Addressing the Employer-Employee Divide in a Post-Pandemic Workplace.

Our data suggests workplace benefits can bridge the gap.

September 2022
Overview.

As we emerge from the pandemic, there is an opportunity for employers to strengthen relationships with their workforce and align benefits to support what matters most to employees. While there are challenges to rolling out new benefits, there is ample opportunity to create meaningful connections, and support greater alignment, productivity, and retention among employees.
After more than two years of pandemic disruption, employers have been working to address the important issues of caregiving, burn-out and mental health, while employees reevaluate the traditional terms of employment.

Workplace policies instituted during the pandemic gave many employees a new sense of work-life balance they are reluctant to part with, although many employers are interested in reverting them. Where work happens, when it’s done, and for what purpose are questions still under discussion as employers take steps to reset the workplace.

To better understand how employers can reshape the workplace, we polled a sample of 1,000 full-time employees who receive insurance benefits through their employer and 500 employers (insurance benefits decision-makers) to derive insights for organizations to navigate this new landscape effectively.

Employers that are able to successfully navigate these shifting dynamics by building meaningful connections with their workforces will be ahead of the curve.
Quick COVID adaptation measures improved employee satisfaction.

Since the start of the pandemic, employers adapted COVID-19 policies to ensure employee safety, retain talent, and maintain business productivity. They ranged from flexible work-from-home policies and more generous leave policies to mental health support, financial planning tools, and grief resources.

Many employees reacted positively to these changes and felt they were long overdue.

75% of employees believe that the COVID-19 pandemic helped to bring changes to the surface.

66% of employees feel these changes were necessary even before the pandemic.
Employees agree many aspects of workplace culture improved because of COVID-19 policy changes.

Eighty percent of employees report being more satisfied at work, while seventy eight percent report experiencing a better quality of life. Seventy six percent report improved manager relationships and seventy percent report stronger work productivity.

Employers are aligned with employees in appreciating how pandemic changes have benefited their employees. A comparable eighty percent of employers see their employees as more satisfied at work now.

“My employer has been responsive to our suggestions and needs during the pandemic and has implemented many helpful policies.”

Employee survey participant
Additionally, the onset of the pandemic created space for more open dialogue around difficult topics such as mental health.

- 72% of employees report that their company talks more openly about mental health now than before the COVID-19 pandemic.
- 70% of employees are more likely to take a mental health day for themselves now than pre-pandemic.
- 64% of employees report that they have taken a mental health day for themselves in the last year.

Mental Health: A majority of employers champion mental health support in the workplace, but do they practice what they preach?

Only fifty-five percent of employers (benefit decision makers) reported that they personally feel comfortable talking about mental health.

- → 22% of employers strongly agree that they are comfortable talking about mental health at work.
- → 33% of employees strongly agree that they are comfortable talking about mental health at work.

An opportunity to lead by example.

“Employee expectations around mental health support are just one of the many disconnects we uncovered through this research. Fortunately, employers have an opportunity to reconsider the needs of their workforce and adjust benefits and their behavior accordingly.”

Meg Shea, Vice President and Head of Strategy and Solutions, New York Life Group Benefit Solutions

If employers are not talking about mental health, they may be inadvertently creating a stigma in the workplace. According to a study by McKinsey & Company, the impact of stigma can be profound. At a time when people are at their most vulnerable and most in need of help, leaders can help change the narrative around mental health by speaking openly about any issues they may face and encouraging employees to take time off to reset.
Altering COVID-era workplace benefits ushers in confusion.

Employers aren’t effectively communicating policy changes to their employees.

Data suggests that employees aren’t aware that employers have suspended some pandemic-related policies.

Thirty five percent of employers say they have suspended programs that support employee financial planning; just eight percent of employees realize that these programs have been suspended.

Twenty four percent of employers have suspended more generous leave policies; in contrast, eleven percent of employees are aware of this change at their companies.

Similarly, twenty five percent of employers have suspended more mental health support, while just eleven percent of employees realize these additional support resources have been suspended.
A major concern for employees is that employers are terminating their most valued policies...

and more concerning – employers are terminating benefits that are actually key drivers of productivity.

Despite a majority of employees (70%) identifying flexibility as the most important workplace change, employers continue to underestimate the importance of flexible work-from-home policies.

Flexible work from home policies are of particular importance to older employees (48% of those 65+), while age groups 35-44 were the most likely to say flexible PTO policies are important.

For younger aged workers 18-44, work life balance is the second most important consideration in staying with their employer.

