

Isio insights

Working 9 to 5

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.

¹Isio'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.

The sixth paper in our series takes a step back to look at the wider picture – the employment package in totality, known in some circles as the 'Employee Value Proposition'.

The best teams are often those that are cited to be diverse in skillset, perspectives and background, therefore recruiting with diversity in mind (and without unconscious bias) should be a priority. **But how do you know what to prioritise in an employment package to make it genuinely attractive to such a diverse workforce? Are there key differences that need to be considered?**

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born to be better.

A way to make a living.

Jobs used to be for life. Perhaps this was the experience of your parents, or your grandparents. You left education, found your employer and, for the most part, stayed there until you retired.

This level of employee loyalty is now increasingly rare and a job for life is almost unthinkable. In fact, the average tenure in the UK is under 7 years within the private sector².

² Tenure and skill level of public and private sector employees in the United Kingdom - Office for National Statistics (ons.gov.uk).

There are many factors that have contributed to a reduction in loyalty since the turn of the century such as increased worker mobility, the effect of technology, an increase in transferable skills, and the changing priorities of the workforce. This latter point is illustrated in Gen Z (the under 25's) who, if you read the rhetoric, are more likely to favour change and competitiveness over staying put.

With increased turnover there are pros and cons for most employers. New joiners bring energy, vitality and a fresh perspective but along with it, the expense and time inefficiency of recruiting and re-training.

Loyalty on the other hand fosters working relationships, and those who stick are likely to have a better psychological relationship with their employer - often going above and beyond their day job whilst encouraging others to do the same.

Care is needed then to avoid the expensive mistake of leaking your best talent and retaining the 'quiet quitters' who stay but who aren't engaged. Get your employment package right and you will attract and retain top talent. Get it wrong and you might miss out on those top performers and instead get stuck with a stale and underperforming workforce.

So, what gets employees springing out of bed in the morning to embrace the day job or perhaps jumping ship for a better deal? Are Gen Z really so different to everyone else and how might the employment package need to evolve in the future?



For service and devotion.

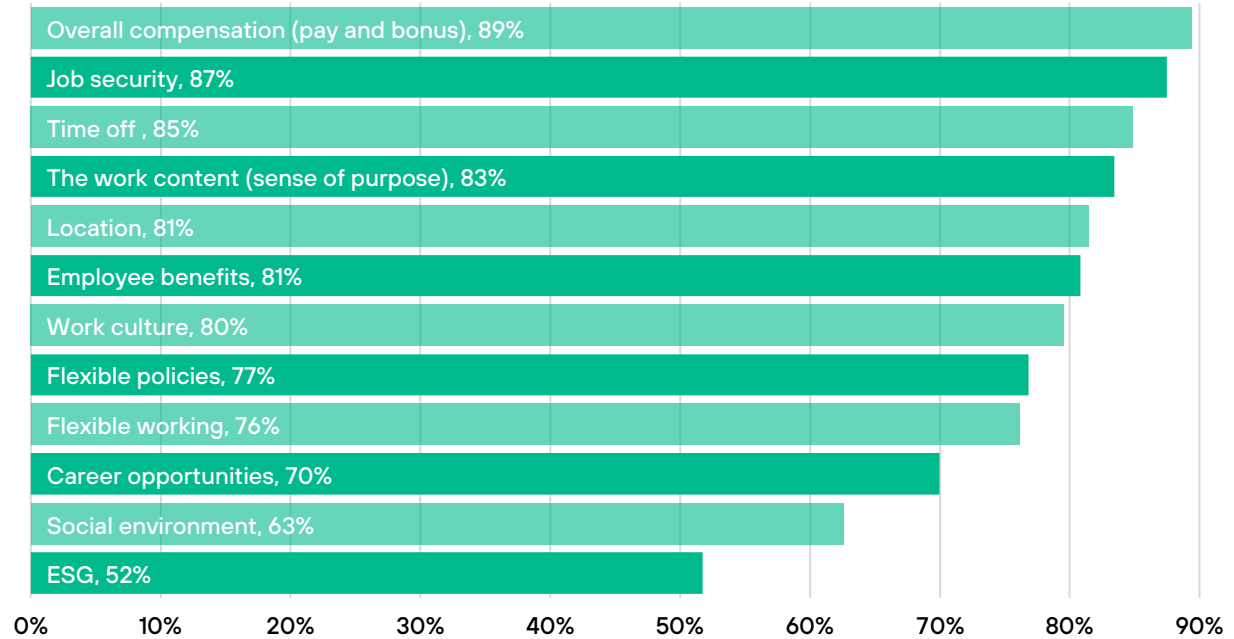
Firstly, what is the *Employee Value Proposition* ('EVP')? This is a term incorporating the wider aspects of employment such as employer support, flexibility, career opportunities and culture, to name a few. It is this concept – in its entirety – that should support employers in attracting and retaining the best talent. But with such a wide definition, what aspects are most important?

