

Hyper-Personalized Rewards

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Employers that value respect, diversity, openness and equity in the workplace realize that people’s differences can make organizations stronger. This recognition of the importance of promoting the fair treatment and full participation of all people, including underrepresented groups and those who have historically experienced discrimination, is now extending to employee benefits.

Offering a suite of health, wellness and family-building benefits that go beyond so-called traditional benefits can create an inclusive environment and make it possible for everyone to feel safe and supported.

Defining Traditional Benefits

Employer-sponsored rewards programs have come a long way from traditional one-size-fits-all employee benefits. It wasn’t until the early 20th century that U.S. employers began introducing modest “sickness insurance” programs as a practical response to workplace injuries and to strengthen the relationship between workers and their employers.

By the 1930s, the Blue Cross-type plan emerged, covering hospital costs; Blue Shield plans eventually covered physician services. During and following the Second World War, more and more employers offered competitive compensation, health care benefits, employee assistance programs (EAPs) and paid-time-off policies to further attract and retain workers.

Evidence over the years has demonstrated a strong correlation between healthy employees and workplace performance. Many employers now realize that measures taken to

prevent illness and stress are critical to managing the organization’s costs and boosting productivity.

Reframing Total Rewards

For more than a decade, employer-sponsored health care has evolved with employers searching for new and innovative strategies to manage rising costs and improve employee engagement and satisfaction. Employers have shifted from a fragmented, employer-directed, one-size-fits-all model to a consumer-focused well-being model and more recently to a

AT A GLANCE

- Many employers are focusing on creating a total rewards portfolio that meets each employee’s individual health and well-being needs and life circumstances. They are also examining rewards through a diversity, equity and inclusion (DE&I) lens to foster an inclusive environment.
- Strategic benefits initiatives that can aid in creating a more interconnected and personalized health and well-being benefits program include precision medicine, multimodality care access and nontraditional concierge/advocacy platforms. Employers may also look at their time-off policies, retirement plans and voluntary benefits for opportunities to make benefits more personalized and in line with the needs of today’s workforce.
- By using tactics and tools including data-driven portals, audience-specific benefits guides and language translation, among others, employers may improve employee engagement and understanding of their benefits.

broad population health framework, with the introduction of point solutions aimed at improving the health and well-being of their workforce.

The COVID-19 pandemic and the civil unrest that occurred after the killing of George Floyd created awareness of the inequities in accessibility and affordability in health care as well as how maintaining a broad population health focus in designing benefits offerings may fail to address them. Many people deferred care and their health deteriorated as a result. These events also shined a spotlight on the disconnected and overburdened health care system, with an insufficient supply of mental health practitioners to meet demand and continued escalating costs. This was a pivotal turning point in rewards strategy for many employers. It expedited a focus on diversity, equity and inclusiveness (DE&I) as well as on the individual and their specific needs and priorities. It also offered a varied portfolio of benefits that are flexible, affordable, equitable and accessible.

Viewing rewards from a DE&I perspective acknowledges the need to foster an inclusive environment and recognizes the importance of the contributions each employee brings to an organization through their lived and diverse experiences.

Individualization

Health and Well-Being Benefits

Employers have begun to shift away from broad population well-being frameworks and are focusing on creating a total rewards portfolio that meets each employee's individual health and well-being needs and life circumstances. Benefits that may assist in this effort include the following.

- **Precision medicine:** Innovation and advances in precision medicine can reduce health disparities and advance health equity by taking into consideration a person's lifestyle, environmental and genetic factors. For example, genetic testing and multicancer early detection tests now augment traditional cancer preventive screenings to identify elevated genetic risk. These tests can be used for custom prevention plans and detect cancer at earlier stages, which can improve prognoses and reduce long-term health care costs. Precision cancer treatment (e.g., tumor DNA sequencing) can identify targeted treatments not previously considered and

assist with altering treatment protocols for cancers not responding to initial treatment.

- **Multimodality care access:** While it is imperative for an organization to address gaps in accessing in-network care, augmenting in-person care with options such as virtual primary care, telemedicine and digital therapeutic point solutions can not only bridge gaps in access to providers and health coaches, but also improve care compliance and health outcomes for those with chronic conditions. Employers may also want to consider conducting a feasibility study for on-site, near-site and mobile clinics in areas where there are provider deserts, transportation barriers to receiving care, or limited or intermittent access to Wi-Fi.
- **Advocacy/concierge platforms:** More platforms are emerging that provide support beyond traditional health care advocacy/concierge models. These new platforms are tailored to support the unique needs of various community groups (e.g., LGBTQ+, military veterans, etc.); caregivers for the elderly, for dependents with a disability or who are neurodiverse, and for children of all ages; as well as those navigating a new diagnosis or end-of-life planning. Support includes navigating employer-sponsored programs as well as federal, state and local resources. These platforms often have digital resources and tools to augment the high-touch human service. Any such digital and in-person solutions should be assessed to ensure that providers and advocates are delivering culturally competent and clinically appropriate care to eliminate negative experiences and promote better health care compliance, particularly for employees with traditionally marginalized identities.

