Introduction
The Changing Employer-Employee Social Contract

The relationship between employers and employees has been tested these past several years in ways few could’ve imagined. The pandemic was the catalyst for some long-standing or underlying political, economic, and social issues that came to a head as a result of COVID-19. These issues have changed what employers and their people need from one another to thrive going forward:

• Organizations were asked to navigate the impacts of the pandemic on their businesses while also focusing on their people’s health, safety and well-being like never before.

• Workers were asked to do their jobs in different ways, demonstrate resilience and place trust in their leaders, all the while coping with financial insecurity and taking care of loved ones.

Each organization is determining how it will adapt to the new workplace and workforce dynamics. To help that process, this guide curates HR and employee benefit thought leadership that provide strategies, best practices, and analysis to help you successfully navigate the changing employer-employee social contract.

How to use this guide

The guide is organized into four sections: Finding People, Keeping People, Supporting People and Leading People. Use links in the table of contents to jump directly to a section or to a specific article of interest.

We’ll be updating the guide to share additional insights as we move through 2022.
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This guide focused on four key areas of challenges facing HR departments today and offers steps on how to confidently resolve them, plus where you can turn for more help.

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Many employers are reevaluating the effectiveness of their current recruiting strategies. The insights in this section share strategies designed to help you find the best talent to meet your organization’s needs.

Confronting Challenges Created by the Labor Shortage
Onboarding Best Practices: Make Your New Hires Feel Welcome

For more information on how we can help you with your recruiting strategies, contact us.
Confronting Challenges Created by the Labor Shortage

By Scott Nostaja

Restaurants are limiting hours. Manufacturing operations are reducing shifts. Service providers are scheduling appointments out farther than ever before. With a historic 10.6 million job vacancies in the United States, the national labor shortage is challenging employers in many industries to keep their doors open and meet the demand for their products and services.

Employers have responded to the tight labor market by using a variety of creative strategies to attract new employees and keep current team members from being lured away. Common strategies include sign-on and retention bonuses, pay increases, remote work options and more time off. However, organizations have reported variable success with these strategies. Why? Because in some cases, they fail to address the real reasons employees are forgoing certain work opportunities.

In addition to understanding the factors contributing to the national labor shortage, this article discusses three key questions that employers impacted by the labor shortage should answer now:

1. What would it take to get our best employees to stay?
2. What makes our organization appealing?
3. Do our job requirements make sense?

Causes of the labor shortage

There are many theories about why the current U.S. labor shortage exists:

- COVID-19-related exposure fears
- Childcare issues
- A post-pandemic wave of baby boomers choosing to retire
- Millennials, who are now the largest demographic in the labor force, are at the most marketable stage in their careers (mid-level) and are highly mobile
- Immigration restrictions
- Temporarily generous unemployment benefits
- Expanded remote work options that give people more opportunities to work for organizations without changing their geographic location
Another theory is that the pandemic offered people the opportunity to reflect on their financial and personal priorities and reevaluate their careers and employer expectations. For instance, employee surveys indicate that workers want to feel trusted at work and be evaluated on outcomes rather than activity. They’re interested in work that is personally meaningful and offers them career-advancement opportunities. Employees are also seeking inclusive workplaces where they have a deep sense of belonging and the opportunity to work with managers and coworkers who respect and appreciate their contributions. They prefer flexible work schedules and want to work for organizations that have positive reputations.

Given current labor market dynamics and evolving employee expectations, what should you be doing to keep the people they have and recruit great talent? Rather than acting rashly, we think you should pause and ask several questions, including the three noted below, which are especially important at this time.

**What would it take to get our best employees to stay?**

When faced with a large number of vacancies, employers tend to focus on how to fill their open roles. That makes sense, but retaining your current employees is also critical. To do that, make sure that the people who have served you well in the past feel valued.

Here are some strategies to consider:

- **Pulse/Stay interviews** — Meet with current staff to express appreciation for their contributions and ask what you can do to ensure they stay. Are they interested in more responsibility? Do they need a second computer monitor to do their work? Are there parts of their job they would like to change? Would an executive coach be useful? The responses you receive might surprise you.

- **Removal of barriers that cause frustration** — Are certain work processes unnecessarily complicated? Does it take too long to secure approvals? Is there a manager or coworker who makes life at work miserable? Are your employees lacking the tools or resources they need to do their best work? Find out what makes your employees unhappy or frustrated, then make a plan to address the issues you uncover.

- **Retention bonuses** — Long-time employees may feel resentful that new employees are receiving sign-on bonuses. Consider offering “thank-you awards” to retain your best employees.

- **More flexibility** — You trust your long-service employees, so recognize them to demonstrate that. When practical, offer scheduling flexibility and work-from-home options. “I trust you and I know I can count on you” are powerful words to share when you announce these options.

- **Competitive compensation and benefits** — Know how your offerings compare to what your competition in the same industry and/or geographical area can provide and think about how to address any shortcomings.

- **Clearly defined employee value proposition** — Articulating the reasons why a candidate would want to join your organization as well as reminding current employees of the reasons why they should stay can also be helpful in reducing attrition. Well-crafted employee value propositions could serve as a good reminder to current employees about the value you provide as an employer along with the full range of rewards and benefits that are available to members of your team.
What makes your organization appealing?

When employees have options, as they certainly do now, they are comparing employers and employment offers. While increasing pay might seem like an essential strategy, there is plenty of evidence to suggest that employees will sacrifice pay for better working conditions and a better culture. One of the leading causes of employee resignation today is the refusal by many to work in a toxic work environment. Organizations who have been identified as employers of choice or great places to work will fare much better in the war for talent than those who are not.

What makes your organization a desirable place to work? Is your mission important? Do you have a reputation as a diverse and inclusive employer? Have bullies been allowed to remain despite their disruption to the main culture? Do you regularly seek and consider your employees’ opinions? Do you offer free snacks? Are there showers on site that make it possible for employees to exercise during their lunch hour? Do you let people leave early on Fridays or provide pet insurance?

Regardless of what you offer, have you packaged your differentiators in a way that is easy for prospective employees to understand?

Do our job requirements make sense?

When the job market was full of qualified talent, to make application reviews easier and more manageable, many employers used requirements like having a degree and certain minimum years of experience. Rigid requirements don’t work when the labor market is tight. While you shouldn’t lower your expectations for quality, be open to the possibility that traditional education and experience requirements may limit your success in finding excellent people.

When posting job announcements or screening candidates, focus more on skills, attitude and transferable qualifications and less on bringing a perfect resume to the role. Also, be sure to check yourself on the natural tendency to hire people who look and act like your other employees. Fresh perspectives can improve group thinking and make your organization stronger and more responsive to your customers.

A great start to confronting challenges created by the labor shortage

Answering these key questions will go a long way to help your organization confront today’s labor challenges — but that’s just the starting point for creating a solid strategy for how to win the intense competition for talent. To refine your strategy, there are many other questions to consider.
Onboarding Best Practices: Make Your New Hires Feel Welcome

You’ve invested heavily in attracting qualified talent and spent countless hours making sure they’re the right fit. All that’s left is to formally bring them into the organization. Easy, right?

Well actually, no.

The pandemic has made onboarding new talent challenging, especially when it comes to remote and hybrid employees. In fact, one in three new employees quits within the last six months, costing organizations six to nine months’ salary. A shoddy onboarding experience can irreversibly taint a new hire’s opinion of her new employer and increase the chances of her walking out the door.

The 10 best practices below can boost the effectiveness of your firm’s onboarding process:

1. **Get the right team.**

   Well before the employee’s first day, create a role-based onboarding team that includes the people necessary to effectively onboard the new person. This typically includes the hiring manager, HR, facilities, IT, legal and finance. It should be clear to each member of that team what their expected tasks and deadlines are as well as what their role requires.

2. **Use the right tech.**

   Take advantage of workflow programs that facilitate the onboarding experience for both employer and employee. This is where technology can play a vital role. Technology-based onboarding tools help ensure tasks are assigned and completed, automate reminders, keep the onboarding team (and new hire) informed, coordinate calendars, make appointments, and initiate project management of the onboarding process. These tools don’t need to be expensive and can facilitate the conversation between managers and operations while completing important tasks behind the scenes.
Roll out the red carpet early.

An easy way to make a new hire feel welcome is to begin communications early — even before the start date. For instance, have the manager and a few team members reach out to the new hire in advance of their start date to welcome them to the team. Team members can use a brief email or text (perhaps based on a template you provide). Some organizations send logo-laden swag, office supplies, uniforms and other loyalty-building items along with a welcome note.

Emphasize pre-start-date prep.

The best way to set up a new hire for success is through thoughtful preparation. Some organizations have managers schedule a pre-start date call to answer questions and provide reminders of documents (e.g., proof of citizenship/residency) or requirements (e.g., drug tests, security clearance) needed before day one. The facilities onboarding team member will also need to give the new hire access to buildings, vehicles, office space, garages, and other physical locations relevant to the person’s job. The IT member of the onboarding team will need to ensure the new hire has the proper level of access controls to enter certain websites and document management systems.

Provide the tools for success.

Make sure the new employee has the necessary tools to hit the ground running on day one — such as laptops, access keys, uniforms, phone and important contacts. Implement a system that makes it possible for the new hire to select workplace preferences and/or make equipment and accommodations requests in advance of their start date.

Remember: access, access, access.

Make sure key documentation and training materials are easily accessible in several formats. Don’t assume that new employees will be familiar with your technology tools (e.g., shared files, Slack, Outlook, Asana). Provide employees access to relevant organizational materials such as the employee handbook, code of conduct, employee benefit materials and other important company policies. In addition, some organizations have work teams create a “How We Do Things” document that can be shared with all new employees. This can be an informal guide that covers common questions new employees might have about workplace protocols, such as:

- Do I need to request permission to claim open space on a team member’s Outlook calendar?
- Cameras on or off during video meetings?
- Casual or business dress during video meetings?
- What are the email signature guidelines?
Create a roadmap with clear signposts.

