

Isio insights

The benefits sweet shop

Maximising value from employee benefits

Isio surveyed¹ over 7,500 private sector employees and this series of papers puts the spotlight on our key insights.

1. Isio's June 2023 survey in conjunction with YouGov of 7,674 UK private sector employees. Responses for don't know or prefer not to say answers have been removed, unless explicitly shown.

Our second paper **explores which benefits are most impactful in attracting and retaining employees**. It also challenges the assumption that all employees want and would be motivated by the traditional benefits package.

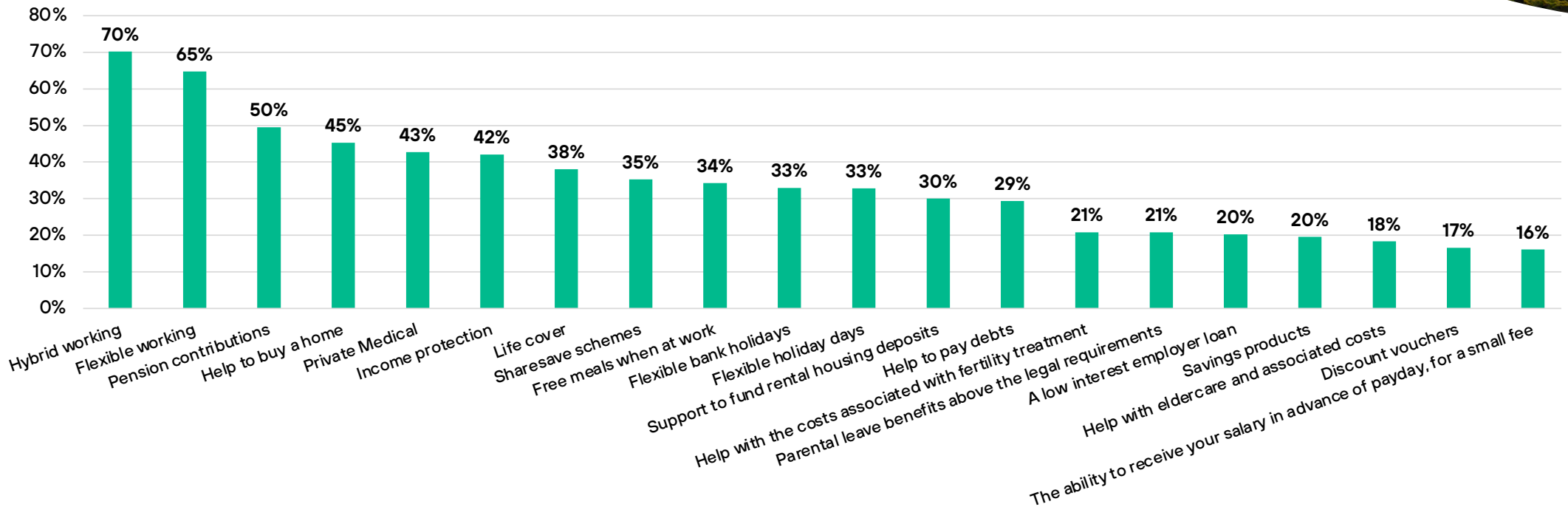
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born to be better.

It's a pick and mix.

In our previous paper we used our survey data to establish the positive link between providing the right benefits to meet employees' requirements and improving employee retention. Here we take a deeper dive into which benefits can be used most effectively as tools for attraction and retention. To put it another way, in a pick and mix of benefits, what do your employees want in their bag?

We asked over 7,500 private sector employees¹ "Which benefits do you currently receive that would persuade you to stay with your employer?"

The results for the 20 most popular benefits are shown below. This shows hybrid and flexible working coming out top, followed by pension contributions, support with home buying, and health. We refer to these as 'sticky' benefits – something that, in itself, entices the employee to remain loyal to an employer. Knowing your sticky benefits is valuable. These should be used as tools to improve engagement and treated sensitively for any change.



What's fascinating here is that **importance is not linked to monetary value**. This data shows that more employees value flexibility and autonomy, through policies that are about culture and operations. Some of the more expensive benefits such as discounted parking and childcare support didn't make it into the top 20 most popular benefits, although we acknowledge that these benefits might be highly valued by the employees who do make use of them.

Flexibility and autonomy are key tools for retention.

Flavours of opinions.

Going one step further, we considered how these priorities change if an employee is very highly engaged, or at the opposite end, considering moving jobs?

Those who reported being very unlikely to leave their jobs and having a benefits package that fully met their requirements rated the following as their top five 'sticky' benefits.

1. **Hybrid working**
2. **Flexible working**
3. **Pension contributions**
4. **Income protection**
5. **Private medical**

This is broadly in line with the wider population, although there was a stronger preference for pension, income protection and private medical compared to those who were less satisfied in their job and with their benefits.

Those who said they were somewhat or very likely to leave were unsurprisingly already disengaged, and their benefits were less likely to persuade them to stay.

Nonetheless, there were some notable exceptions, and the following benefits resonated more with this group than the wider population:

1. **Savings products**
2. **Support for menopause/women's health**
3. **Financial education/coaching**
4. **Parental leave benefits**
5. **Travel season ticket loan**

Let's unwrap this.



1. Benefits can be used to retain employees, and some are more attractive (and cheaper!) in this regard than others.



2. Those who are 'happiest' (most likely to stay) place more value in the traditional areas of a benefit package than others (pension, income protection, private medical).

But stop! This doesn't necessarily mean that focussing on these areas will increase value for all. When we looked at who these happiest people were, they were weighted toward those who were older, homeowners, married, and of predominantly White ethnicity.

