

MEETING THE NEEDS OF THE MODERN EMPLOYEE

Practical strategies for employers



Always Designing
for People®



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Introduction

Nearly half of organizations report that building a talent pipeline is a top priority for them in the coming year.¹ This shows that finding and keeping the right people has been a challenge for many. Understanding what employees genuinely want and need is a big part of becoming the company that your people want to work for. When employees feel cared for at work, they report being 17% more engaged, 17% more loyal, 12% more productive and 29% more holistically healthy than employees who report they do not feel cared for at work.² This means that understanding what your employees want and need — and how you can help make them feel cared for at work — is crucial for your company's success.

This strategy guide is based on the data reported in **Health, wealth and choices: Navigating shifting employee priorities in today's benefits landscape**, and provides employers with practical steps based on the insights from that data.



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Pay still takes the cake

As financial well-being continues to take the front seat for many, overall compensation remains the top priority for most workers. More than half (56%) of the 31,435 survey respondents reported pay as their single most important work consideration.

Practical steps

The fact that workers care most about pay takes on more significance against the backdrop of a turbulent economic environment and rising cost of living. While many employers have a set budget for a given role, their hands are not tied when it comes to offering competitive pay. Consider the following practical options:

- Use a reputable [benchmarking tool](#) to ensure pay is at or above market value
- Clearly define your salary range in the job description
- Commit to a pay transparency plan, so employees feel good about their pay
- Prioritize internal pay equity for existing similar types of roles
- Consider geographic location and adjust pay based on cost of living
- Plan annual adjustments so salaries stay in line with market trends



Learn more about pay best practices on [the pay transparency resource hub](#)



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While pay is top priority for employees, four out of five employees feel valued due to their medical and non-medical benefits. Consider ways you can [offer benefits that meet your employees' unique needs](#) (more on benefits on page 7).

Retirement on the brain

For the first time in the employee benefits survey history, 401(k) plans tied with dental insurance as the second most important employee benefit, increasing by 11% in the last two years alone. This means employees are thinking about their financial future more than ever before.

The recent enactment of the SECURE 2.0 Act presents an excellent opportunity for employers to help their employees prioritize retirement planning while benefiting from tax credits to help offset the cost.

- Consider expanding investment options to offer a range of options
- Offer financial education like workshops that teach investment strategies
- Implement auto-enrollment so it is easy for every new employee to start
- Provide matching contributions to incentivize and enhance savings potential
- Offer a [financial wellness program](#) to provide personalized financial guidance
- Enable access to online tools so employees can manage retirement on their own
- Explore 401K plans [integrated with payroll](#) so deductions are seamless

Read the story of a manufacturing company that leans on ADP TotalSource® to help them [attract the best talent with great benefits](#).



Learn more about retirement planning by visiting the [Secure Act 2.0 resource page](#)



**Employees
are thinking about their
financial future more than
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Healthcare options are forcing hard choices

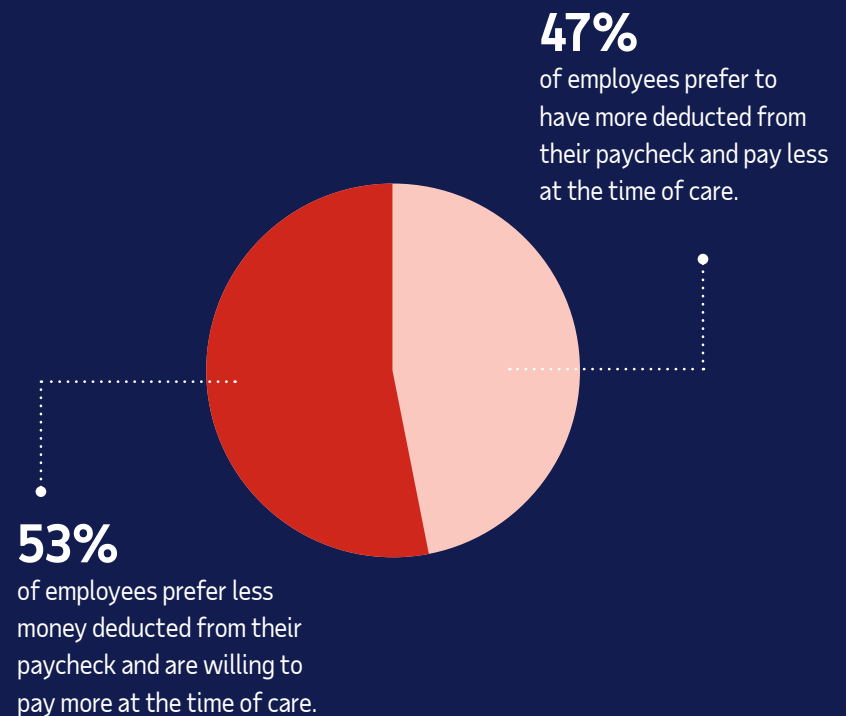
While the majority of people (58%) consider the amount of money coming out of their paycheck as the most important medical plan feature, it's still a mixed bag when it comes to whether they want to have more taken out of their paychecks or whether they want to pay more out-of-pocket at the time of service. The cost of healthcare has risen for everyone. Still, employees must navigate this challenge by balancing premium costs with out-of-pocket expenses while trying to build up a savings fund for unexpected healthcare costs. While just over half (53%) of employees prefer less money deducted from their paycheck and are willing to pay more at the time of care, just under half (47%) of employees prefer to have more deducted from their paycheck and pay less at the time of care.

