

Inclusive Benefits to Attract and Retain

by | Susan Hunter

Employers face talent acquisition and retention challenges, highlighting the need for benefit packages that meet diverse employee needs. The author explores the ongoing process organizations must navigate to adapt their plans, focusing on inclusivity and equity.



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Plans and Pensions attract Top Talent



Ask any employer today, and they'll tell you about the daunting challenge of finding the right candidate with the specific skills and experience to meet their organizational needs. Job seekers are also looking for more than just a paycheck, and that often includes a benefits package that meets the wants and needs of their varied backgrounds and evolving lifestyles.

Research studies show that benefits and retirement consistently rank globally among the top five drivers of talent attraction and retention, highlighting the crucial role these benefits have in the competitive job market.¹ As organizations increasingly recognize the value of diversity, it becomes vital to ensure that benefits and pensions are inclusive, catering to the varied needs of a diverse employee base. Inclusive benefits and pensions are essential for attracting top

talent and promoting equity, enhancing employee satisfaction and fostering a culture of inclusivity. This article explores the changing workforce demographics, why benefits and pensions matter to employees, and the features of inclusive and equitable plans.

The Workplace

Today's workplace is a dynamic reflection of broader societal shifts toward inclusivity and representation. For employers, HR professionals and business leaders, understanding and adapting to these shifts is not just important—It's crucial. Demographic changes, legislative measures and the growing recognition of the value of diverse perspectives in the workplace are driving this evolution. Statistics Canada reported as older workers transition to retirement, the generational shift already underway accelerates as 33.2% of Millennials and 17.6% of Gen Zers continue to represent a growing portion of the working-age population in Canada.

Multicultural policy and immigration trends in Canada have played a key role in enhancing workplace diversity. Statistics Canada also noted that as of 2021, 23% of the Canadian workforce consisted of immigrants, a figure projected to rise given current immigration targets. Women make up 47.4% of the Canadian labour force. Visible minorities account for 22.3% of the Canadian population, underscoring workplace racial diversity nationwide. This figure is especially evident in metropolitan areas like Toronto and Vancouver, reflecting the multicultural fabric of these major economic hubs.

For many organizations, the plan design is based on the expectations of Baby Boomers and Generation X,

which may not resonate with the young people entering the workforce today. Employers need to better understand what the new generation of workers values to attract and retain the talent they need.

Benefits and Pensions Matter to All

The global COVID-19 pandemic has had a significant impact on the workplace and showed the importance of benefits in supporting the well-being and resilience of employees. A recent survey of 4,000 U.S. employees indicates that 54% of workers view their benefits as more valuable since the onset of the pandemic, which directly influences the benefits they select.² A Canadian survey revealed that workers under age 35 recognize the value of a workplace pension, with 51% indicating that they would reject a job offer with higher pay for a better pension.³ These surveys also revealed that while salary consistently ranked as respondents' first consideration, benefits such as medical insurance and paid or medical family leave are top priorities for employees when considering a new employer. Additional services such as emergency savings programs, career development programs and broader wellness offerings are becoming even more valuable than some traditional voluntary products.

Research shows that Millennials' and Gen Z's perspectives on retirement and benefits have been shaped by the events they are experiencing as well as the consequent social and economic conditions that transpired. They witnessed and have been impacted by the effects of corporate downsizing on their parents and family members, the

Takeaways

- As the workforce continues to evolve, the commitment to inclusive benefit plans will be critical in an organization's ability to attract and retain talent in the competitive labour market.
- Inclusive benefits and pensions play a crucial role in fostering a culture of inclusion within an organization. Standardized benefit plans also may reflect outdated assumptions about the workforce, such as the predominance of single-income households or linear career paths.
- By embracing flexibility, accessibility and continuous improvement, organizations can create benefit plans that support the diverse needs of their workforce, helping all employees achieve financial security and well-being.

dwindling of retirement savings, and the onslaught of financial insecurity with inflation and a tough economy. Numerous studies have confirmed that existing benefits were inadequate and insufficient in effectively supporting the mental health needs of employees during the pandemic. In response, organizations have sought to enhance access to extended health benefits; offer broader, more flexible coverage for psychological services; and provide mental health support beyond a registered clinical psychologist, including holistic therapy. By increasing access to diverse providers, employees from underrepresented groups are more likely to find a provider with a similar cultural background, which can offer greater comfort and a deeper understanding of their unique circumstances.