Sixty-two percent of employees said flexible and generous paid-time-off-policies were important in being productive at work, while just 47% of employers believe this is the case - emphasizing the understanding gap.

Why it pays to support time away.

When employees are not feeling well – physically or mentally – performance can decline, impacting U.S. employers' bottom line by as much as $575 billion annually. Data like this demonstrates the significance of providing employees with time away from work to focus on taking care of themselves.
Workplaces are out of touch with the feelings of their employees.

Employees are less likely to feel appreciated than their employers suspect.

This is true regardless of employees age or gender. This disconnect is most pronounced among employees that do not have the ability to work remotely.

It is not uncommon for companies to overestimate how much their employees feel appreciated, however, the difference in perception is striking.

48% Forty eight percent of employers say their employees feel appreciated

30% while just thirty percent of employees agree

While the workplace changes made at the onset of the pandemic may have generated some new employee appreciation, there is still a disconnect. Factors contributing to employees feeling a lack of care and appreciation are: poor communication, poor benefits, unfair compensation, and a sense that their employer prioritizes profit over people.

1. Poor communication
2. Poor benefits
3. Unfair compensation
4. Profit over people
How organizations can enact meaningful change in the employer-employee relationship.

When digging deeper into what makes employees feel valued, we saw some clear themes that can help employers create meaningful change that aligns with the needs and desires of their workforce:

- Implement policies and benefit programs that support well-being and peace of mind.
- Communicate with empathy.
- Recognize employees and find ways to demonstrate how they make a difference in your organization.

63% of workers say their current benefits package makes them at least somewhat more likely to remain with their employer.

A recent LIMRA and EY joint study suggests non-medical and non-traditional workplace benefits will grow 20% by 2026 due to heightened competition for workers and greater employee expectations.

If organizations are going to meet the evolving needs of today’s workforce, they should search for ways to forge more meaningful connections with employees through programs and policies that provide peace of mind and benefits that work just as hard as the people they depend on.
Four ways to bridge the gap.

1. Lead with compassion.

Company culture comes to life with the everyday actions of its employees. Organizations should evaluate how they foster care, respect, and kindness in the workplace. Showing care and empathy is something that is often underestimated and does not include a cost.

“In a related study, we spoke to a woman who had taken a leave of absence for bereavement. Her mother had passed away and no one from her company ever reached out to ask how she was doing and that made her feel alienated. It led her to question whether anyone valued her at work. A simple outreach from her manager would have gone a long way to make her feel cared for and it would have helped strengthen loyalty that employers cannot afford to disregard.”

Meg Shea, Vice President and Head of Strategy and Solutions, New York Life Group Benefit Solutions

Since the start of the pandemic, the lines between home and work have blurred and will likely remain intertwined. It is evident that employees are demanding greater ability to prioritize work-life balance, but that doesn’t have to come at the expense of productivity and necessitate a complete shift in business strategy. Encourage managers to carve out ‘people’ time. Managers doing a simple check in to show genuine interest in employees’ well-being as an individual, can go a long way to demonstrating care and helping foster deeper relationships.

Finally, it’s important to evaluate new partners and vendors who will be interacting with employees on your company’s behalf. Find out how they approach service and empathy training and make sure their culture and values align with your organization.
It’s clear from this research that it is critical for employers to have a realistic perspective of what is important to their employees. Among many of our clients, we’re seeing an active effort to seek feedback – directly and through evaluating enrollment data or program utilization metrics—and reward employees who share their perspectives and communicate these findings before they adjust benefits instituted as a response to the pandemic. This approach is resonating and helps employers continue to support their workforce where they need it most.”

Kristina Welke, Vice President and Head of Product, New York Life Group Benefit Solutions

Data revealed that employer sentiments about employees more closely aligns with how employers described their own experience, versus the average employee’s experience. It’s not uncommon for an employer (in a decision-making position) to be more passionate about the policies they implement versus the average employee, and it may be discouraging to find that employees don’t share the same enthusiasm. Whatever the reason for the disconnect – this highlights an opportunity for employers to listen and learn.

While leveraging available information like enrollment data can be a helpful source to better understand the benefits employees may find valuable, employers should be wary of relying too heavily on this data. It’s not uncommon for employees to pass on benefit elections because they truly don’t understand the value or purpose.
Identify the gaps in understanding.

In the benefit space, many employees do not fully understand what their benefits offer, or when and how to use them. According to a recent study by LIMRA & EY, less than 50% of employees reported having a very good understanding of benefits such as disability, accident, critical illness, and hospital indemnity insurance. That lack of understanding often leads to underutilization and skews strategic benefit program decisions down the line.