Give the new hire a first-week roadmap that includes a list of tasks, scheduled meetings, and trainings, followed by a 30/60/90-day onboarding plan. The roadmap should include one-on-one meetings with team members and other key individuals that they might work with on a regular basis.

Deploy a “takes a village” approach.

Assign work team members a topic to review with or teach the new hire. For example, “Sasha will teach you how to use Microsoft Teams and Germain will walk you through our timekeeping system.” If your organization includes most topics through a formal training program, team members may still be helpful resources for follow-up questions. Some organizations also assign a “mentor” or “navigator” to each new employee to serve as a resource for questions.

Onboard new hires as a class.

If you’re welcoming a group of new hires into the organization around the same time, consider making them a “class” that’s onboarded together. This group approach can help create camaraderie among individuals who might not otherwise meet across the organization, giving them an outlet to ask “dumb” questions with peers and further encouraging a work community. This class can be in person or virtual, depending on the situation.

Check in after six months and one year.

Employers often forget that it can take a new hire a long time to get their sea legs. While the formal onboarding process may end after a few weeks, it’s a good idea to check in with new hires periodically during their first year. These meetings can help identify gaps or address concerns that may arise after the formal onboarding process is over. This is also a great opportunity to give the new hire a survey of their onboarding experience, where they can make suggestions for improving the program for the next class of “undergrads.”

Adopting a blend of tried-and-true best practices and modern technology will greatly increase your odds of retaining talent, improve employee engagement and satisfaction, and raise productivity — all while saving time and money.
Keeping People
Executing Next-Level Retention Strategies

Employers are exploring new strategies for retaining the people who best help them meet their business priorities.

Remote Work Policy for the Long Haul
Employee Personalization: More Important Than Ever
The Future of Work is Now

For more information on how we can help you with your retention strategies, contact us.
How to Make Remote Working Really Work: Your HR Guide
In 2020, remote working leapt from the fringes of acceptability to land squarely in the mainstream. While restrictions imposed by the pandemic are receding, the remote work genie will be impossible to put back in the bottle. Much of the workforce now expects their employers to give them the option to work from home at least some of the time, and organizations will need to adapt to this new mindset to retain and recruit top-tier talent.

Just like an emergency fallout shelter isn’t a house, the remote work systems your organization came up with in the middle of the pandemic won’t last for the long haul. Whether you’re planning on going fully remote or adopting a hybrid approach, you need to make sure your HR culture and operations can handle the new future of work. This guide will make sure you’re addressing some of the questions that will put you on track for continued success.
New infrastructure

As organizations everywhere quickly discovered in 2020, you can’t just replace the office environment with a Zoom meeting and call it a day. Employees need a safe and reliable physical and digital environment to perform all of their duties with the efficiency your organization expects.

Physical environment

Questions to ask:

• What equipment and supplies will we provide home office workers?
• How can we ensure that employees are able to be productive in their current workspace, whether a kitchen table or dedicated office space?
• Does the work we require employees to perform at home come with any sort of physical risk?
• Are there any ADA accommodations we need to make for remote employees?

The lack of a shared physical environment means your employees each have their own workspace, which can vary greatly. While the Occupational Safety and Health Administration (OSHA) isn’t going to inspect individual homes, employers can still be held liable for certain work-related injuries that occur in the home office.

Beyond making sure you’ve covered the legal necessities, providing a baseline of comfort for employees can help them focus on their work instead of their aching neck and shoulders (for example). Determining what home office purchases you’ll subsidize and how much you’ll spend should be one of your top priorities.

Digital environment

Questions to ask:

• What kind of technology concessions and digital tools should we provide to our workforce to ensure productivity?
• How does a mostly-remote workforce affect the security of our data? What measures do we need to take to avoid a cybersecurity incident?
• What’s the overall digital literacy of our workforce? How will we train those who struggle to do more than send an email?
• Is our organization cloud-enabled? What software and programs will ensure maximum productivity in remote locations?

Making sure employees enjoy a productive digital environment means getting everyone on the same page as to what programs and apps to use. For some organizations, this could mean providing everyone with laptops that come preloaded with approved communication apps. Other organizations may allow individuals to use their personal computers, but give guidance on how to log in and perform work. One potential source of frustration for workers and employers alike is the fact that not all internet connections are created equal, especially if you have a workforce scattered throughout the country (or even the globe). When deciding what platforms and tools your people need to use for work, you’ll have to remember that not everyone has a blazing-fast connection, and be prepared to remedy this to ensure productive work.
The pandemic ended the daily rhythm of home-office-home that most organizations based their HR policies on. The easing of social distancing restrictions will undoubtedly bring their own set of changes, and organizations need to make sure the policies they create to address these changes remain fair, efficient and in line with compliance regulations.

Inclusion and equity

Questions to ask:

- Have you decided on a set of criteria that determines whether a role can be performed remotely vs. in the office? Is that criteria fairly applied across different roles and departments, and have you clearly communicated it to employees?
- How will we make employees who still show up to the office feel just as valued as those working remotely?
- Will our HR policies (such as time off and vacation days) be applied differently depending on if someone is remote vs. in-person? How do we make sure that remains equitable?

Unless you’re transitioning to a completely remote workforce, you’ll also have to decide how to treat the employees still commuting to the office in a fair and equitable manner. If a snowstorm prevents these employees from coming into the office, do they get the day off while the remote workers log in as normal? You’ll need to consider these scenarios in order to build an intentional and effective set of policies.
Compliance

Questions to ask:

• Are our policies compliant with all of the laws and regulations in the different geographic areas our employees operate?
• What’s the best way for our organization to handle payroll or taxes with employees who live in a different state from where we’re incorporated?
• Will these new policies affect our compliance with worker’s compensation, discrimination laws or leave laws?
• What are the implications if an employee chooses to move and work out of state or out of the country?

Each of the aspects of remote work that this checklist addresses has a compliance component you’ll need to consider. The vast majority of the laws, rules and regulations that we call compliance were created with a shared, physical office in mind. As you draft your remote work HR policies, make sure your compliance team reviews everything to make sure you don’t unintentionally break any rules.
Questions to ask:

- What expectations will our fully remote or hybrid employees have around work hours and how can we support them in ensuring work-life balance?
- How will we modify our existing time off policy to reflect a world where employees will expect more flexible working hours?
- Will we offer alternative working schedules that adapt to employees’ needs and desires?
- How will hours be tracked and monitored? How can we ensure our employees are taking sufficient work breaks, sick time when sick, and vacation?

Finding a healthy equilibrium between work and personal life has always been a challenge for remote employees. Organizations have a strong interest in helping their remote workers achieve this balance, otherwise they run the risk of lower productivity and quality, as well as higher turnover.

One important way organizations can influence work-life balance is with your vacation and time off policies. You’ll want to review your current policies to make sure they still make sense with a mostly-remote workforce. For example, you may want to put a greater emphasis on making sure employees use all of their vacation days so they avoid burning out.
Culture and engagement

Many workers may have grumbled about humdrum office life, but once the pandemic took it away they realized gathering in one place helped keep everyone focused and on the same page. Here’s some questions to consider that will help you harness the advantages of a remote workforce while keeping them engaged and motivated.

Communications

Questions to ask:

- Which communication methods are the most effective for our employees?
- How will onboarding new employees work when most of our workforce is remote?
- How can we bridge the gap between remote employees who are used to hallway conversations?
- How frequently should we be bringing all employees together in person?
- How will remote work change our communications needs? How can we collect feedback from employees about how they prefer to communicate?
- Do employees have clear-cut rules about how they should communicate with other employees and through which tools or methods?

Creating a plan for how your employees communicate with each other will go a long way toward solving many of the headaches associated with remote work. Different job roles and departments will likely have different needs. For example, employees who have to tackle many tasks at once requiring feedback or approval may find email too unwieldy for their workflow and prefer dedicated workflow management software. Other employees may prefer email for its straightforward, easy-to-use nature and relative privacy.

The reason employees are communicating will also help determine the method. Brainstorming meetings should probably be done via videoconferencing if you want to encourage back-and-forth dialogue, but simple messages don’t require the energy and time commitment of a Zoom meeting.
Employee wellness, engagement and morale

Questions to ask:

• What tools will we provide employees to help prevent them from burnout?
• What wellness programs will we sponsor internally at the organization? What incentives will we provide employees to participate in these programs?
• What team building or morale programs will we offer employees? How will we select them and collect feedback from employees?
• How can we ensure camaraderie between all employees regardless of work location?
• What changes to our employee engagement strategy should occur to ensure a productive and engaged workforce?

To prevent morale from cratering, you want to provide plenty of options for employees to build and maintain the relationships that power your organization. Variety is important here — not everyone will love a virtual escape room, but the Zoom wine and cheese class will leave them refreshed and ready for work. You should also consider when and how to bring remote workers together for team-building exercises. Make sure to solicit feedback and crowdsource ideas to help avoid these activities becoming “forced fun” that nobody looks forward to.

Employers can also help with work-life balance by adapting a range of wellness programs tailored for remote workers. Organizing virtual yoga or exercise classes, online learning classes, book clubs and so forth can provide a relief valve for your employees' stress.
Productivity and training

Embracing a remote-first workforce means trusting your people to remain productive even if they’re working in sweatpants. Here’s some questions you need to ask about your performance management, productivity and training to make sure you’re getting the most from a remote workforce.

Performance management

Questions to ask:

- How often do managers need to check in with employees?
- What structure can we provide employees to help them hold themselves accountable for day-to-day work?
- How can we most effectively track and document performance? How can we foster a culture of trust?
- How can we equip those with supervisory responsibilities to manage employees in hybrid/remote roles?