A recent global benefits study by Willis Towers Watson of organizations across multiple industries shows that 67% of businesses want their benefits program to be market competitive though equally focused on well-being (61%) as well as offer equitable and inclusive benefits (56%). Retirement and health care consistently ranked among the top five employee attraction and retention drivers. While organizations are focused on managing costs during the current economic and business environment, they need to understand what employees value and prefer, eliminate underutilized and less relevant benefits, and examine ways to improve their employees' well-being outcomes cost effectively.

Understanding Comprehensive Benefit and Pension Plans

Comprehensive pension and benefit plans are designed to cater to the dispa-

rate needs of the workforce, considering factors such as gender, age, family structure and financial situation. The plans aim to provide equitable access to economic security and wellness, ensuring that all employees, regardless of their background, can benefit from them.

The key features of these plans may include the following.

Flexibility

Control over one's schedule can increase job satisfaction as employees feel empowered and trusted by their employers. The flexibility allows employees to work during peak productivity, improving performance and satisfaction. Employees who feel their unique needs are recognized and accommodated are likelier to be engaged and loyal to their employer. A recent U.S. study⁴ found that 76% of Millennials, 74% of Gen Zers and 63% of Baby Boomers consider a flexible work schedule a highly valuable benefit. With more control over their time, employees might feel more comfortable taking mental health days when needed, potentially reducing long-term burnout.

Those with caregiving responsibilities, such as for children or elderly relatives, can significantly benefit from flexible work arrangements, easing the stress of balancing work and care.

Benefits supporting mental health and wellness are considered very important across all generations, particularly for Gen Zers and Millennials. Health insurance plans that provide these benefits improve individual well-being and boost employee morale and productivity. Ignoring the importance of these benefits is costly; research shows that mental health-related dis-

ability claims and absenteeism cost more than \$50 billion annually to the Canadian economy and benefit providers in health care costs, lost productivity and reductions in health-related quality of life.⁵

Offering a range of benefit options allows employees to choose the plans that best align with their needs and aspirations. In addition to flexible schedules, this design could include customizable health insurance plans and various retirement savings options.

Equity

Equitable benefits and pension plans ensure that all employees, regardless of background, receive access to the same level of support and security. This approach is vital in addressing historical inequities that have disadvantaged certain groups, including women, people of colour, LGBTQ2+ individuals, neurodivergent employees and those with disabilities. These employees often have unique needs stemming from diverse family structures, financial situations, career trajectories, and overlapping social and intersectional identities that influence their their benefits preferences.

Although Western medicine may be the conventional form of care, many employees emphasize integrating cultural practices and traditions of complementary and alternative medicine in their health plans. According to a recent survey conducted by Ipsos for Sun Life, 77% of Black, Indigenous and other racialized groups would welcome access to Indigenous or sacred medicines, ayurveda, traditional Chinese medicine, homeopathy, naturopathy, body movement therapies, herbal medicines, reiki and electromagnetic therapy.⁶

Standardized benefit plans also may reflect outdated assumptions about the workforce, such as the predominance of single-income households or linear career paths. Employees struggle with competing demands, and organizations can offer benefits that accommodate various family structures and life stages, including maternity and parental leave top-up and phased-in return, so parents can spend more time at home; eldercare support; compassionate care leave or family leave that extends beyond employees' spouse dependents; and retirement planning. Expansive health care plans that cover a broad spectrum of services, such as reproductive health and gender-affirming treatments, directly address the needs of specific employees, demonstrating the organization's commitment to the health needs of its workforce.

