

# A Guide To Helping Employers With Recruitment and Retention

How voluntary benefits can help attract employees in a hot job market



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# The New Talent Dynamic

Today's job market looks drastically different than it did a decade ago. More than 4.3 million people quit their jobs voluntarily in the U.S. in December 2021, slightly below a record high of 4.5 million in November 2021.<sup>1</sup> In the first two months of 2022, the number of employees quitting continued at around 4.3 million per month.<sup>2</sup> This trend has left a significant hole in the labor market and employers across the country are struggling to fill open positions with top talent.<sup>3</sup>

Employee needs and priorities have changed as well. Rather than leaving the workforce, employees who are resigning accept new jobs at organizations that they feel better value them.<sup>4</sup> And while many employees are demanding higher compensation, many of them (especially those from younger generations) are also placing more importance on family time, a better work-life balance and more personalized perks and benefits.<sup>5,6</sup>

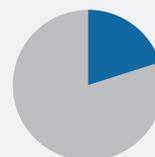
## How Can Employers Compete?

To compete in this job market, employers can adapt their recruitment and retention strategies to take employees' whole lives into account. Standard recruitment practices like compensation and sign-on bonuses often have a limited long-term impact.<sup>7</sup> An alternate strategy for employers to consider is to focus on building a flexible, well-rounded benefits offering that includes a mix of core benefits and voluntary benefits like dental, vision, life and disability coverage.

The key is to appeal to the needs and wants of a diverse workforce and prioritize employee health and financial wellness, while still being favorable to your organization's bottom line.

### Key Stats

More than 1/3 of U.S. workers changed employers or lost their jobs since the start of the pandemic, double the typical level in the previous two decades.<sup>8</sup>



# 20%

Turnover can cost employers 20% of an employee's annual salary, making attracting and retaining employees essential to business success.<sup>9</sup>

# The Growing Demand for Better Benefits

Employees have historically remained in jobs for salary, location, experience, or even convenience; but priorities shifted with the Covid-19 pandemic.<sup>10</sup> Flexibility, financial security and protection from unexpected health care bills are now a top priority for many employees and job seekers.<sup>11</sup>

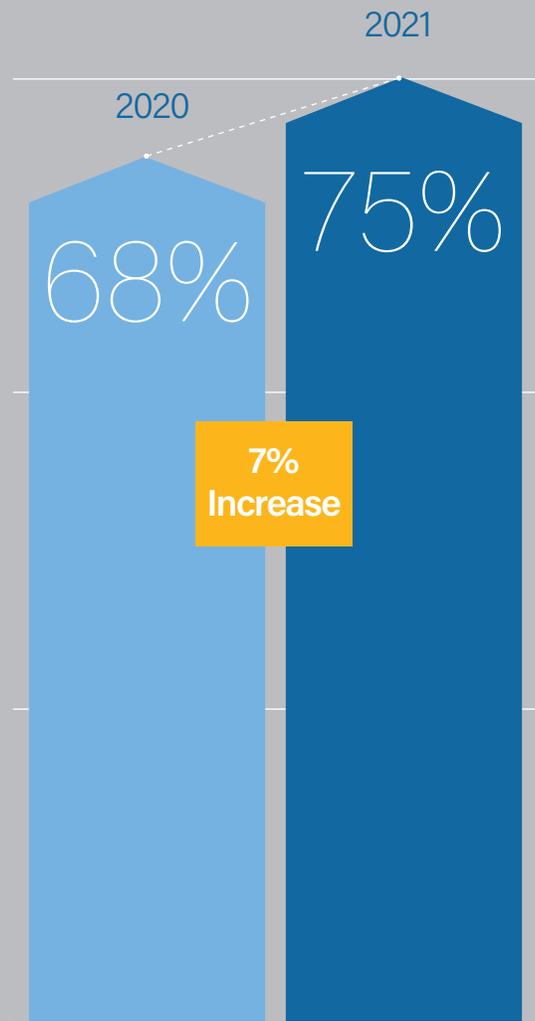
As a result, voluntary benefits (also known as ancillary benefits), are increasingly becoming a top motivator, driving whether employees work for and stay with an employer.<sup>12</sup>

**A recent survey found that 75 percent of employees said voluntary benefits would affect their employer's ability to retain them, compared to 68 percent in 2020.**<sup>13</sup>