When deciding how they can provide cost-effective and quality care for their employees, employers should consider that even though many employees want less money taken out of their paycheck, they often have limited funds for unexpected healthcare expenses, with 42% having less than \$1000 set aside for unexpected healthcare expenses.

- Regularly review health plan options to determine the best cost/coverage balance
- Promote [Health Spending Accounts](#) (HSAs) by highlighting their tax advantages and ability to save for future healthcare expenses
- Provide matching contributions to HSAs
- Implement [wellness programs](#) that prioritize preventative care
- Ensure program information is easily accessible online so employees can make informed decisions



Whether employees prefer to have more deducted and pay less at the time of care or have less deducted and pay more at the time of care is a split decision.



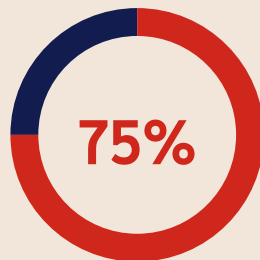
Employees want benefits to be personal

One-size-fits-all benefits plans often fail to meet employees' true needs, as each employee is vastly different. At least three-quarters of employees report an interest in personalized benefits recommendations.

- Identify unique employee needs within your workforce
- Evaluate options to ensure that there are a wide variety of plan types and service offerings
- Regularly solicit employee feedback on the benefits they need and want
- Design a flexible benefits plan platform where employees can easily customize their benefits package
- Consider [legal requirements](#) to ensure plan offerings meet all relevant laws

Read the story of how one storage facility company [increased employee retention rates](#) with best-in-class benefits offerings through their partnership with ADP TotalSource.

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Benefits decision making confidence is growing

The days of confusing paper benefits packets aren't fully behind us yet, but employees' confidence in their ability to make informed decisions about their benefits has increased. Most (84%) agree that they are confident that based on their use of their medical benefits, they chose the health care plan with the best overall value. This level of agreement has increased from last year. Most employees (81%) also say they know where to go to pick the right health plan. Employers looking to keep this trend going can do so by providing their employees with easy-to-use tools and resources, primarily online and on mobile, where they can access benefits information. While many employees are comfortable with self-service options to learn about their benefits, it's important to note that some prefer a more hands-on approach guided by an HR or benefits leader.

Read the story of an [automotive visual inspection company](#) that relies on ADP's HR outsourcing to put benefits information in the hands of their employees, making open enrollment easy and personal.

Practical steps

- Communicate early and often about where employees can find benefits information
- Provide benefits information online and on mobile so employees can evaluate at a time that is right for them
- Invest in intuitive and user-friendly technology for benefits management
- Provide ongoing education and support for benefits choices



Learn more about
[acing open enrollment](#)



Where the rubber meets the road

As organizations adapt to the changing labor market and shifting employee expectations, enhancing the employee experience is top-of-mind. Benefits are an excellent way to help employees feel cared for at work, so doing the most with your benefits is a no-brainer. By prioritizing competitive pay, enhancing retirement options, simplifying healthcare choices and personalizing benefits, employers can show genuine care for their people and significantly improve employee satisfaction and loyalty.

Embracing these practical strategies is not just an opportunity but a necessity for organizations aiming to build a resilient talent pipeline. Remember, when you prioritize your employees' needs, you invest in the foundation of your organization's future — your people. Now is the perfect time to evaluate your existing plan offerings and determine how to enhance them before the next open enrollment.



Learn how to enrich your benefits
with ADP TotalSource

Sources

1. Symphony Talent State of Recruitment Marketing in 2024, 2024
2. MetLife, MetLife's 2024 Annual U.S. Employee Benefit Trends Study, 2024

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