By incorporating these elements into their health benefit plans, employers can create a more interconnected and personalized health and well-being benefits program. Precision medicine, multimodality care access and health concierge platforms may ease employee access to the health care they need and lead to better health and well-being outcomes.

Other Benefits

An employer should be cognizant to include other critical elements of a total rewards package—voluntary benefits, re-

tirement and time off—when designing a total rewards portfolio that addresses a wide array of needs and priorities their workforce may desire.

- **Lifestyle spending accounts (LSAs):** LSAs support an employer’s DE&I strategy by allowing employees to select their benefits based on their personal priorities and needs. Employers can fund these accounts, which reimburse employees for an array of needs, including expenses for fitness, financial well-being, nutritional support, mental health solutions and child care. Employees might use LSAs to reduce the premiums they might pay for traditional voluntary benefits such as pet insurance, legal services or identity theft protection.
- **Voluntary benefits:** Employers should review their existing voluntary benefits programs for ways to enhance them to address a variety of workforce needs. For example, employers may want to evaluate the types of specific services their legal plan covers, such as surrogacy, which is a critical pathway to parenthood for the LGBTQ+ community. Employers may also wish to consider extending voluntary legal plan access to parents and grandparents to support the needs of employees who are caregivers for their parents. Other benefits might include voluntary identity theft programs to cover additional family-related concerns such as child cyber safety and parental monitoring features. Employer-sponsored long-term care (LTC) insurance can typically be offered at reduced cost (important for women who typically pay higher rates) compared with the open marketplace because employer-sponsored programs provide gender-neutral rates.
- **Retirement savings:** Employers should consider taking a fresh look at their 401(k) plan design from the perspective of social determinants of health (SDoH).¹ For example, implementing a thoughtfully designed employer match formula or employing autoenrollment combined with autoescalation of contributions can help ensure that lower wage earners are not discouraged from saving. Employers should evaluate deferral rates by income level and continue monitoring for an increased opt-out rate of decline in participation as well as lower deferral rates among employees at lower

income levels. Creative design alternatives such as emergency withdrawals/savings accounts and making employer match contributions based on employees’ student loan payments are now permitted under SECURE 2.0. This lets employees access funds in the case of an emergency and enables those with student loan debt to not only pay down that debt but save for retirement.

- **Time off:** Employers may need to determine how to structure their time-off policies to be more equitable and inclusive (and financially sustainable for the organization), addressing emerging leave types such as grandparent and “paw-ternity” leaves, and offer bereavement leave for expanded reasons and definitions of family. This helps to ensure that all employees feel supported and included.

Closing the Gap in Perception vs. Reality

While employers strive to continually enhance and diversify their benefits offerings to remain competitive and attract and retain talent, they create so many choices that employees are overwhelmed and don’t know where to start or how to navigate the benefits resources available to them. Further, there are significant gaps in priorities and perceptions between what employers think employees value and want vs. what employees actually value and need. Employees may feel undervalued, since they can’t see how their employer is supporting their needs. This can ultimately result in a disengaged workforce with high attrition rates. Buck’s *2024 Well-being and Voluntary Benefits Survey* found that 69% of Millennials would change jobs for better benefits and 67% wish they had a better understanding of their benefits.

Even if an employer has the ideal benefits portfolio, delivery and understanding of these benefits may be inequitable. Not all employees in the workforce experience things in the same way, given cultural and societal diversity in the workplace. Progressive employers are shifting from asking “What benefits should I offer?” to “How do my employees experience these rewards?” Conducting research into what personalized and targeted rewards are needed is a critical first step in answering these questions. Digging into qualitative and quantitative data can identify challenges and gaps in

physical, emotional and financial well-being. It also provides a better understanding of how to efficiently deliver and communicate rewards to employees.

Employers should keep in mind the following questions when conducting research.