Another reason voluntary benefits are gaining traction: a multigenerational workforce.<sup>14</sup> Today there are five generations in the workplace, (compared to only three or four a decade ago), which results in a wider range of employee needs, and thus a greater demand for more personalized benefits.<sup>15</sup> Baby Boomers and Millennials, for example, don't necessarily want the same out of their benefits. And as more Baby Boomers retire from leadership roles, younger generations' needs and wants are shifting to the forefront.<sup>16</sup>

Employers are also seeing the value in offering voluntary benefits. A recent Willis Towers Watson survey found that nearly all employers (94 percent) expect these benefits to hold great importance in their organizations during the next three years (compared with just 36 percent of employers deeming them important in 2018).<sup>17</sup>

**75 percent of employees said voluntary benefits would affect their employer's ability to retain them, compared to 68 percent in 2020.**<sup>18</sup>



# 94%

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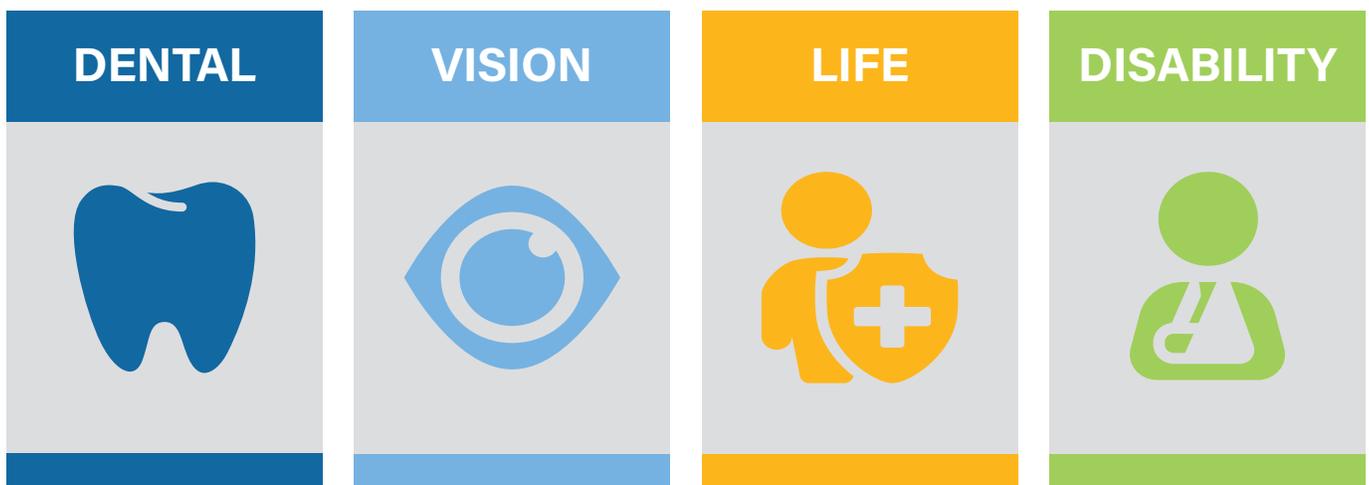
Source: Willis Towers Watson, 2021 Emerging Trends in Healthcare Survey<sup>19</sup>

# What Are Voluntary Benefits?



Voluntary benefits have become a key aspect of attracting and retaining top talent.<sup>20</sup> Designed to supplement medical insurance and retirement savings plans, these benefits allow employers to offer more attractive benefits packages that address things medical insurance may not cover.

Voluntary benefits are always evolving as employee needs and preferences change, new offerings become available, and existing programs are revamped. A well-rounded benefits package may include the following voluntary coverage options to help promote preventive health care and financial well-being:



Voluntary benefits enable employees to tailor a benefits package that best meets their needs, which may continue to change in response to major life events, like marriage or having children. The flexibility afforded by voluntary benefits may help employees gain peace of mind knowing that they can adjust their coverage if needed, providing them with valuable power over their health and financial decisions.<sup>21</sup>

# Voluntary Benefits Help Support the Whole Employee

Employers must increasingly focus on employee needs from a holistic perspective to attract and retain today's talent, covering physical, emotional, financial, and social well-being.<sup>22</sup>



Voluntary benefits like life and disability coverage, for example, may help address financial stress by providing protection against unexpected costs if employees become ill or are injured and cannot work.<sup>23</sup> This is important because without some form of income protection, many employees would face severe financial difficulty if they had to miss work due to a short- or long-term medical absence.<sup>24</sup> The extra layer of protection and confidence that life and disability coverage can provide is increasingly appealing in today's uncertain world and can help improve employee satisfaction and retention.<sup>25</sup>



