

3RD QUARTER 2021

HR Edge

Brought to you by **Brady, Chapman, Holland & Associates**

IN THIS
ISSUE

Retaining Employees
Post-Pandemic

The Increasing Demand for
Pet Insurance

COVID-19 and Open
Enrollment 2021

Retaining Employees Post-Pandemic

As more Americans get vaccinated, states have gradually lifted restrictions, and some people are resuming in-person interactions and everyday pre-pandemic activities. Individuals may finally be tackling tasks they've been postponing for more than a year. Unfortunately for employers looking to retain employees, some employees are now ready to find new jobs.

Given the high cost of losing an employee, retention should be a top priority for every organization. Employee retention is even more of a concern as we enter a post-pandemic world.

What's Happening?

Turnover is a common occurrence throughout any given year. However, during the COVID-19 pandemic, year-over-year turnover rates drastically fell. Instead, workers clung to their jobs as a way to maintain financial security, having seen countless others get furloughed or laid off. In fact, LinkedIn found that 74% of employees are "sheltering in job." That means workers are staying in their current roles to collect a steady paycheck and keep household finances stable—that is, until the pandemic is over.

Now, as the economy opens back up, employers are pushing for employees to return to the workplace. But a significant number of employees are

unwilling to return to the status quo established pre-pandemic. Workplace stressors—worsened by the pandemic—are partly to blame. Additionally, dissatisfaction with compensation, benefits and work-life balance are top reasons why employees are job hunting.

Aside from workplace-specific concerns, the pandemic gave many people an opportunity to rethink their values and make significant life changes, which, for some, can include finding a new employer. A recent PwC survey revealed the following general shifts:

- Employees are on the move, considering or planning to move more than 50 miles away from a core office location.
- Employees deeply value extra paid time off, including dedicated time to upskill or volunteer.
- Employees are focused on building skills learned from the pandemic, such as adaptability and the ability to learn and apply new skills quickly.

For these specific reasons and more, experts have begun to predict a massive wave of turnover in the second half of 2021. The typical turnover that happens over a year could virtually occur at once.

How Do Employees Feel?

21%

Of employees feel very engaged at work.

46%

Of employees feel less connected to their workplace now than at the start of the pandemic.

What do Employees Want Post-Pandemic?

- Remote or hybrid work models
- Protection from burnout
- Greater Compensation

Source: Achievers Workforce Institute

CONTINUED ON PAGE 2

bch

BRADY, CHAPMAN,
HOLLAND &
ASSOCIATES

When it Matters.

What Can Employers Do?

At this point, it's clear that a significant number of employees are feeling restless in their current roles. To combat these trends and avert massive turnover, employers will need to look inward toward their unique employee populations to assess the situation. This inquiry may include managers directly asking employees about their current mindsets, which workplace factors are most important to them and for any other feedback.

Generally, employers can also consider implementing some of the changes that employees are looking for, such as:

- Providing remote or hybrid working arrangements
- Revamping benefits offerings
- Expanding employee assistance programs to help with mental health and burnout
- Increasing compensation or bonuses
- Having managers meet more frequently with employees about engagement levels and ways to improve them

Even the most important issue for most employees— increased compensation—may not be enough to prevent turnover if other problems persist. That's why employers should consider surveying employees about their individual opinions. Doing so can help identify unforeseen opportunities and potentially give employers ideas for improving retention without breaking the bank.

The Increasing Demand for Pet Insurance

Many American households have at least one pet. In any given year, 1 in 3 of these beloved family members need costly veterinary care, even if it includes routine exam visits and vaccinations. In some cases, pets can be considered an extension of employees' mental health, and pet insurance can help address employees' financial challenges. Many Americans adopted cats and dogs for companionship during pandemic lockdowns since they were working from home, not traveling and perhaps feeling alone or isolated. As a result of the spike in pet adoption during the pandemic, employees are especially interested in pet insurance to take care of their new companions. More employers are taking a holistic approach to their benefits offerings to support employees fully, so some employers are even considering how to provide benefits for pets.

Should a pet become severely ill and need emergency care, costs can sometimes be more than pet owners can bear. Fortunately, employers can help. If they have pet insurance, owners will never have to decide about their pets' well-being based on cost. In this way, employers can play a key role in supporting employees and their pets.

How Does Pet Insurance Work?

Pet insurance is a voluntary benefit and provides coverage for most pet illnesses and accidents, focusing on unpredictable medical incidents rather than routine visits. Similar to other forms of insurance, employees pay a premium for their pet insurance policy. In most cases, this will be paid through a payroll deduction.