While having everyone away from the office changes how you provide structure to your employees, the goal remains the same as it did when everyone commuted in: finding a balance between micromanagement and negligence. Many managers swung to one extreme or the other in 2020, neither of which helps them or their organizations reach their goals. Whatever cadence of check-ins and feedback you feel will best serve your organization, make sure you communicate these standards to employees clearly and consistently. This empowers them to plan out their tasks and take initiative, rather than just reacting to the latest email from their manager.
Career development

Questions to ask:

• How can we support employees in their career development when in-person mentorship is no longer available?
• How can we foster conversations around learning and development with remote employees?
• How often should we check in with employees about their career development?
• Will we offer any programs to encourage employees to develop new skills?
• How can we encourage an honest and open dialogue between employees and managers now that informal interactions are much rarer?
• Are we making sure that remote employees and employees at the office both have the same opportunities with career advancement?

You may also need to reassess how you approach career development and goal setting for your employees. Being removed from the physical office can cause a sense of isolation and detachment for many employees, and you might need to check in with them on their career progress more often than when everyone worked together in the same building.
Employee Personalization: More Important Than Ever

Organizations are rethinking all aspects of the employee experience. Worker expectations are changing and shifting workforce demographics suggest the workforce of the future will be even more diverse than it is today. Meeting the needs of a diverse workforce is driving greater demand for personalization and customization of all things work.

Helping people achieve their personal and work-related goals supports attraction and retention as well as improves productivity. Employees expect organizations to know them and create experiences that match their interests and needs. Data-driven, hyper-personalization can improve engagement and deliver a meaningful employee experience.

Personalization enhances the employee experience

Personalization and customization are integral to the employee journey, touching everything from recruiting, onboarding, and communications to employee benefits, learning and development and the workplace. There are many places that leading organizations are focused on delivering personalized experiences.

Customization recruiting

Many job seekers want to find a job in the same way they consume other services, with a personalized, high-touch approach. With virtual recruiting on the rise, however, job seekers are struggling to assess organizational culture and job fit. Monster’s 2021 Future of Work Survey found 75 percent of candidates agreed that “virtual hiring makes it difficult to really assess how a company’s values and culture align with my own.”

Personalizing the candidate journey can bridge this gap. Organizations are using a range of customization strategies. These include tailoring messages to the individual as well as recognizing candidates that visit the organization’s website and inviting them to join a talent network. They are also using outreach emails that focus on candidate interests, preferences and motivations.
Promoting experience-driven onboarding

Up to 20 percent of staff turnover occurs within the first 45 days of employment. Whether onboarding in person or virtually, it’s essential to personalize the new hire experience and communicate the organization’s culture and expectations.

Personalizing the onboarding experience for new hires and creating a sense of belonging can make the difference between setting someone up for success and facing low productivity and high turnover costs. A 2020 survey of newly hired remote workers by Promoleaf found more than one-third (35 percent) of remote workers wanted to be contacted by video at least once a day, and 26 percent preferred contact two to four times per week.

The best onboarding programs focus on people, not paperwork, with multiple touch points before the person starts. A well-designed onboarding program can improve productivity, lead to better retention and build a stronger employee experience. A 2018 study by UrbanBound found organizations with a standard onboarding process experienced 54 percent greater new hire productivity and 50 percent greater new hire retention.

Personalizing communications to drive engagement with benefits

An organization’s internal communications can have a strong influence on productivity and engagement. Communication is a critical component of any organization, particularly during times of crisis. COVID-19 demonstrated a need for timely, targeted messaging to keep employees informed and engaged.

The new-hire experience can set the tone for benefits communication. Personalizing communications can empower employees to make better decisions and get the most out of the benefits and programs that meet their needs and experiences. Understanding employees’ diverse needs and tailoring communications to help workers address those needs can lead to improved engagement and job satisfaction.

A 2020 Evive survey on communications found most employees surveyed said they would benefit from highly personalized reminders to take timely action on health, financial and workplace benefits. MetLife’s 2020 Employee Benefits Trends Study found younger generations are particularly interested in online decision support tools and personalized communications. Decision support tools are fun, educational and help employees make good choices.
Offering choice in employee benefits to meet diverse needs

When it comes to benefits, employees want options. In addition to personalizing benefits education, organizations can personalize the programs themselves. Benefits are most effective when they are personalized and can be adapted to employees’ individual needs. MetLife’s 2019 Employee Benefits Trends Study found that 93 percent of employees say the ability to customize their benefits is a "must-have" or "nice-to-have" option. In addition, 72 percent of employees say having benefits customized to meet their needs would increase their loyalty to the company.

Voluntary benefits and non-traditional benefits can be especially attractive. Benefits such as caregiver support, financial wellness solutions, and fertility benefits can meet personal needs and support engagement. During the pandemic, organizations quickly pivoted to ensure benefits met individual needs, such as reimbursing work-from-home expenses, enhancing paid leave, supporting caregivers and expanding mental health supports.

Offering a range of options to address a diversity of needs and individual interests allows employees to choose the benefits that matter most to them. The challenge for organizations is in offering meaningful choices without overwhelming workers. Focus groups and surveys can help organizations better understand what motivates individuals and the types of benefits they want. A personalized platform can further boost benefits utilization and provide critical calls to action with nudges, reminders and customized experiences.

Tailoring learning and development to individual interests

New technology that tailors courses to individual interests, behaviors and goals is fueling personalization in learning and development (L&D). With personalization, organizations can proactively recommend training based on an individual’s past learning experiences or future assignments.

Personalized L&D strategies can meet individual skill gaps and lead to improved performance and retention. This includes mobile learning, micro-learning, LMS-based programs and gamification. These strategies can help organizations create learning journeys that match different interests, aspirations, and learning styles.

New and immersive technologies can also support learning, particularly among a distributed or remote workforce. Organizations are using augmented and virtual reality to train workers, deliver information, and accelerate experiential learning (see our insights on the use of immersive technologies).

A 2019 study from Degreed and Harvard Business Publishing found employees who feel their organization offers positive learning opportunities were 21 percent less likely to leave their organization for a new role over the prior three years.
**Offering flexibility in the workspace**

The physical environment affects everything from productivity and performance to health and wellness. Employees who are satisfied with their workspace — whether in a central office or remote — report higher energy levels and fewer sick days. With cloud technology and remote working policies adopted during the pandemic, expectations about where and when work gets done is changing for both individuals and organizations.

Work models are evolving to meet individual needs and will vary based on industry and job requirements. While a fully remote workforce may be better suited to some organizations, a hybrid model that offers flexibility and promotes in-person interactions may accommodate a wider range of organizations. “Hub and spoke” models — combining a central location (hub) with satellite offices or other workspaces (spoke) — can offer workers the opportunity to reduce commuting time and interact with co-workers closer to home.

A September 2020 FlexJobs survey on remote work found 65 percent want to work remotely on a full-time basis after the pandemic. Nearly one-third (31 percent) of the survey’s 4,000 respondents prefer a hybrid work arrangement. Flexibility is key. Some 81 percent of respondents to the survey said they would be more loyal to their employer if they had flexible work options.

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**Delivering personalization at scale to meet changing expectations**

Personalization is everywhere — in social media and marketing — and increasingly at work. Not only do workers expect competitive compensation and benefits, they also want a compelling employee experience. While this change in expectations was underway prior to the pandemic, it was amplified by the challenges and adjustments made in 2020.

Workers are less likely to give up autonomy to fit work into life. To attract top candidates and engage their workforce, organizations are focusing on individual needs and how work can improve life. The hyper-personalization of the employee experience relies on technology and real-time data to better predict and meet employee needs. New HR tools seek to personalize hiring, learning and development, and communications to correspond to a specific employee’s interests.
The Future of Work is Now

After years of incremental changes, the public health emergency is fast-forwarding us into the future of work. Everyday norms are no longer taken for granted — including the nature of the work we do; when the work is done who does the work; and where it is done. We explore this new future of work below.

Work: What employees do and how they do it.

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<th>Past</th>
<th>Future</th>
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<td>Traditional seniority-based hierarchy</td>
<td>Team-based approach with virtual teams common across a digitally distributed workforce</td>
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<td></td>
<td>Promote agile working — bringing people, processes, and technology together to find the most effective way of getting the job done</td>
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<td>Require use of company equipment</td>
<td>Support use of personal devices</td>
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<tr>
<td>Beginning automation of routine tasks and roles</td>
<td>Accelerated digital transformation across all industries and functions requiring new skills, upskilling and retraining</td>
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<tr>
<td>Focus on process, inputs and tasks</td>
<td>Focus on results-driven work</td>
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<td>Emphasis on work’s meaning and purpose to enhance engagement and productivity</td>
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## Workday: When the work is done.

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<tr>
<th>Past</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set work schedules</td>
<td>Schedules flex to accommodate personal responsibilities and priorities (e.g., caregiving)</td>
</tr>
<tr>
<td></td>
<td>“Windowed work” allows employees to divide their day into distinct windows of personal and work time</td>
</tr>
<tr>
<td>Work/life balance</td>
<td>Work/life integration. Work is part of life and vice versa.</td>
</tr>
<tr>
<td>Commuting leading to longer workdays and increased stress</td>
<td>Less/no commuting reduces stress and frees up time for work/life integration</td>
</tr>
<tr>
<td>A “in-the-office/face time” culture sometimes motivated by mistrust of remote workers and concerns about productivity and quality</td>
<td>Wider acceptance and encouragement of remote work and its benefits to productivity and well-being</td>
</tr>
<tr>
<td>“Always on” culture enabled by technology</td>
<td>Organizations prioritize well-being, workers expect and organizations support disconnecting outside traditional working hours</td>
</tr>
<tr>
<td>Frequent travel to attend in person meetings and events</td>
<td>Essential travel only, most meetings virtual and better prioritization of needed meetings</td>
</tr>
</tbody>
</table>
Workforce: Who does the work, including recruitment, skills, development, and rewards.