## Voluntary Benefits Can Offer Flexibility and ROI for Employers

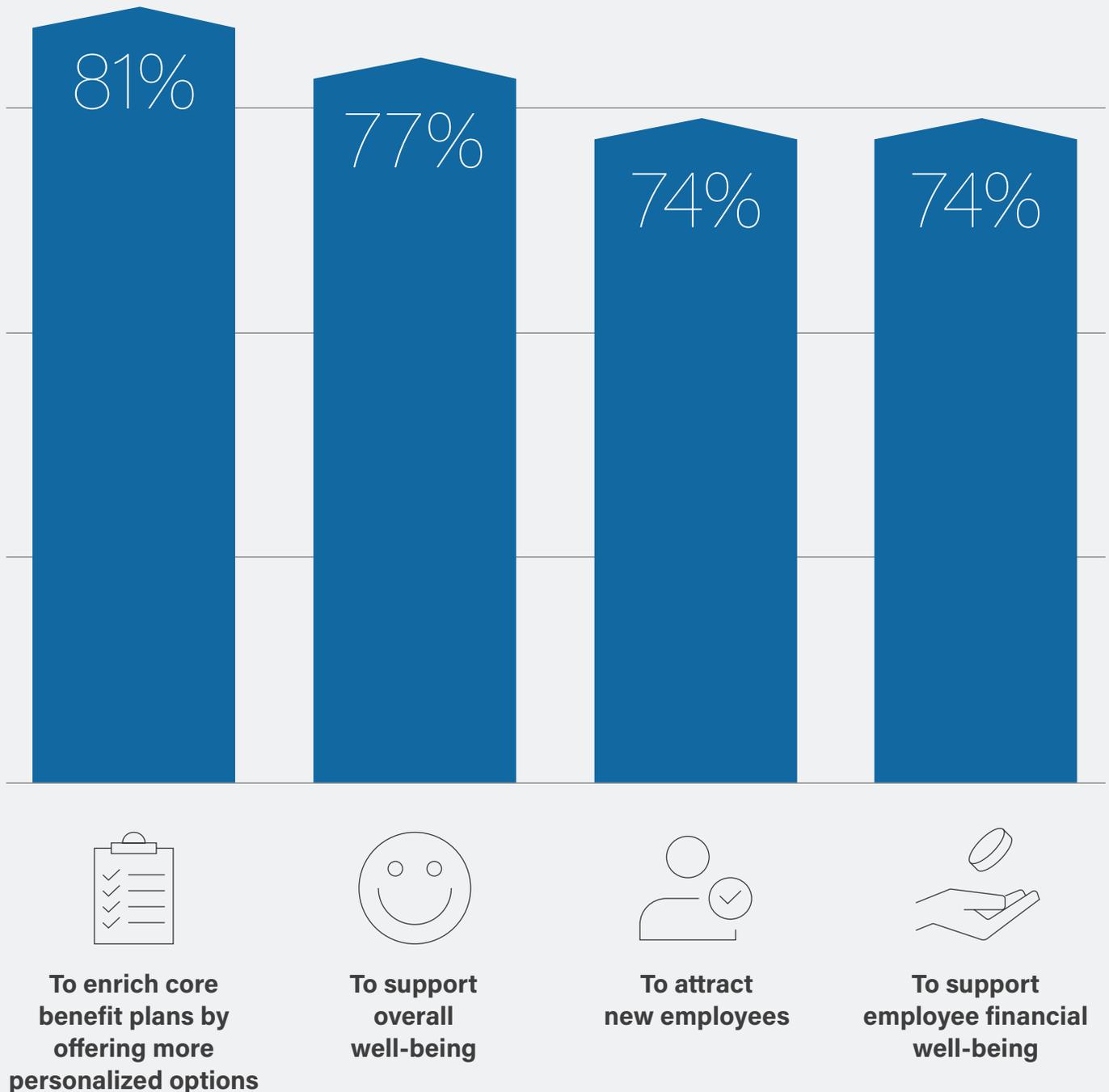
Voluntary benefits offered through an employer are typically more affordable for employees than similar coverage purchased on an individual basis, since employers can get the advantage of a group rate.<sup>26</sup>