- **Workforce composition:** Who is in the workforce? What is the generational profile? What intersecting identities are we trying to support and communicate to? Are there distinct enrollment patterns in benefits that we need to better understand by community group (e.g., medical plan elections and waivers, 401(k) deferral rates, 401(k) loans outstanding, etc.)?
- **Linking health claims data and SDoH:** Are there issues in access to in-network care or disparities in the navigation and use of the health care system? What is the level of engagement in clinical programs and preventive screenings? Have medication and treatment adherence declined? Are there high rates of chronic conditions that are not managed? Does any data suggest subpar health quality and outcomes, and are there distinct differences in the data based on the neighborhood in which employees live?
- **Financial health data:** Have hardship withdrawals and 401(k) loans increased? Have 401(k) participation and/or deferral rates dropped? Is there an increase in employee relief fund requests?
- **DE&I benefits assessment:** Have we conducted an assessment of benefits through a DE&I lens for gaps and bias blind spots as they pertain to various diversity dimensions in your workforce? From a SDoH standpoint?
- **Exit data:** Why are employees leaving? To what extent are rewards a contributing factor?
- **Employee surveys:** Have we taken the pulse of employees to learn how they're feeling and what they want? Are there gaps in between benefits offerings and expressed needs and priorities? Have employees been asked how they prefer to receive rewards information?

Personalized, Inclusive Communications

Personalized communications delivery is critical to connecting and engaging the employee with benefits and resources

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that are available to them. However, benefits programs are increasingly complex with new solutions emerging daily and are often difficult for the average employee to understand. Navigating employer-sponsored benefits particular to the needs of women, the LGBTQ+ community, military veterans, individuals with a disability or who are neurodiverse, and specific to an individual's race and ethnicity is even more challenging.

To get this information out in an engaging and accessible way, organizations should consider shifting to targeted benefits communications that provide specific employee groups with all relevant information in one place. Aside from helping employees find the benefits that are right for them, these guides and resources have another result: showing current and prospective employees that the company cares about them, their families and their communities.

Following are examples of approaches and strategies that employers can use to effectively communicate their rewards offerings.

- **Data-driven portals:** Create a single source of truth through which employees see their real-time, data-driven benefits information. Offer a portal that recognizes the user and serves up personalized and curated content based on the employee's individual needs. Remember to test digital sites with a variety of users to ensure usability and accessibility for all. Consider adding a virtual agent or chatbot to assist with navigation and answers to questions.
- **Audience-specific benefits guides:** Address the specialized needs of specific workforce groups—such as the LGBTQ+ community, women or veterans—by highlighting benefits information in new ways. Spe-

cialized guides are a valuable resource to those who need them and send a positive message of inclusion to the entire workforce.


- **Language translation:** Discover the language needs of the workforce and adapt communication accordingly. Don't expect people to grasp challenging benefits concepts while struggling to understand the language. Keep in mind that some U.S. workers are new to benefits, having come from countries with different approaches to benefit coverage or perhaps never had benefit coverage at all. One large U.S. employer promoted its benefits translation service through a simple magnet affixed to lockers. "We Speak Your Language" was translated into the top six languages spoken by the workforce, and calls to the language translation line increased by 300%.
- **Benefits literacy material:** Everyone needs guidance when it comes to benefits. Benefits leaders must remember that seemingly basic concepts and terms are not necessarily intuitive or self-explanatory. Create short explainer videos that break down complex topics in simple terms. Include definitions of unfamiliar words. Use illustrations and examples to help ensure understanding.
- **Inclusive language:** Create a style guide for use by HR, corporate communication professionals and anyone creating content for the workforce with gender-neutral and inclusive language guidelines. For example, use "humankind" or "people" rather than "mankind." Check content and forms for inclusion. Inclusive language has the power to boost morale, validate employees and make the company more attractive to job candidates. Noninclusive language may make employees feel alienated, unseen or undervalued.
- **Varied approaches:** Research and experience show that people prefer different types of communication depending on their level of tech savvy, job function,

work environment and literacy level. Employers can rarely rely on one approach to effectively connect with a broad audience. Multiple mechanisms and touch-points are typically required. Attention span and willingness to spend time reading also play a role in whether messages effectively reach their intended audiences. Summarizing key messages and delivering them through engaging visuals and charts (with access to additional information as needed) is a best practice that audiences have come to expect.

Most importantly, employers should never assume that because a communication mechanism has been used that the message has been received and understood. They should consistently monitor employee understanding and modify communication according to the feedback received.

Conclusion

The workplace has moved beyond "traditional"—and benefits and rewards likely should too. Total rewards programs enhance an individual's professional, physical, financial and social/community (i.e., total) well-being. They have become more comprehensive to reflect the new societal, social and cultural realities present in the workforce and the need to address the employee's total experience at work and outside of work. They are used as a strategic tool for achieving business results by being able to more effectively retain, attract and support productive employees.

These programs continue to evolve to meet growing challenges. They not only help attract and retain the younger generations of the workforce but also strengthen the commitment and well-being of the entire employee population. 

Endnote

1. *Social determinants of health* are defined by the U.S. Department of Health and Human Services as "the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks."

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