<table>
<thead>
<tr>
<th>Past</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce planning focused on traditional organizational structure</td>
<td>Agile workforce planning is fluid and rewards cross-organizational collaboration assisted by technology. Model balances short and long-term workforce needs.</td>
</tr>
<tr>
<td>Talent acquisition linked to educational level and/or geography</td>
<td>Consider borderless candidates for certain roles, with the primary focus on cultural fit, skills and attributes</td>
</tr>
<tr>
<td>Hiring tied to defined roles</td>
<td>Talent acquisition parallels business goals by filling current needs and seeing agility as a necessity, individual roles evolve as business needs change</td>
</tr>
<tr>
<td>Climbing the “corporate ladder”</td>
<td>Talent development and career progression support work/life integration leading to personal and professional growth</td>
</tr>
<tr>
<td>Keep professional and personal lives separate</td>
<td>Recognize and accept the whole person, promoting mental, social, physical and financial well-being</td>
</tr>
<tr>
<td>“One size fits all” approach to training</td>
<td>Multi-dimensional training/reskilling delivery; offer feedback loop for talent to suggest necessary training; support intellectual curiosity and innovation.</td>
</tr>
<tr>
<td>“One size fits all” approach to benefits and rewards</td>
<td>Personalized benefits support talent across the employment lifecycle</td>
</tr>
</tbody>
</table>
Workplace: The physical environment where individuals work.

<table>
<thead>
<tr>
<th>Past</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central office or hub and spoke office space model</td>
<td>Smaller regional hubs or satellite offices lower real estate spend as work moves to the cloud, accessible from anywhere at anytime</td>
</tr>
<tr>
<td>In-person with co-workers in a shared workspace</td>
<td>Employees encouraged to work wherever they can get their best work done; workspaces support different workstyles and flexibility preferences with options for focused, engaged and collaborative work</td>
</tr>
<tr>
<td>Open-office plan layouts with cubicle farms</td>
<td>Active workspaces with modular configurations for collaboration, privacy and concentration and as well as physical changes to comply with social distancing guidelines</td>
</tr>
<tr>
<td>Safety and health siloed; physical environments relatively generic for all</td>
<td>Healthy and safe workspaces integrated; buildings support optimal air quality, noise levels, climate, and lighting; individually tailored workspaces Enhanced focus on environmentally friendly designs, sustainability and reduced carbon footprints</td>
</tr>
</tbody>
</table>

The future of work requires new capabilities, new skills, and a new way of thinking. Segal is helping organizations meet these demands to achieve pivotal transformations in work, address evolving workforce challenges and succeed in this new environment.
Supporting People
Nurturing Workforce Physical, Emotional and Financial Well-being

Employees who feel physically, emotionally and financially supported by their employers are less likely to resign. They are also more productive and help support a healthy workplace culture where everyone thrives.

Five Ways to Address Anxiety About Returning to the Office
You Need an Inclusive Family-Building Benefits Package
Financial Wellness Programs Pay Off Big for Employers

For more information on how we can help you support your employees’ well-being, contact us.
Five Ways to Address Anxiety About Returning to the Office

By Sarah Gunderson

The pandemic has upended how our society interacts and works. Many employees demonstrated great flexibility and resilience as employers transitioned them to remote work. Sixty percent of employees are currently working from home, according to the 2021 Workplace Wellness Survey conducted by Employee Benefit Research Institute and Greenwald Research.

Now, many employers are ready to return employees to the workplace. They may be unsure how to best assist employees who are anxious about making that transition.

Here are five tips for supporting employees’ well-being as they prepare to return to the workplace:

1. Limit physical interaction among employees.
2. Keep mask requirements simple.
3. Ensure workplace policies are clear, updated and accessible.
4. Promote a flexible work environment.
5. Encourage employees to revisit and take advantage of EAP resources.
Limit physical interaction

One cause for anxiety among employees is how to interact with their peers once they return to the workplace. Before the pandemic, handshakes or high-fives may have been standard. In today’s world, employees have new worries about whether avoiding a handshake appears rude or if elbow bumps bring people too physically close.

To circumvent this uncertainty, it’s best for employers to openly promote options that fit all comfort levels. It’s okay for employees to greet others in whatever way feels comfortable — and to voice an opinion about their greeting preference.

Remember, months of relative social isolation may have increased employees’ discomfort with physical closeness, even apart from viral transmission concerns.

Keep mask requirements simple

Of all the aspects of returning to work, masks are one of the most confusing. Mask policies can produce anxiety because of:

- Fears of difficulty recognizing peers because masks obscure much of the face
- Anxiety about not being able to read lips when a coworker speaks
- Concerns about sending a politically charged message by wearing or not wearing a mask
- Apprehension about COVID transmission if others aren’t wearing masks properly
- Confusion about the application of state and federal masking regulations
- Discomfort wearing a mask, particularly for prolonged periods or for those more comfortable wearing a mask, concerns related to removing a mask

So, what’s an employer to do about mask anxieties? Don’t let employees overthink mask-wearing. Instead, post easy-to-understand instructions about where and when masks are required. Making this information available to employees ahead of time will allow them to reach out for any special accommodations. Ensure that state, local and federal laws are followed. This will remove the guesswork, and much of the anxiety, for employees.
Ensure workplace policies are clear, updated and accessible

Employees may ask for accommodations for mental health reasons. They might need to schedule mental health appointments during typical work hours, making up the time later or using time off. Another possible request could be for a low-stimulation work area. It’s best to think through potential requests ahead of time and plan a consistent and fair strategy for how you’ll provide accommodations to employees.

Encourage employees to revisit and take advantage of EAP resources

A recent study published in *The Lancet* found the pandemic increased the prevalence of anxiety disorders by about 25 percent. Since many employees affected by new stressors may never have accessed the organization’s employee assistance program (EAP) or Member Assistance Program (MAP) before, everyone — anxious or not — may need a refresher of what is available to them through this resource. A 2021 poll by Teladoc found that 61 percent of respondents were unsure how to begin receiving care for their mental health. This means that in this stressful time, reminding employees of resources could significantly improve employees’ access to treatment.

Keep in mind that the resources available through the EAP or MAP may not meet your employees’ increased needs for mental health and substance use disorder treatments brought on by the pandemic. For more information on that important issue, refer to “Combatting COVID-19-Related Alcohol and Substance Use.”
How do people feel about returning to the workplace and working from home?

We recently surveyed over 500 Americans to find out how they feel about returning to the office. Twenty-six percent are not looking forward to it. While a similar percentage of respondents are looking forward to being back in the office (25 percent), many people are ambivalent. We also learned that large majorities of respondents valued aspects of working remotely: not commuting (86 percent) and improved work/life balance (71 percent). (See an infographic of the survey results.)

What's causing anxiety about returning to the workplace?

Employees have numerous understandable reasons to feel anxious about returning to the workplace.

When asked what made them uneasy about returning to work, 77 percent cited fear of exposure to COVID-19; 71 percent were apprehensive of losing leniency associated with working remotely; and 69 percent dreaded resuming their commute, according to a Limeade Institute survey.

These stressors arrive on the heels of unprecedented strain brought on by the pandemic. Employees have been struggling to adapt to alternative childcare, to address illness among themselves or their loved ones and to navigate anxiety-producing news coverage. In fact, roughly half of Americans acknowledge that the pandemic damaged their mental health and about 40 percent of Americans now exhibit indications of depression and anxiety. (Read more in our fourth quarter 2020 Trends.)

You can support employees' well-being during this stressful period

Taking the steps outlined in this article can help address employees’ anxiety about returning to the office. It also demonstrates the organization’s commitment to employees’ mental health.

There’s more for employers to consider about returning to on-site work

In a webinar held in August 2021, three of Segal’s premier business leaders reviewed strategies employers can consider to help protect both their people and the organization, including best practices for the workplace and enterprise risk trends and mitigation ideas.

To learn more, watch the webinar recording.
You Need an Inclusive Family-Building Benefits Package

Individuals and couples who want to become parents can experience physical, mental and emotional stress. Even before the pandemic, benefits to support family-building began shifting beyond traditional coverage of infertility treatment. In vitro fertilization, fertility preservation and egg freezing, gestational surrogacy and adoption are now part of a broader, more inclusive conversation around fertility.

Growing social equity concerns are propelling many employers to re-evaluate their benefits strategy to meet the needs of a diverse and changing workforce. A comprehensive approach to family-building, regardless of gender identity or relationship status, can be critical to talent attraction and retention.

Why not offering a family building benefits package often leads to higher costs and poorer outcomes

A comprehensive, family-building benefits package that includes a managed fertility benefit can reduce organizations’ healthcare costs and improve outcomes. Plan designs with restrictions that limit coverage to infertility diagnoses may not only exclude LGBTQ+ and single participants from using the benefit; they can also lead to the use of less effective treatments.

With an unmanaged benefit, cost-based treatment decisions can lead to poor outcomes. Individuals may opt for lower cost, less effective treatment with a higher chance of producing multiple, high-risk births. Multiple birth pregnancies put both the parent and babies at risk, often resulting in costly high-risk pre-natal care, increased C-section rates, neonatal intensive care unit (NICU) admissions and premature birth with long-term health consequences. The March of Dimes reports more than half of twins and nearly all triplets and other higher-order multiples are born prematurely. Average medical costs for pre-term infants (less than 37 weeks) exceeded $76,000 and average spending for low-birthweight status was more than $114,000, according to a 2020 study in *Nature*.

A clinically managed fertility benefit can eliminate inappropriate use of costly procedures and support the use of effective and efficient treatments. A managed program connects individuals with clinical experts who can recommend personalized and appropriate care and treatment options. Clinical oversight leads to safer pregnancies, fewer C-sections, pre-term births and NICU costs. With clinically managed guidance, IFEBP reports employees with access to infertility benefits can have lower healthcare costs, basing their decisions on medical evidence rather than financial concerns.
Designing an inclusive benefits program

An inclusive benefits approach with successful outcomes depends on good program design. To address the needs of an evolving workforce, family-building benefits should include a managed fertility benefit with clinical advocacy, fertility preservation, gestational surrogacy and adoption. To meet diverse individual needs, some organizations are waiving the definition of infertility and considering offering a single lifetime benefit maximum that covers a variety of services. You should review any plan design changes or amendments to ensure they meet the organization’s needs and comply with rules and requirements.

