equitably, but doing so can be complicated by differences in working groups (such as bargaining group vs. non-bargaining group employees) and geography (such as state vs. federal legal requirements, or U.S. vs. international cultural expectations).

Generational Differences

- Some companies are looking to expand benefits and/or update offerings to improve Gen Z attraction. How can a company do this without excluding Baby Boomers and/or perpetuating piecemeal benefits strategies?

Benefits in Development

COMPREHENSIVE WOMEN'S HEALTHCARE

- Egg preservation
- Screenings
- Menopause support

EQUITABLE FAMILY FORMATION

- Adoption & surrogacy
- Parental leave
- LGBTQIA+ families

These DEI-focused benefits were among the most common up-and-coming offerings discussed. It is anticipated that they will become ubiquitous.

NEW & FLEXIBLE PAID LEAVE

- Emergency time-off
- Caretaker leave
- Sabbatical

FLEXIBLE WORK

- Emergency time-off
- Caretaker leave
- Sabbatical

HEALTH WELLBEING

- Emergency time-off
- Caretaker leave
- Sabbatical

FINANCIAL WELLBEING

- Emergency time-off
- Caretaker leave
- Sabbatical



Anticipated Trends

MARKET (MACRO)



- Increased benefit customization
- Startups introducing niche benefits push larger vendors to adapt
- Labor market volatility will make benefits a greater competitive tool
- Companies are focusing on improving wellbeing.

COMPANY (MICRO)



- Companies will continue to place a high emphasis on DEI
- Benefits navigation and communication will be simplified
- Greater emphasis will be placed on promoting community
- Financial perks will be increased through total rewards & awards
- Coverage for Eastern medicine will be introduced/expanded

Methodology

16 Partner Companies

26+ Leaders

14+ Industries

*Thank you for your insights
and participation in the Spring
2023 CAHRS RA study!*



Bloomberg



ESTÉE
LAUDER
COMPANIES



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OTIS



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