Employers can sign up for a group discount code that their employees can use. Then, pet owners can select a coverage percentage or monthly premium that will work best for their budget and needs.

ABOUT **45%**

of pet owners will spend the same or more on an animal's healthcare than on their own. (Source: Lendedu)

CONTINUED ON PAGE 3

Why Are Employers Offering Pet Insurance?

Pet insurance has been a trendy benefit offering in recent years, with around a third (34%) of employers providing some version of this benefit, according to a Willis Towers Watson survey. Since benefits packages aim to assist employees in lowering necessary costs, it makes sense that pet insurance is trending upward—after all, many individuals spend thousands on their pets every year.

Offering pet insurance can provide various organizational benefits, such as:

- **Improving employee financial wellness.** Pet insurance can reduce out-of-pocket vet expenses, allowing employees to spend that money on other needs.
- **Contributing to better overall employee health.** Research shows that owning a pet can improve an individual's mental and physical health. During this time when employees may be working at home in isolation, having a pet companion can benefit their well-being. Pet insurance can make the decision to get a pet easier and thereby improve an individual's health.
- **Showing employees their company cares.** Offering pet insurance reinforces to employees that their company cares about them, both within the workplace and outside of it. Providing such a perk can also assist with attraction and retention efforts, particularly among pet owners.
- **Enhancing competitiveness.** A company that offers pet insurance is demonstrating a commitment to its employees. This perception can be critical to winning over potential employees seeking a company that looks out for them and their loved ones.

Pet insurance can help an organization in a variety of ways. It allows employees to improve their financial, physical and mental well-being, which can, in turn, enhance their workplace engagement and productivity. Additionally, it helps the company signal their commitment to their workers, improving overall workplace satisfaction and leading to better employee recruitment and retention. If employers aren't already offering pet insurance as a voluntary benefit, they are missing this one specific offering that could play a critical role in retaining top talent—especially since employees likely got closer to their furry companions in the past year.

10%

of pet owners say they had missed a payment on another bill to pay for pet care. (Source: Lendedu)

On average, it can cost an employee between

\$700 AND \$2,000 PER YEAR

in veterinary bills to care for a healthy pet. (Source: Lendedu)

CONTINUED ON PAGE 4

COVID-19 and Open Enrollment 2021

The pandemic continues to impact and transform today's workplaces and employees' needs. In addition, many employees may be considering a career move. With open enrollment season right around the corner, now's the time for HR professionals to be on top of their open enrollment planning and communications.

Post-Pandemic Trends

As employees juggled their personal responsibilities virtually in front of their managers and colleagues, many employers adjusted benefits plans to accommodate this new pandemic reality. Driven by employee desires, the most common benefits changes during the pandemic include the following:

- Increased access to mental health benefits
- Flexibility for childcare and eldercare
- Changes in vacation and paid-time-off policies

Many employers responded by offering flexible work arrangements, addressing caregiving needs and supporting workers' emotional well-being. Those are just some common changes as workplace changes can be complex to execute. As we come out the other side of the pandemic, many employers plan to keep those same offerings, as it's still what their future workforce will want and need.

Are You Ready?

Good employee communication is critical for a successful open enrollment season, so it's vital for employers to start working on their plans now. An effective process begins with reviewing benefits packages to ensure they include competitive offerings employees want and expect as a result of the pandemic. Then, a comprehensive communication strategy can help employees understand their options and encourage participation. Many tried-and-true tactics may need to be digitized for organizations with distributed workforces.

Remember, the best strategy is to communicate early and often. Sharing information over an extended period of time via multiple channels gives employees more opportunities to review all of their available options and make the best decisions for themselves and their families in the coming year. It may also help to give employees a preview of benefit changes if they're considering leaving the company. Even if open enrollment is still a few months away, it's critical to plan ahead and start engaging employees with open enrollment so they know about new or expanded offerings.

Get Started Today

This year, more than ever, benefits will play a critical role in recruiting and retaining top talent. More employees are looking for new jobs, and organizations are finding it difficult to fill positions; therefore, employers should review their benefits packages to ensure they're considering the items employees want and have come to expect post-pandemic. The best benefits and perks can set organizations apart from their competition, making your company more appealing to current and prospective employees. Additionally, if organizations continue supporting remote or hybrid work arrangements postpandemic, a location-agnostic talent strategy could drive a very different employee benefits approach for 2021 and beyond.

The top reason employees would switch jobs this year is for **better compensation and benefits (35%)**, according to an Achievers Workforce Institute survey.

Contact Brady, Chapman, Holland & Associates for more human resources trends, industry insights and proactive strategies to maintain a competitive edge in today's workplace.