The benefit package is doing what it was meant to do – motivate staff – but it's doing it for the type of employee it was designed for (and designed by) 20-30 years ago. Identifying inclusive, sticky benefits for the future must look beyond these. In other words, there's demand to introduce new flavours to the pick and mix.



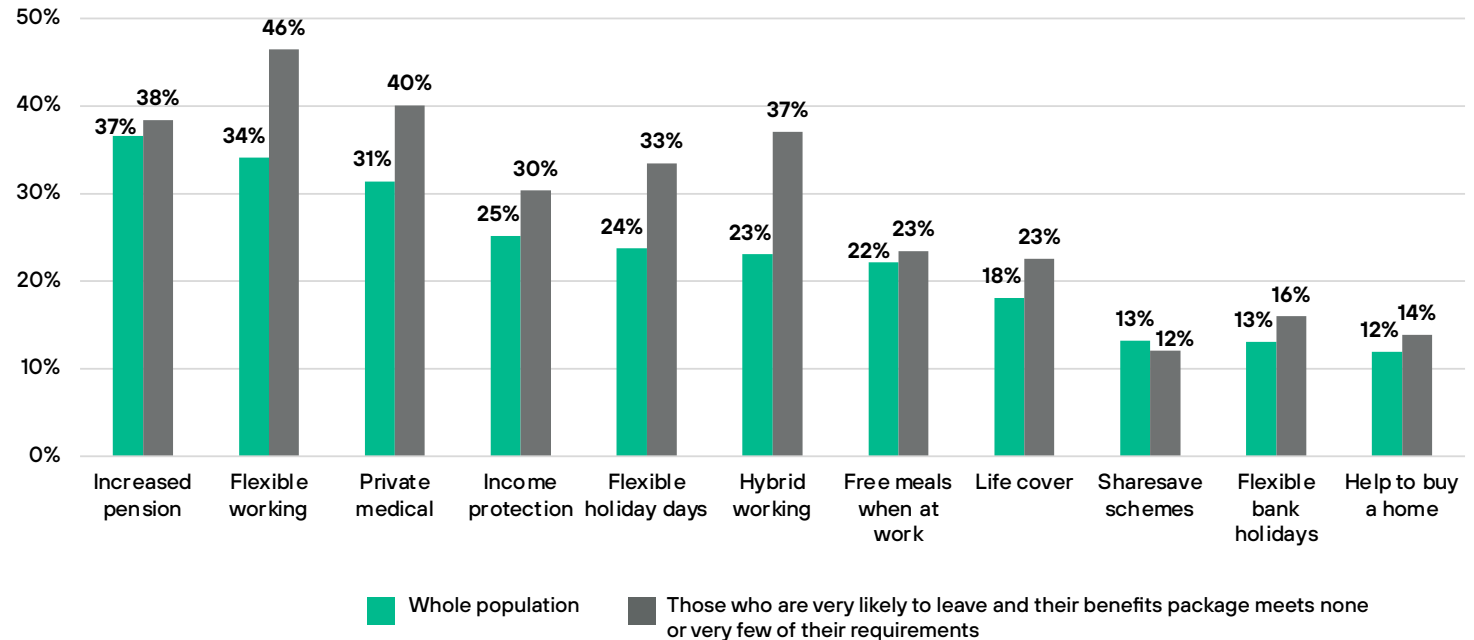
3. Those who are about to leave may be facing particularly challenging life events or are looking for more support in the 'here and now'.

An employer cannot be feasibly expected to provide a full range of solutions for all of life's problems, however within the last few years emphasis has shifted and employers are increasingly expected to play a more pronounced role in wider wellbeing support.

Employers should therefore consider what range of benefits they would be willing to offer to support their employees through different stages of life as this could have an impact on employee turnover.

Put the sweets to the front.

How does this look when we think about attraction for new employees? We asked our survey participants¹ **which benefits do you not currently receive that would persuade you to move to another employer?** This is shown by the green bars below, with increased pension contributions, flexible working and help with health coming out on top.



Looking specifically at those who are keen to move jobs (grey bars on the above graph), this group showed a stronger interest in flexibility compared to others, with a desire for more hybrid working, flexible working, flexible holidays and flexible bank holidays in their potential new reward package. A key takeaway here is that all benefits work as attraction tools – but only if this is communicated. (Don't hide the mint humbugs as it seems some people like them.)

For example, employers who offer flexible holidays (holiday buy / sell) don't often put this on their job advertisements but instead confine it to the realms of their policies. Yet 33% of job seekers would be more motivated to join a company if this benefit was offered. This benefit is broadly cost neutral and our results suggest it to be successful in attraction and retention.

This is just one example of **spending 'better' on benefits.**

Let's weigh it all up.



- Our data indicates that individual employee benefits do act as effective attraction and retention tools.
- Workplace benefits could do more in retaining staff if they look beyond the traditional reward package. This means providing options that are:

a. More inclusive, and

b. More extensive, with wider wellbeing support.

The intention should be to spend 'better' on benefits, not necessarily more.

- Communication of the benefits that appeal can provide a competitive edge.



Thoughts to chew on.

Our next paper will look at employee finances – the cutbacks they have made, and what is still worrying them.

In the meantime, have a think about what these findings mean for you:



Ask yourself who your sticky benefits are designed to retain. Does it reflect your future workforce or is it time for a redesign?



Consider if your external communications deliver the right message for your company in attracting new talent. Could strategic positioning of certain benefits provide a richer pool for recruitment and longer term loyalty?

For further insights on how to make the most of your reward and benefits, read the rest of the series [here](#).



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