A digital health solution can further enhance benefits by offering members access to video consultations, fertility-tracking wearables and other technology-enabled care. Emotional support and behavioral counseling can also help intended parents with complex choices and managing stress.

Prevalence of employer coverage

The International Foundation for Employee Benefit Plans (IFEBP) reports some 75 percent of organizations offer coverage for fertility medications and 74 percent cover IVF treatments, but the type and amount of coverage varies widely. Less than one-third (31 percent) offer egg harvesting or freezing services, IFEBP reports. The Foundation’s 2020 benefits study also found 16 percent of organizations offer financial assistance for adoption.

Because workers now expect more robust support from their employers when it comes to family-building benefits, organizations need to adjust their offerings to make sure these benefits attract and retain talent as intended.

<table>
<thead>
<tr>
<th>Family-building benefits offered</th>
<th>Prevalence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fertility benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Egg harvesting/freezing services</td>
<td>31%</td>
</tr>
<tr>
<td>Fertility medications</td>
<td>75%</td>
</tr>
<tr>
<td>Genetic testing to determine infertility issues</td>
<td>38%</td>
</tr>
<tr>
<td>In vitro fertilization (IVF) treatments</td>
<td>74%</td>
</tr>
<tr>
<td>Non-IVF fertility treatments</td>
<td>37%</td>
</tr>
<tr>
<td>Visits with counselors (e.g. geneticists, surrogacy, etc.)</td>
<td>45%</td>
</tr>
<tr>
<td>None of the above</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Adoption benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Financial assistance for adoption</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: IFEBP, Employee Benefits Survey, 2020

Because workers now expect more robust support from their employers when it comes to family-building benefits, organizations need to adjust their offerings to make sure these benefits attract and retain talent as intended.
Attitudes and social trends around family-building are changing

Even before the pandemic, benefits to support family-building began shifting beyond traditional coverage of infertility treatment. In vitro fertilization, fertility preservation and egg freezing, gestational surrogacy and adoption are now part of a broader, more inclusive conversation around fertility.

Growing social equity concerns are propelling many employers to re-evaluate their benefits strategy to meet the needs of a diverse and changing workforce. A comprehensive approach to family-building, regardless of gender identity or relationship status, can be critical to talent attraction and retention.

The need for family building benefits

There are many reasons couples and individuals may need help building a family. These include male or female infertility, a desire for fertility preservation due to medical issues or delayed childbirth or assistance for same-sex couples or single individuals who want a child. Individuals or couples may need a sperm or egg donor, gestational carrier/surrogate or adoption support.

Even before the pandemic, benefits to support family building began shifting beyond traditional coverage of infertility treatment. In vitro fertilization, fertility preservation and egg freezing, gestational surrogacy and adoption are now part of a broader, more inclusive conversation around fertility.

Nationally, an estimated 10 percent to 15 percent of couples seek medical care to address infertility after one year of unprotected intercourse. A 2018 Pew Research Center study found one-third (33 percent) of US adults report they or someone they know has used some type of fertility treatment to have a baby. Family Equality’s 2019 survey on family building found nearly two-thirds (63 percent) of LGBTQ+ millennials — aged 18-35 — are considering expanding their families by becoming first-time parents or having more children. Most survey respondents said they were looking to foster care, adoption and assisted reproductive technology to grow their families.

While the desire for a family is strong, fertility treatments are expensive. Costs range widely depending on the type of treatment or service. National average costs reported by the Advanced Fertility Center of Chicago range from $50 for semen analysis to $28,000 for an in vitro fertilization (IVF) cycle with donor eggs. According to FertilityIQ, a fertility education and assessment site, the average patient undergoes two to three IVF cycles spending nearly $50,000 in treatment. For couples or individuals pursuing gestational surrogacy, the costs can exceed $150,000. For those pursuing adoption, costs typically range from $20,000 to $45,000 for a private agency adoption, according to the Child Welfare Information Agency.
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<table>
<thead>
<tr>
<th>Fertility Treatment</th>
<th>National Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertility-related blood tests</td>
<td>$200-$400</td>
</tr>
<tr>
<td>Semen analysis, sperm test</td>
<td>$50-$300</td>
</tr>
<tr>
<td>IVF cycle</td>
<td>$11,500</td>
</tr>
<tr>
<td>Injectable fertility medications for one IVF cycle</td>
<td>$3,500</td>
</tr>
<tr>
<td>IVF cycle with donor eggs (including agency, donor and legal fees)</td>
<td>$28,000</td>
</tr>
<tr>
<td>Injectable fertility drugs for a donor egg cycle</td>
<td>$2,300</td>
</tr>
<tr>
<td>Fertility preservation, egg freezing cycle</td>
<td>$7,500</td>
</tr>
<tr>
<td>Intrauterine insemination cost</td>
<td>$300-$1,000</td>
</tr>
</tbody>
</table>

Source: Advanced Fertility Center of Chicago, Fertility Treatment Cost Averages

Health plan coverage for fertility treatments is often limited and can vary considerably. Nineteen states have passed infertility coverage laws. Thirteen of these states include coverage for IVF, and 10 states cover services related to medically-induced infertility. While self-insured plans are generally exempt from state mandates, they often offer some coverage for fertility services, typically with limits on the number of treatment cycles they will cover.

Even when fertility coverage is available, inequities may exist. Black and Hispanic women report barriers within the healthcare system preventing them from receiving counseling related to fertility treatment. Same-sex couples and LGBTQ+ individuals face unique challenges on their journey to parenthood. Plans may limit coverage to “medical necessary” testing and treatment of infertility, and women without a male partner may find it more difficult to satisfy carrier definitions of “infertility” than heterosexual couples would.
Making family-building benefits part of a larger family-friendly benefits strategy

As employers recognize the importance of enhancing their programs to foster a more diverse and inclusive culture, the number of organizations offering family-building benefits continues to grow. FertilityIQ’s annual workplace index finds the number of organizations enhancing their programs, including fertility, adoption and foster care, grew 8 percent in 2021. The index evaluates employer policies based on the broadness of their benefit design, accessibility, flexibility and the provision of non-financially-conflicted information. While technology, financial services, and consulting firms continue to lead the way in offering comprehensive coverage, other industries such as retail, consumer packaged goods, industrial production and healthcare services are expanding their benefits.

Family-building benefits, along with flexibility, maternal health programs, generous parental and caregiving leave and childcare support yield rewards for both participants and organizations. While participants highly value the financial and emotional support offered to their families, organizations benefit from more loyal, less distracted workers and better managed, cost-efficient care. A 2016 study from FertilityIQ found more than half (53 percent) of IVF patients whose treatment was covered by their employer were more likely to stay longer in their jobs.

Family-building benefits demonstrate an organization’s commitment to supporting families and achieving greater equity in access to benefits.
Investing in Workers’ Financial Wellness Pays Dividends

Financial Insecurity Has Increased During the Pandemic
Employees’ financial worries are growing. In 2019, during a period of strong economic growth, the Financial Health Network reported more than half (54 percent) of Americans were struggling with some aspect of their financial lives. In April, the National Endowment for Financial Education reported nearly 90 percent of U.S. adults said COVID-19 was causing stress on their personal finances.

Financial insecurity is costly for both workers and employers. It effects workers’ mental and physical health leading to absenteeism, lost productivity and higher health costs. Achieving financial security is a personal journey. The path to financial health differs based on individual needs and attitudes. By understanding these differences, employers can support workers with personalized solutions that increase engagement and productivity.
Workers’ financial worries cost employers billions

Employees carry their financial worries with them when they go to work. The list of concerns is long and personal. It includes everything from concerns about healthcare costs, debt and caregiving obligations to paying monthly bills, covering unexpected expenses and preparing for retirement.

The list of employer concerns is just as long. Stress can lead to higher healthcare costs, lost productivity, absenteeism, diminished job performance and turnover.

Employers are paying dearly for workers’ financial insecurity. A 2020 report from the blog *Salary Finance* on financial wellness estimates financial insecurity costs the average employer 13–18 percent of their annual payroll. The costs include hours lost on money worries, sick days, a decline in the quality of work and an inability to finish daily tasks. Stress-related illnesses and injuries cost the U.S. more than $300 billion annually, the American Psychological Association reports. The costs are associated with accidents, absenteeism, turnover, lower productivity and direct medical and insurance costs.

People under financial stress are more likely to suffer from poor mental health than those without financial stress, *Salary Finance* reports. They are six times more likely to experience anxiety or panic attacks and seven times more likely to be depressed.

Financial stress also affects physical health. A survey of more than 3,000 US adults by *Thriving Wallet* found 21 percent said financial stress affected their physical health. Some 17 percent of respondents said it affected their blood pressure, and 35 percent reported losing sleep over financial worries.
Financial needs differ across the workforce

While most people share similar financial goals and worries, different factors influence an individual’s ability to achieve financial security. Financial needs and attitudes can vary based on a number of factors such as gender, race, ethnicity, age and caregiver status.

Financial goals vary

Women place a higher priority on financial goals than men, but are less likely to say they are on track to meet those goals, according to a 2018 study by Prudential Financial. The survey of more than 3,000 U.S. respondents also found differences by race and ethnicity. Black, Asian and Latino Americans are more likely than the general population to provide financial support to family members and are more likely to be caregivers. Support for families includes taking care of parents and other relatives and helping children with a down payment on a house.

Savings rates differ among demographic groups

Savings rates also varied among populations. Blacks reported having lower emergency and retirement savings rates than the general population. Similarly, Asian Americans and Latino Americans were less likely to participate in an employer-sponsored retirement plan. Latinos were also less likely to own other financial products, such as life insurance, brokerage accounts or long-term care insurance.

Debt is a major issue for most Americans, particularly for younger generations

Excluding home mortgages, the average American household holds nearly $27,000 in consumer debt, according to a 2020 analysis by Northwestern Mutual. For millennials (born between 1981 and 1996) credit cards are the leading source of debt. For Gen Z (born between 1997 and 2012), student loans are the leading source of debt.