And these benefits can also be cost-effective for employers—even small businesses. Usually offered on a voluntary basis where they are partially or sometimes 100 percent employee-paid, voluntary benefits enable employers to enrich their benefit offerings to meet the needs of a diverse workforce at little to no cost. Certain voluntary benefits can even be paid for with pre-tax dollars, which means employers may pay less in payroll taxes.<sup>27</sup>

Voluntary benefits like dental and vision coverage may even help employers control their company's other group health costs. An essential tool in early disease detection, routine dental care can uncover more than 100 different diseases, including heart disease and diabetes.<sup>28</sup> Similarly, an eye exam can help spot early signs of chronic conditions like high blood pressure, heart disease, diabetes and high cholesterol, which may drive high-cost medical claims.<sup>29</sup> These serious health conditions can cost companies billions every year, making early detection much more critical.<sup>30</sup>

## Why Offer Voluntary Benefits?

Top reasons employers offer voluntary benefits and services:



Source: Willis Towers Watson, 2021 Emergng Trends in Healthcare Survey<sup>31</sup>

# Other Strategies for Attracting and Retaining Top Talent

Maintaining the status quo is no longer enough in today's competitive, employee-driven job market. In addition to revamping your organization's benefits offering, what other tactics can you employ to attract new candidates and ensure current employees feel valued? Many employers are choosing to implement things like:

- **Signing bonuses, increases in salary and bonus potential**
- **Training and development opportunities**
- **Employee wellness programs and offerings**
- **Flexible work arrangements**
- **Recognition and rewards programs<sup>32,33</sup>**



## How to Communicate the Value of Voluntary Benefits

A strong communications strategy (especially in today's reality of remote work) is key to helping employees understand how valuable voluntary benefits are to their overall compensation.

### Reveal the hidden paycheck

A personal benefits statement is a powerful way to provide a dollars and cents breakdown of all benefits by identifying specific employer contributions as well as out-of-pocket costs employees can expect to pay.

### Implement active open enrollment

Active open enrollment requires employees to select their benefits each year, rather than automatically re-enrolling in the previous year's choice. This encourages employees to learn about new benefits and choose what's right for them.

### Use the right channels

Encourage employees to engage in the open enrollment process with both in-person and virtual options. Consider customized communication by target groups, such as those with families or those nearing retirement.

### Share benefits information throughout the year

Share benefits information throughout the year via internal newsletters, emails and brochures mailed to employee homes to keep these important benefits top of mind.

### Encourage feedback and questions<sup>34</sup>

Make sure you're giving employees what they want by regularly seeking feedback and questions. This can help you improve your benefits offering for maximum impact.

# Focus Ahead

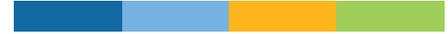
This employee-driven market may not last forever, but it's certainly showing no signs of cooling down. And as the pandemic and generational shifts continue to shape employee preferences and expectations, offering the right mix of benefits that takes the whole employee into account is key to effective recruitment and retention.<sup>35</sup>



## Finding the Best Voluntary Benefits Carrier for Your Needs

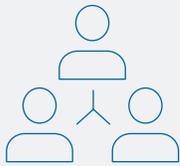
What services and qualities should you look for when evaluating potential partners?

- ✓ **Specialists who are dedicated to the voluntary benefits space**
- ✓ **Multiple coverage options and flexibility to customize your benefits package**
- ✓ **Personalized service with an experienced and dedicated team**
- ✓ **Rapid case set up and quick and efficient claims payment**
- ✓ **Find out if their products include any special features or innovative services**



## About Renaissance

Renaissance provides innovative dental, vision, life and disability insurance plans alongside exceptional customer service to groups nationwide. Renaissance offers customizable benefits options that facilitate the receipt of necessary care for groups of all sizes. At Renaissance, the goal is to provide customers with flexible plans that meet their needs, develop and maintain lasting relationships, and ensure customers receive strong value.



### Strong Networks

375,000+ participating dental provider access points nationwide<sup>36</sup>; 100,000+ vision access points through VSP<sup>37</sup>



### Outstanding Service

Our U.S.-based team anticipates needs and helps facilitate timely enrollments



### Phenomenal Claims Processing

99% of dental claims processed within 10 days<sup>38</sup>

## Ready to Build a Better Benefits Offering?

To download free resources and discover more ways voluntary benefits can help you attract and retain top talent, visit [RenaissanceWorksForYou.com](https://www.RenaissanceWorksForYou.com).



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