We asked over 7,500 private sector employees¹ **"How important are each of the following aspects of the employment package?"**

We asked each respondent to score the options shown in the graph to the left from 1 to 5, where 1 was not important at all and 5 was extremely important. We have weighted the responses, where a score of 100% would imply that all respondents had rated the aspect as extremely important.

The results show us that cash is still King, with compensation being the number one factor of importance in employment, scoring 89%. But for how much longer can it hold this crown we wonder? There is no huge margin between the topmost factors, and with only 13% separating the first nine, it's a close race.

There is value to be had in investing in non-reward aspects of the employment package. Although usually little can be done to make significant change to work content or location – the other aspects shown provide very tangible, 'fixable' opportunities for an employer to introduce change, and the data implies that a small amount of investment in these areas could result in a very real improvement in value for employees.



This is not a one size fits all roadmap to success though. Each workforce demographic is unique and dynamic. Our survey results show surprising fluctuations in opinion when you compare by factors such as age, gender, industry and ethnicity for example. Could you be inadvertently attracting one demographic over another?

Let's dive into how the responses differ between two demographic groups; age and ethnicity.

Across the generations.

So, how different are Gen Z? Do they march to a different beat? As with most things, it's complex, however the divergence between the generations can be seen.

Difference in results for Gen Z (under age 25) compared to whole population



Across all age bands, pay comes top – so no matter how old you are, your overall compensation is more likely to be the most important aspect of your employment package. However, only 58% of those under age 25 (Gen Z) considered pay to be extremely important (rating it 5 out of 5). This compared to 73% for those aged between 25 and 44 (broadly the Millennial generation).



Gen Z are more concerned with the work that they do than their job security, but place a similar level of importance on time off compared to other age groups. In contrast to this, those over age 55 place more importance on the work that they do than time off.



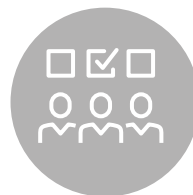
Surprisingly, flexible working and flexible policies were less important to the under 25's. This could be explained by having fewer responsibilities to juggle, but also perhaps as a result of 'growing up' with some degree of flexibility having been already introduced to the workplace and the benefits of a flexible culture being expected now, rather than granted.



Gen Z place more importance on career progression– as did those aged 25 to 34. Career progression was closer to the bottom of the list for those over age 35 where it ranked either 10th or 11th out of the 12 employment aspects.



The social work environment was more important to Gen Z than all other age groups, with 31% rating it as extremely important. This compares to 19% for the wider population. Alongside career progression, the social work environment was one of the most age dependent metrics.



Controversially, although Gen Z placed more importance on the employer's commitment to ESG than the other age groups, it was still the least important employment aspect for Gen Z.

All taking and some giving?

Now let's look at this through the ethnicity lens.

Given the size of the population, scores for White respondents were broadly in line with the results shown on page three.

Asian, Black and Mixed ethnicities however placed a

higher value on nearly all aspects of the employment package. The results also showed a few key differences in preferences, illustrated below.