Among Gen Z, student loan debt can drive career choices. A January survey by Handshake found 61 percent of college students would take a job they are not passionate about because of the pressure to pay off student loans.
Caregivers are struggling

Half of caregivers work full-time outside the home, according to the Prudential survey cited above. For most caregivers, family care is equivalent to a second job, with the majority spending more than 10 hours per week caring for someone. The physical and emotional toll of caregiving costs employers 8 percent more in healthcare costs than non-caregiving employees, according to the Northeast Business Group on Health and AARP. It also contributes to lost productivity and higher rates of turnover.

Working parents, especially women who typically put in more hours caregiving, are struggling to manage work and childcare during the pandemic. A 2020 report from Cleo found full-time working mothers in two-parent households are providing about 22 hours of childcare per week during the pandemic in addition to maintaining their jobs. With limited or no childcare support and schools opting for virtual learning, employers face a potential exodus of working parents, particularly women, in the coming months.

A survey of 1,500 U.S. adults conducted in March by Syndio found 14 percent of women and 11 percent of men were considering quitting their jobs because of family responsibilities. Three months later, a June Cleo poll found one-third (33 percent) of those surveyed reported at least one parent had left the workforce or shifted to part-time work. In most cases (70 percent), it’s women who are dropping out of the workforce.

Employers can support workers’ financial well-being now and in the future

In the midst of the pandemic, workers are wrestling with immediate financial worries related to living, working and surviving. Workers need options that feel personal. Easy-to-use tools and communications can help employees understand their benefits and strengthen their financial health. Offering solutions that improve decision-making now is essential to helping workers lay the foundation for a financially secure future.

Addressing employees’ urgent financial worries is critical to supporting health and well-being. Educational programs focused on managing day-to-day finances, preparing for disruptions and building skills can provide workers with a sense of control over their saving and spending. Taking steps now will not only alleviate stress, but also help build a financially secure future.
Five Key Components of Financial Security Programs Focused on Employees and Their Family Members

- Financial literacy and goal setting
- Financial wellness checkups

<table>
<thead>
<tr>
<th>Financial Education</th>
<th>Caregiver Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational sessions about long-term investing and goal setting</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Retirement readiness assessments</td>
<td>Life insurance, AD&amp;D</td>
</tr>
<tr>
<td>Retirement plan benefits</td>
<td>Long-term care insurance</td>
</tr>
<tr>
<td>Retirement income planning (e.g., guaranteed lifetime income and asset-drawdown strategies)</td>
<td>Support groups</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Budget Assistance</th>
<th>Retirement Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building budgeting skills</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Credit monitoring and counseling services</td>
<td>Life insurance, AD&amp;D</td>
</tr>
<tr>
<td>Debt management and consolidation</td>
<td>Long-term care insurance</td>
</tr>
<tr>
<td>Education benefits (e.g., tuition assistance, student loan refinancing/repayment, college savings plans)</td>
<td>Support groups</td>
</tr>
<tr>
<td>Emergency savings</td>
<td></td>
</tr>
<tr>
<td>Understanding HSAs</td>
<td></td>
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<tr>
<td>Short-term or sidecar savings</td>
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</table>

<table>
<thead>
<tr>
<th>Insurance Benefits</th>
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<tbody>
<tr>
<td>Flexible schedules and hours</td>
</tr>
<tr>
<td>Stipends or subsidies for care-related expenses</td>
</tr>
<tr>
<td>Childcare and eldercare resource and referral services</td>
</tr>
<tr>
<td>Care planning and management tools</td>
</tr>
<tr>
<td>Backup care</td>
</tr>
<tr>
<td>Virtual tutoring and babysitting services</td>
</tr>
<tr>
<td>Mental health benefits (e.g., enhanced EAP, virtual therapy and stress management programs)</td>
</tr>
</tbody>
</table>
Measuring financial well-being

Helping workers and their families improve their financial well-being starts with understanding their needs and goals. That includes assessing their use and awareness of the resources currently offered. Assessing financial well-being efforts can focus on a variety of factors, including utilization and engagement, satisfaction, productivity and healthcare costs.

By digging into the data and worker preferences, organizations can fine-tune their plan design, determine what new resources or programs may be needed and focus communication and engagement efforts where they are most useful.

A tailored solution can meet individual and organizational needs

To achieve a comprehensive financial well-being solution that fits the needs of a diverse workforce, organizations can follow this approach:

- **Listen** — Lay the foundation for promoting financial security and well-being by listening to employees to fully understand their financial needs and concerns.

- **Learn** — Use segmented workforce analytics to examine how specific cohorts of the employee population can benefit from a variety of financial wellness offerings.

- **Solve** — Draw insights from the data to create a customized financial wellness solution that directly addresses specific needs across the workforce and achieve business goals.

- **Engage** — When implementing the solution, build awareness and communicate the value to drive adoption, foster engagement and maximize the investment in people.

After implementing a financial well-being solution, it’s vital to evaluate and measure the impact of the program to determine where changes may be needed and what steps can be taken to improve outcomes.
Develop a custom strategy to improve your employees’ financial security

Segal’s retirement and communications professionals create financial well-being programs that address each organization’s unique workforce needs. We work with organizations from various industries including higher education, construction, energy, public sector, healthcare, professional services and entertainment, among others. Financial security has a positive impact on the physical and mental health of your people. It also has implications for improved productivity and lower healthcare costs.

Analyzing your workforce data can diagnose problems and uncover issues you didn’t know you had. Also considering your organization’s goals creates a financial security strategy that works for your employees and your business. Areas to examine include:

- Absenteeism — What is the rate, and is sick-day use high?
- Wellness programs — How effective are your wellness programs? Do your employees make optimal benefits decisions?
- Employee assistance program — How many employees are using it, and what services are they using?
- Student loan debt — To what extent is it preventing employees from saving? Is it a stressor for your employees?
- Employee deferral patterns — Are some employees deferring less than expected to the DC plan, and, if so, why?
- Investment decisions — Do the asset allocations of certain participants indicate that they may not be investing wisely?
- Retirement readiness — Are your employees transitioning successfully into retirement as they approach the latter part of their careers to allow for successful workforce planning?
- Employee perceptions — What are your employees’ thoughts and feelings about their financial wellness?

We focus on your current employee engagement before we recommend options most likely to improve it. We work with you to establish a comprehensive and flexible financial security strategy that can react to the changing needs of your workforce.

When we address issues with how your employees are investing, we work with investment professionals from Segal Marco Advisors. Learn more about Segal’s retirement benefits and financial security services.
Leading People
Leading During Uncertainty

Leaders are being asked to engage with their workforces in new ways while balancing a challenging and increasingly risky business environment.

How Has the Pandemic Affected Operations and Work: CEO Survey

How Corporate Boards Should Manage Human Capital Risk

For more information on how we can help you keep your workforce engaged, contact us.
The New Workplace Expectations: An Employer's Guide
CEOs Agree the Pandemic Caused Them to Reevaluate Operations and Work

Insights from Three Roundtables
Participants in three spring 2021 CEO roundtables reflected on the findings of *Hindsight 2020*, a sizable CEO survey conducted by *Chief Executive* magazine. Roundtable participants confirmed the pandemic was the greatest factor in recently adopted business practices. There was consensus that the changes are generally positive evolutions for employees’ workplace experience and the business. They expect these new practices to have long-term impact because they have changed business for the better and are here to stay:

- Many employees will continue to work remotely.
- Organizational culture is more important than ever and starts at the top.
- Much of the sales process will remain virtual.

This report summarizes roundtable participants’ thoughtful discussions focusing on three key topics:

- Stress and burnout affected employee well-being.
- Culture influences resiliency and agility.
- Digitalization is affecting customer interactions and work.

These roundtable insights should be of interest to any business leaders interested in most effectively preparing their organizations to operate optimally post-pandemic.

The views expressed in this report are not Segal’s, but instead reflect what the roundtable participants said.

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**Roundtable Participants**

CEOs and a few other senior leaders of mid-sized companies participated in the roundtables. They represented a range of industries, including:

- Construction and engineering
- Financial and professional services
- Entertainment
- Healthcare and pharmaceuticals
- Manufacturing
- Technology

To encourage free expression, participants were promised confidentiality and that no comments would be attributed to them or their organizations.
Stress and Burnout Affected Employee Well-Being

Each discussion topic in the CEO roundtables began with a poll of the participants to gauge their perspectives. The first poll focused on employee well-being.

What Is the Most Important Aspect of Employee Well-Being for Your Organization?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher engagement and productivity</td>
<td>32%</td>
</tr>
<tr>
<td>Building and sustaining high employee and team morale</td>
<td>24%</td>
</tr>
<tr>
<td>Attracting and retaining top talent</td>
<td>21%</td>
</tr>
<tr>
<td>Enabling organizational culture initiatives</td>
<td>15%</td>
</tr>
<tr>
<td>Reducing employee health costs by lowering stress levels</td>
<td>8%</td>
</tr>
</tbody>
</table>

* Well-being includes an individual’s physical, psychological and financial health. It is often confused with the term “wellness,” which generally only refers to a person’s physical health.

** None of the CEOs identified “decreased absenteeism” (one of the options in the survey) as being the most important aspect of employee well-being.

Source: Segal, 2021

Roundtable participants commented on their employees’ heightened stress levels and mentioned that it sometimes led to burnout. They identified several contributing factors:

- It is challenging to separate work from one’s personal life while in the home.
- Children attending school from home need their parents’ attention.
- Customers and other business contacts expect virtual 24/7 service.
- Employees whose jobs require in-person work worry about catching COVID-19.
Addressing stress and burnout

CEOs said their organizations are using several strategies to address stress and burnout, including these:

- Training managers/supervisors to look for signs of burnout and psychological issues.
- Encourage employees to use their vacation time so they don’t burn out.
- Allow flexible work arrangements, including extending the option to work from home permanently.
- Create a space for working parents to support one another.
- Promote use of well-being resources, like employee assistance programs (EAPs) and telehealth benefits.
- Model healthy behaviors by leadership.
- Communicate regularly, acknowledging stress, emphasizing work/life balance and providing positive reinforcement to demonstrate leadership’s concern and understanding to employees and their managers.