Accessibility

Ensuring that pension and benefit plans are accessible to all employees is important in fostering inclusion. Providing clear information helps employees understand their coverage and make well-informed decisions, which can lead to better outcomes. One recent report found that only a quarter of employees knew that their flexible or health care spending accounts covered certain expenses, such as baby formula and fees for egg storage for fertility treatments.⁷

Providing multilingual resources is another effective way to enhance accessibility by accommodating non-native speakers. This involves using plain language and sharing information through printed materials, online resources and customer service support. Additionally, this approach ensures that employees with disabilities can access information quickly, which may include providing materials in braille, offering sign language interpretation and ensuring digital content is compatible with screen readers.

Another challenge in promoting accessibility lies in the complexity and technical nature of plan documents provided to employees. Pension plan documents, in particular, require clear information and education so employees can make informed choices for themselves and their families. A Standard Life study showed that participation rates in pension plans varied across demographic groups within countries in the Organization for Economic Co-operation and Development (OECD), which includes the U.S. and Canada.⁸ Women, part-time workers and temporary workers often have lower participation rates in pension plans. A

BIO

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lack of financial literacy can result in poor decision making, leaving employees unprepared for retirement. Increasing plan participation could be achieved by providing financial education, implementing automatic or compulsory enrollment, simplifying choice through automatic mechanisms with default options, and providing financial and nonfinancial incentives.⁹

Developing progressive and creative practices that enable employees to make informed decisions about their benefits and pension plans should be the focus for organizations. This approach helps employees take full advantage of the available options to meet their personal and family needs. By adapting benefits and pension plans to meet the diverse needs of their workforce, organizations can ensure fairness and equity within the workplace now and in the years to come.

Practical Steps Toward Inclusive Benefits and Pensions

Organizations looking to offer more inclusive benefits and pensions can implement several practical strategies:

- **Engage Employees and Collect Feedback:** Engaging with employees and soliciting feedback can provide valuable insights. This can be done through surveys and collaborating with employee resource groups to understand the unique needs and preferences of the workforce.
- **Establishing a Benefits Philosophy and Framework:** A well-defined benefits philosophy and framework, guided by clear principles, is essential. This should emphasize and support flexibility, cultural relevance and the integration of DEI principles.

- **Regular Plan Design Reviews:** Employers can develop inclusive plans through needs assessments by regularly reviewing their benefit plan design. By gathering data on the demographics of their workforce, employers can inform the development of benefit plans tailored to employees' unique needs.

Organizations should also review competitive practices and market studies when considering changes in plan design. A recent Sun Life study showed that 64% of employees would support benefits costing a bit more if it ensured that coverage was equitable and inclusive.¹⁰

Ultimately, creating inclusive pension and benefit plans is an ongoing process that requires organizations to continuously monitor the effectiveness and improve their offerings based on employee feedback and evolving workplace needs. Regular surveys and industry benchmarking provide criti-

cal information for improvement, ensuring benefit offerings remain competitive, relevant and valued. ☞

Endnotes

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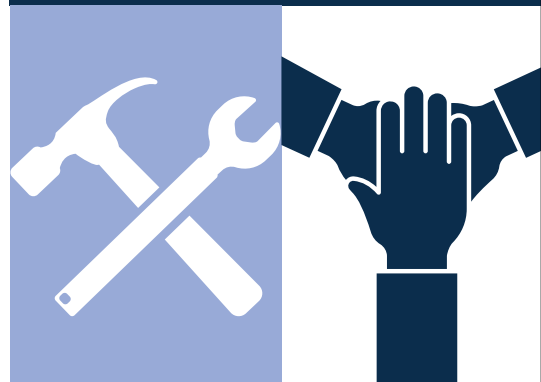
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