Notably, Asian, Black and Mixed ethnicity individuals placed a higher importance on employee benefits than White respondents, despite these groups

reporting that their current employee benefits met significantly less of their requirements (we explored this area in our [first paper](#)).

These results imply that when it comes to the employment package, not everyone is singing to the same tune, or in some cases even the same song!



A cup of ambition.

Now, not all of these differences, whether by generation or ethnicity, are going to represent differences in values. Most are likely to reflect differences in age and life stage. For example, those under age 25 are less likely to have bigger financial responsibilities such as a mortgage, or children, and hence pay, employee benefits and job security might be slightly less important to them.

From a recruitment and retention point of view however, the underlying causes are almost irrelevant. What is important, is recognising that these wider factors play an increasingly important part in employee engagement, and they are directly integral to recruitment and retention.

Of course, money talks; there is a need to ensure your pay and benefits are competitive, however our data suggests that they do not necessarily have to be market leading to attract the best talent in your industry. Investment beyond pay and benefits may reap a more permanent reward.

Could a successful shift in company culture have a longer-term benefit than an incremental bonus pot? Would a sense of belonging and trust in the workplace outweigh free bananas? Might employees prefer a clear sense of purpose and fulfilment in their work to drive comradery rather than a festive dinner?

Although recognition and one-off perks have their place, choosing to invest in flexibility, values and behaviours has a long-term reward. An employer with the right framework in place that encourages ideas, allows employees to thrive and bring their best self to work has a USP that money can't actually buy – the foundations for a loyal and committed workforce.

Build it up.

That's all very well in theory, but how might this play out in practice? Here are some examples to build a strong EVP foundation.



Develop a **culture for continuous listening** – make use of employee engagement surveys and recruitment and exit interview data to actively inform your EVP. These aren't just paperwork exercises – they are your finger on the pulse in understanding what is needed.



Did you wonder why job security is so valued when modern tenure is so low? One reason is that people like to feel in control. You may not be able to control the economy, but you can **increase the sense of job security** in other manners. Creating more transparency in company direction, promoting two-way communications and creating an environment of psychological safety are examples of how to improve this.



Time is precious – whether that's time off to rest, go on holiday, extended leave to follow a dream, or spend much needed time with new or elderly dependants - these hidden leave benefits are so important. Support and promote them where possible, and consider how these could be made more inclusive to appeal to a non-traditional family structure.



How can flexible policies and flexible working be supported for rigid roles and shift workers? One underlying cause of the human reaction to wanting flexibility is wanting to be trusted more. This empowerment doesn't have to be shown only in start and finish times. Giving employees more autonomy in workload and decision making may be one way to tick the same box.



The perfect set package that will suit all demographics at all life stages does not exist.

Introduce optionality and flexibility where possible, and tailor recruitment adverts to emphasise some factors more than others for certain roles.



Getting some simple things right doesn't have to cost a lot – creating meaningful job roles where expectations are clear and the **employee feels a sense of purpose and achievement**.



Most good organisations will have already considered most of these factors and yet employees or potential employees won't know about them – **bring them to life**, breathe some fresh air into them such as a different communication channel, a marketing campaign or a real-life case study.

Press repeat.



- Cash is still King but evidence is strong that other factors in the wider employment package matter almost as much – ignore these at your peril.
- Different aspects of the EVP will be important to different people – two of the key differentiators in this regard are age and ethnicity.
- There is scope for an employer to make changes to improve these wider aspects such as job security, culture, flexible working and policies, and investment in these areas may have much richer consequences, and provide longer-term value to an organisation.

Coming up next.

Our papers will return in the New Year when we introduce a fresh take on employee preferences for long term saving, focussing on how – and why – the benefits package could support this.

As you consider your own New Year's resolutions, have a think about these for your organisation.



How loyal is your workforce? Which elements of your EVP could use a reinvigorated approach?



When was the last time you made changes to your flexible working approach and policies? Have you considered frameworks for security and satisfaction in the workplace? Are you communicating these strategies effectively?

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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