Our research revealed that employers overestimate the importance of providing access to resources/programs to support financial planning as a benefit that employees want. In fact, employers were nearly twice as likely to feel that this is important to employees. That said, a majority of employees (62%) ranked benefits that provide more financial support and security as a top three benefit they want their employers to keep in place.

While employees may indicate a lack of interest in resources to help with financial planning, employers should still be cautious in making any changes. This data suggests a strong opportunity for employers to reinforce the importance, value, and accessibility of programs that support financial planning resources.

“Our research shows that employees value benefits that provide financial support and security. While offering these types of benefits is important, equally important is helping employees understand how these solutions may fit into a holistic financial strategy. Continuing to offer options for financial education alongside solutions, like Paid Leave, that protect financial security is one way to help employees make the most of their benefits.”

Kristina Welke, Vice President and Head of Product, New York Life Group Benefit Solutions

Did you know?

Employees spend just 18 minutes on average on their benefit enrollment research compared to four hours when choosing a cell phone?
An annual enrollment event is typically not sufficient to raise awareness for benefits, yet nearly half of employees surveyed by LIMRA report open enrollment is the only time they hear about their benefits. With at least five generations of workers, culturally diverse talent, and an increasing population of remote or hybrid employees among the workforce today, benefits communication should be a year-round exercise to promote the value and accessibility of benefits.

When it comes to general awareness, employees' priorities for benefit communication are as follows:

- **44%** - HR and Corporate Communication
- **44%** - Employee benefits portal with tailored information for them
- **32%** - Package information in an email

“We know that when employees need to use their benefits, they seek information from a variety of sources. That’s why, in addition to informing employees directly, we ensure that benefits information is available across a variety of touchpoints – especially when it comes to accessing non-traditional benefits, such as financial planning resources or mental health support and bereavement support. Communicating the value of benefits often, not just at open enrollment, ensures that employees can utilize their benefits in the moment that matters, when there is truly a need.”

Maria Mauceri, Vice President and Head of Benefits, New York Life
Even if employees have some awareness that a benefit exists, they may not realize how a benefit works and how it will truly help them in a time of need. Even more likely, employees may not remember how to access the benefit or who to call.

The need for benefits services often coincides with a considerable life challenge – be it a personal or family health issue or a mental health struggle. It’s no surprise that employees would want to turn to their manager, someone who they know and trust. But, employers need to ensure that resources at all levels of the organization are equipped to help.

According to our research, when employees need to use their benefits, their preferences vary.

- 33% Their direct manager needs to be informed and ready to share
- 33% HR/corporate Communications
- 33% Employee benefit portal with tailored information for them

It’s a balancing act – it’s not realistic for front-line managers to have all the answers, especially with the evolving leave laws we are seeing across the U.S. today. Benefit carriers and third-party vendors can solve for this by making it easy for HR teams and managers to have this information at their fingertips when they need it.
Conclusion.

Building meaningful connections in the workplace is imperative for employee satisfaction and benefits can help.

This is a unique time in our history where benefit decision makers and HR teams have been in a position to drive pivotal workplace change. Early efforts were embraced by employees—many of which had an extremely positive impact in their lives. As employers adjust course and look to evolve their workplace policies and benefit programs once again, it’s clear that they are operating in an environment of elevated expectations—from both sides. However, there is ample opportunity for alignment between the two, because the meaningful connections that employers are striving to create is exactly what will elevate the care and support that employees are hoping to receive.

New York Life Group Benefit Solutions is committed to Putting Benefits To Work For People℠.

Look to us for caring guidance and comprehensive solutions as we deliver financial security and peace of mind for you—and for your employees. With more than one hundred years of experience, you have a strategic partner offering valued guidance and working as an extension of your team. You can depend on us to share insights into emerging trends, employee sentiment, and best practices to help enhance your benefit program and future planning.

Contact us.

To learn more, please reach out to your New York Life Group Benefit Solutions representative or contact us: nyl.com/gbs-contact-us
*Survey methodology*

New York Life Group Benefit Solutions commissioned Morning Consult to conduct an online poll between April 13 and 25, 2022 among a national sample of 1,000 employees who receive benefits at work and 500 employers (insurance benefit decision makers) at their companies. Results from the full survey have a margin of error of plus or minus three percentage points.

4. LIMRA’s new study, 2022 BEAT Study: Benefits and Employee Attitude Tracker.
7. Based on New York Life Insurance Company acquiring Cigna’s Group Insurance business in 2020, which first introduced accident products and services in 1912.

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