Participants mentioned a negative aspect of remote work: the limits of virtual interactions. Video communications make it difficult to build relationships. Moreover, on a screen, it’s easy to miss non-verbal cues that may signal potential issues. Given those limitations, it’s important to test employee understanding of an organization’s messages because two-way communication is most effective. Employee surveys are a proven technique. Online focus groups are a newer option.

Conducting regular pulse surveys can do that — and identify teams, departments or locations that are seeing increased levels of stress and burnout. EAP utilization data is another source of that intelligence. There was also discussion about asking managers to listen empathetically and ask the right questions in non-threatening ways.

“A lot of our people are asking to be paid for their vacation because they have nowhere to go and they’re not using it. We encourage them to use their vacation time, because we want them to disconnect mentally for a little while.”

“When we offered to open the offices, out of thousands of employees, not one person wanted that initially. This shocked us. It wasn’t about COVID, and it wasn’t about being afraid of a lack of protocols. It was all about the flexibility.”

“We actually did see women leave our workforce, and that had an impact. We acted quickly to get an open and safe forum for them to share the challenges that they were facing.”

“Having regular communication from a leader has been incredibly helpful for managing employee stress. Heartfelt and sincere messaging that is thoughtful and appropriate has been very well received across our organization.”
Culture Influences Resiliency and Agility

CEOs noted their organizations initially reacted to COVID-19 challenges by becoming more resilient. Now, they’re becoming agile enough to take advantage of opportunities. Roundtable participants noted that organizational culture has significant impact on the ability of a business to be resilient and remain agile by setting the tone for attitudes and guiding how people behave, especially during challenging times.

The Hindsight 2020 study found more than 60 percent of the surveyed organizations believe they have a strong culture or that it strengthened in 2020.

Effect of remote work on culture

Roundtable participants explored whether remote and hybrid workplace practices affect culture:

- A number of the participants viewed remote and hybrid work, as well as other aspects of job flexibility, to be part of their organizations’ cultures.
- The trend is for greater transparency.
- Trust is a key aspect of culture, especially during remote work. Recognizing differences in employees’ situations is also essential.
- Video communications make it difficult to build relationships. Moreover, on a screen, it’s easy to miss non-verbal cues that may signal potential issues.
- Managers play a key role in reinforcing organizational culture. Their role is especially important during remote work.

To keep an eye on their culture, CEOs should consider surveying employees regularly.

New approaches may be needed

One technique for creating high-performing, geographically diverse teams is assessing the culture of your most successful teams to find out what they have in common. Mastering how to cultivate culture in remote teams will expand options for recruiting in fast-growing areas with a lower cost of living and better lifestyle options than large metro areas.

With people working from home, you need to give them some leeway….Maintaining culture translates to trusting employees to do what they need to do."

"We’ve transformed into a very open and much more transparent organization. People needed it more than I thought they needed it."

"Many of the cultural aspects of our organization do not translate on a computer screen, and the challenges that have arisen cannot be fixed by giving video coaching. There is still a lot of risk and Zoom may have magnified it."

"One of the things that our managers can do to help is provide team members with what they need to be successful at work and have that sense of purpose and belonging, which we feel very, very strongly is a key driver to having a motivating culture."

"In our monthly employee confidential satisfaction surveys, a key question is how likely an employee is to recommend working at the organization. We look to see whether that has changed after a year of pandemic workplace adjustments."
Digitalization Is Affecting Customer Interactions and Work

Most of the organizations represented in the roundtables are already interacting with customers digitally in many ways.

What Percentage of Your Functions that Interact with Customers Have You Converted to Digital?

<table>
<thead>
<tr>
<th>Function</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>77%</td>
</tr>
<tr>
<td>Marketing</td>
<td>76%</td>
</tr>
<tr>
<td>Customer-Account Management</td>
<td>73%</td>
</tr>
<tr>
<td>Customer Support</td>
<td>73%</td>
</tr>
<tr>
<td>Sales</td>
<td>61%</td>
</tr>
</tbody>
</table>

Source: Segal, 2021

These results differ from the *Hindsight 2020* study. For example, only 36 percent of CEOs surveyed for the study had added more “customer interaction and satisfaction” metrics to gauge the performance and productivity of customer-facing direct reports and top-line managers. The five months between the study and the roundtables likely allowed more organizations to implement digital customer satisfaction tools.

“[By shifting to virtual meetings] we were actually able to provide sometimes deeper, more relevant services because we could draw expertise from anywhere around the company. In some ways, we were actually able to provide better service and better advice to our clients. And they got to see a much broader part of our talent portfolio.”

“We are being more intentional with how we interact with our customers than ever before, and I think it’s taking the conversations to a higher level.”

“We enhanced outreach to customers via running satisfaction surveys multiple times per year.”

“All of a sudden, all of our offices were empty, and everybody was conducting Zoom meetings and Teams meetings. They were getting more done than before, so it was an interesting thing to watch.”

“A lot of millennials are all about equipment: ‘I’m used to having two, three, four screens, but now I’m remote at my house with just one.’ These are things that people had not thought about.”

“[A]

These are things that people had not thought about.”
Digitalization improved customer interactions and employee work, but is not without challenges

Roundtable participants mentioned several changes. Here are a few examples:

- Customers are more than willing to — and in some cases prefer to — participate in the new virtual world.
- Virtual meetings make it possible to meet more frequently with customers, which leads to better communication.
- Customer service improved.
- Sales are now more challenging and the stakes are higher because there's greater emphasis on measurements and analytics that can also benefit the organization.

Digitalization also involves reimagining the workforce and putting the right tools in place for people to be able to work anywhere. The pandemic accelerated digitalization at roundtable participants' organizations. The participants cited these outcomes:

- Productivity improved.
- Some employees missed not having their in-office technology at home.

Continuing remote work and the digital customer journey

Roundtable participants agreed that going forward, organizations will need to balance employee, customer and supplier experiences. To help prepare their organizations for the next set of changes, CEOs may need to think differently about how they use technology and communicate with their people. This will help ensure they maintain employee engagement and productivity and their teams understand business strategies and long-term plans.

Customer satisfaction is dynamic, which is why it’s important to measure it continuously for signs of flight risk. For a complete picture, consider all of this information:

- Measures of the frequency and nature of customer interactions
- Customer surveys and anecdotal information
- Satisfaction scores of employees who work directly with customers

Watch for small changes in the analytics for customers identified as “highly important” for the stability and growth of the business. New accounts and seemingly stable, less critical accounts also can shed light on how best to retain business.

The direct sale, which is now a digital sale, offers a lot more objectivity in whether we win or lose a deal. It’s very important that the quality of our digital interactions are as good or better than they ever were in person. We don’t have a second chance quite often. Everything we provide can be stacked up and measured."

We are learning how to do a great job measuring the digital interaction, and that’s an area of improvement for us."
Short-Term Agility Leads to Long-Term Changes

Roundtable participants remarked on these welcome surprises from the pandemic experience:

- Businesses adapted to the challenge quickly.
- Not only were employees flexible, they embraced many of the changes, especially remote work.

The leaders do not expect to return to former business practices, particularly since few employees are eager to go back to in-office work. Where practical, CEOs support continuing the remote, hybrid and flexible schedules, which they expect will have a positive effect on recruiting and retention. For this to work well, CEOs will need to:

- Support individual employee circumstances.
- Be open to reimagining work processes and workflows.
- Adopt the right technology to aid both employee experience and efficiency.
- Keep an ear to the ground to hear and address what employees, customers and partners/suppliers are saying.

Roundtable participants have all started down this path. They look forward to seeing where the journey takes them as they plan for making their organizations more resilient and agile to face future challenges as well as seize new opportunities.
Expanding Oversight of
HUMAN CAPITAL RISKS
Setting Your Board Up for Success
human capital risks have been a rising concern for virtually every company since long before the pandemic hit. A dearth of workers with technical skills, the strengthening drive for diverse workforces and new reporting standards are among the challenges fueling the need to place talent front and center on boardroom agendas in recent years.

Covid lockdowns added new areas of concern to the mix. As Fred Hencke, senior vice president of Segal, told directors gathered for a discussion on effective oversight of talent: “2020 really accelerated the need to pay close attention to more aspects of human capital, including remote and hybrid work situations, the war for talent, social justice and changes to benefits and human resource compliance requirements.”

Charged with helping management ensure that people remain one of their organization’s biggest assets, directors find their oversight role growing in tandem with this ever-more-complex talent management landscape. Increasingly, challenges emerge from within and without, ranging from the growing use of social media by employees contributing to anxiety and isolation to how external incidents of social injustice impact morale and harmony in the workplace.

**The Social Stance Dilemma**

Whether and how to address public issues has long been a thorny dilemma for boards, with taking a stance on matters of controversy viewed as likely to alienate stakeholders as to mollify them or, better yet, unite them around a common purpose. It claimed an even larger spotlight over the past year, after incidents of racial inequity sparked public protests. Several directors participating in the roundtable recounted grappling with the need to weigh in on social injustice as employees and other stakeholders clamored for a response.

“When we thought about [the issue of social justice], it was a place where we felt we needed to say something, but we absolutely wanted to focus on what unites us, on everyone having a voice and feeling included and listening and seeking to understand,” said Cindy Baier, president and CEO of Brookdale Senior Living, who reported that facilitating internal discussions was helpful. “We had a lot of listening sessions where people could share their perspectives, and that seemed to resonate within our organizations.”

At Reinsurance Group of America, incidents of social unrest prompted the company to create new resource groups. “We reinvigorated and, in some cases, created new employee resource councils, and we’re listening very hard to what those councils have to say,” said Hazel McNeilage, a director at Reinsurance Group of America.

Valeria Roach, board member at CBI Global, views responding to incidents of racial inequity as an extension of both the board and management’s overall commitment to diversity and inclusion initiatives. “Diversity, Equity and Inclusion (DEI) is a topic the board definitely owns, and where we want to ensure that there’s clear understanding of what that means in terms of board and leadership responsibility,” she says. “Our passion and our mission support vulnerable communities around the world. We applied that concept to our employees, making sure that everyone had an opportunity to share their emotions and input on how we can continue to change within the organization. We wanted to make sure that we address that from an ethical perspective in our code of business ethics, our stand and our tolerance level for behavior in the organization.”

For many companies, the need for alignment around the organization’s stance on issues dovetails with policies on social media. For Brookdale Senior Living, which has 45,000 associates working in 700 eldercare communities, employee posts about Covid on social media surfaced as a board-level concern early on. “We are constantly trying to make sure that what is portrayed on social media is consistent with our values,” says Baier. “Whenever someone takes a stance that’s inconsistent with that, then actions are taken by the company. Facebook actually recognized us as a leader in social media for our response to the pandemic.”

**Institutionalizing Pandemic Lessons**

The pandemic—the epitome of an unanticipated external threat—played a part in helping some companies recognize the importance of coming together as a community to tackle difficult social issues. Even for multinational companies with employees spread out around the world, Covid represented a
The New Workplace Expectations: An Employer’s Guide

We need to think about what we’re learning today that we can apply over the next few years.”
—Neil Novich, Director, W.W. Grainger

unifying challenge that resonated at all levels and in all locations. “The pandemic brought home for us something that should have been obvious a long time ago, which is that we truly are all in this together,” said Neil Novich, a director at W.W. Grainger, Hillenbrand and Beacon Roofing Supply, who describes the pandemic as a “common denominator” that fostered alignment. “It’s not that we weren’t discussing a variety of social issues before that, but not everyone can relate in a fulsome way to a every social issue—whereas everyone could relate to Covid simultaneously. As bad as this past year has been, I think it brought a new understanding of how interrelated we all are and that we have to think about that more in terms of a variety of social issues.”

 Renewed focus on employee physical and mental wellbeing, the importance of frequent and effective communication, a different approach toward flexibility and a new appreciation for what organizations are capable of are some of the learnings companies took away from operating through the pandemic. Hanging onto those as we move toward some semblance of normalcy may be the tricky part, notes Novich, who points to his experiences on audit committees as an example. “Two years ago, if you had said, ‘You have to do a complete internal and external audit without leaving your office,’ we would have said, ‘That’s crazy talk,’” he said. “Yet, within weeks we had it all figured out. So, we learned a lot of things. Let’s not forget those. Let’s use them to improve the way we run our businesses in the future, including how we think about our associates, how we think about social issues. It would be horrible if we got through this and back to normal and just went back to our normal lives. We need to think about what we’re learning today that we can apply over the next few years.”

The Agility Advantage

There’s a strong business case to be made for finding and institutionalizing the work that companies put into adapting quickly during the pandemic, added Hencke. “Strong leadership, transparency and a workforce of employees who are physically and emotionally well leads to a more agile organization—and organizations that are more agile outperform their peers in the market,” he noted.

In fact, research from McKinsey & Co. suggests that agile organizations responsive to major threats and opportunities outperform those that are less agile by 93 percent on customer satisfaction, 76 percent on employee engagement and 93 percent on operational performance.

Agility, however, can be elusive. “The agility piece is how do we prepare for the next set of opportunities and challenges facing us in the future?” said Hencke. “Digitalization, for example, mapping your customer journey and translating it into how you provide a service or product to your customer, is not just technology, it’s a behavioral change inside your organization.”

Boards can play a pivotal part in helping companies step back from day-to-day operational challenges to visualize the big-picture, future-focused agility imperative. “Our board has been very helpful in making sure that we think strategically about the long term,” said Baier. “When our business was at the center of the pandemic storm, they were the ones pushing us to make sure we were thinking about how to really capitalize on our leadership position as a result of the pandemic.”

Embracing Flexibility

Flexible work arrangements is another area boards should push companies to continue exploring, noted Howard Fluhr, chairman emeritus of Segal. “Management needs to be open-minded about what their current employees want—what they will want after what they have been through during this surreal 13 months. What I’m seeing on the boards on which I sit is that smart companies are saying, ‘We’re going to experiment. We’re going to get a lot of input, hold a lot of town halls and do a lot of surveys. There’s a lot we’ve learned about human behavior and interactions that has staying power.”

While some employees may be anxious to return to offices, others will balk—and taking a hard stance may backfire in today’s talent market. In a survey by McKinsey & Co., 70 percent of employees said the ability to telecommute is an important factor for their next job. Furthermore, a whopping 54 percent report that they will change jobs for more flexible work options, said Hencke, who noted that younger generation employees tend to prioritize work-life balance when weighing employment options. “They saw their parents and grandparents work 60, 70 and 80 hours a week and not really enjoy their lives as much as they probably should have and they don’t want to fall into that. That’s really important because this is the generation we’re recruiting.”

“We’re also seeing people willing to leave jobs tied to metro areas for telecommuting jobs that allow them to live where they can do things like hike, fish and spend more time with family,” he said, adding that on the flip side, embracing telecommuting enables companies to widen their recruiting net. “Somebody living in Alaska or Hawaii may be a candidate, whereas last year he or she might not have been.”

Still, making flexibility work on a more long-term basis will mean finding ways to replicate informal mentorship, collaboration and other interpersonal interactions that happen naturally.
in shared-office situations. Savvy companies will look for ways to redirect resources formerly devoted to physical space for employees toward fostering other ways of enabling interaction and collaboration—and still realize savings, said Novich. “Some companies are spending $25,000 a year per person on office space in New York,” he noted. “That money could probably be used more cost effectively—it’s a matter of taking charge of it as opposed to having it happen almost automatically because people are all in the same building.”

**Bring on the Metrics**

The concept of looking for ways to value human capital and quantifying return on investments in areas like recruiting, managing and developing talent has been gaining momentum. In 2020, the SEC recommended discussion and disclosure on three primary areas including: human capital talent attraction, human capital development and talent retention, with workforce productivity and employee engagement as secondary areas of focus for discussion and disclosure. What’s more, the International Organization for Standardization (ISO) recently introduced the ISO 30414 Human Resource Management Guidelines for Human Capital Reporting for Internal and External Stakeholders, the world’s first global standard focused specifically on how to measure and report human capital both internally and externally (disclosure) for both small and large organizations.

“They’re developing a whole series of metrics around human capital,” explained Hencke, who sees human capital standards as a logical extension of other metrics frequently used to evaluate performance. “On average, human capital is 54 percent of the cost of an organization, so why would we not manage it, measure it and make it visible like we do other assets, such as financial and manufacturing assets? It’s great to talk about attraction, development and retention, but we’re going to need to start measuring things like how long it takes to fill new positions and how often people move around for promotions and new assignments at some point.”

It’s a concept that resonated with Novich, who reported that his company has been looking for ways to measure the toll the pandemic has taken on employee health and well-being. Applying greater rigor to recruiting and development processes makes business sense, he added, noting, “If any company is establishing a new supply chain, we would look to understand the supplier, their quality, where they get raw materials, their security policies. We would do a lot of work all the way down the supply chain, yet the majority of companies treat recruiting with far less deliberation.”

The need to take a more intentional, strategic approach to all the facets of human capital management will only intensify in the digital age. “At the end of the day, it’s employees who determine how well companies do at aligning strategies, structures, processes, leadership roles and responsibilities,” said Hencke. “They’re at the center of all of that, and that’s only going to increase.”

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70% The number of employees who say the ability to telecommute is an important factor for their next job.

Overview of Our Consulting Services

Our teams help organizations in a wide range of industries to plan, design and strategize:

- **Organizational effectiveness** — We’ll work with you to create a high-performing organization, which may include creating a culture of excellence. We’ll help you design meaningful recognition and rewards programs and employee value propositions as well as diversity, equity and inclusion strategies.

- **Mergers and acquisitions** — We understand that a merger or acquisition isn’t just an event. It’s a process that requires careful planning and management every step of the way. It starts well before your first conversation with the other organization and extends into the post-deal integration.

- **Compensation and career strategies** — We’ll work with you on the strategy, design and governance of your compensation program. We can help you build a career architecture, a transparent structure for your people. Get in touch to discuss how to align individual performance and career opportunities with organizational goals. We can also work with you to shape your organization’s unique nonfinancial and financial rewards of work.

- **Health and welfare benefits** — Our services include plan design and strategies for improving workforce wellness and well-being. We model utilization, audit claims and monitor finances. Look to us for help competitive bidding for service providers and insurers. We’ll mine your data and analyze it for you. We’ll benchmark your programs.

- **Retirement benefits and financial security** — Retirement plans are the largest portion of most programs for enhancing financial security. Our retirement consulting covers plan design and governance to mitigate risk. We forecast investment performance and funding. For DC plans, we help select vendors. We also assess their fees and performance.

- **Compliance** — Our compliance team assists with policies and procedures, plan documents, amendments, summary plan descriptions, notices and enrollment information. They perform HIPAA assessments and conduct training on applicable federal and state law. They’ll help you stay on top of the latest developments and can help you get ready for government audits.

- **HR and benefits technology** — We’ll help you improve the efficiency of your systems, software and technology. Additionally, we’ll work with you on process improvements and effective training for your people.

- **Insurance** — Our insurance brokers will help you obtain the coverage you need to protect your organization and yourself. That may include some or all of this insurance: fiduciary liability, cybersecurity, employment practice litigation, property damage and casualty claims.

- **Communications** — Our award-winning Segal Benz communications consultants develop strategies that may take into account surveys or focus groups with your people. They write and design communications, including personalized benefit statements and design cutting-edge websites and other portals.

- **Investments** — Segal Marco Advisors provides traditional investment consulting and other investment solutions. Those include discretionary consulting, corporate governance, proxy voting and advisor solutions for financial intermediaries.

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