

4 Steps to Creating a Benefits Package that Attracts & Retains Today's Talent



Employee Benefits

Employee benefits don't just benefit employees. In today's competitive hiring environment, successful employers are leveraging compensation and benefits as a recruitment and retention tool.

Benefits have changed drastically over the years. And it can be difficult to keep up with the trends. If you've found yourself wondering what other employers are offering or which benefits should be on your list, follow these four steps:

STEP 1: KNOW WHAT'S REQUIRED

First and foremost, it's important to make sure that your benefits package aligns with the law. Some benefits are not an option, depending on the size and location of your business.

Benefits like social security, unemployment insurance, workers compensation, disability insurance, and leave benefits may be required by law. It's best to consult with an expert ensure that you are meeting all legal requirements.

STEP 2: SELECT BENEFITS

While you may already be offering all of the legally required benefits, to attract and retain great employees, you need to offer more than the bare minimum. Consider adding the following to your compensation and benefits package:

Health insurance



Make health a priority. Health insurance is the foundation of a comprehensive benefits package. According to HealthInsurance.org, nearly 60 percent of Americans with health coverage obtain it through an employer-sponsored plan. Plans vary from health maintenance organizations (HMOs) and preferred provider organizations (PPOs) to plans that also include:

- + Health savings accounts (HSA)
- + Dental insurance
- + Vision insurance
- + Life insurance
- + Short-term disability insurance
- + Long-term disability insurance

Note, depending on how the Affordable Care Act affects your business, health insurance may not be optional.

Paid time off



Provide time to recharge. Unlike many other countries, the US doesn't regulate paid time off for workers, but PTO has become an inherent benefit for nearly every job. According to the Bureau of Labor Statistics (BLS), 90 percent of workers in production, management, finance, and similar occupations receive paid vacation. Many PTO programs work on an accrual basis based on hours worked and tenure.

Average Vacation Days According to the BLS

<1 Year = 10 Days Off

5 Years = 14 Days Off

10 Years = 17 Days Off

20 Years = 20 Days Off

If your company doesn't offer a generous PTO plan, consider this: the latest trend in paid time off is an unlimited vacation policy. As you compete for talent, a meager (or non-existent) PTO plan will have a tough time winning against a more generous plan. Not only can PTO be used as a recruiting and retention tool, it also has been proven to boost productivity and improve employee wellbeing. Win-win!

Retirement



Help your employees plan for the future. The most common retirement option offered by employers today is a defined contribution plan, such as a 401(k), 403(b), or 457(b) plan. Unlike pension plans that were popular in previous decades, there is no set amount promised at retirement. Great plans include an employer match, where the employer contributes up to 6 percent (or 50 to 75 cents on the dollar) for every dollar that the employee contributes.

Competitive wages



Pay more than the going rate for good people. It will cost you more to replace a good employee than to offer the \$5000 raise you may be hesitant to give. According to the Journal of Accountancy, employers need to increase wages to keep top performers:

“Good employees are harder to find; therefore, companies must compete on salary and benefits for those workers. Higher inflation is predicted, which could force organizations to increase wages to retain existing employees.”

STEP 3: CREATE PERKS

In an effort to attract and retain talent, many employers have offered plusher benefit packages. The Society of Human Resource Management's (SHRM) Annual Employee Benefits Survey found that the number of benefit options offered by the employers surveyed skyrocketed to 344 in 2016, up from just 60 in 1996. The survey found that more employers are offering culture-enhancing benefits, like telecommuting, flextime, and wellness programs.

Consider incorporating the following perks into your hiring strategy:

Provide flexible work arrangements so that your employees can take care of their personal and family needs and put their full attention to their work while on the job. More employers are permitting flexible work hours and allowing their employees to work from home. SHRM reports that telecommuting benefits have seen a threefold increase over the past two decades, from 20 percent in 1996 to 60 percent in 2016.

Celebrate your team's accomplishments and make work fun. Create an environment that your employees enjoy and you'll see a boost in productivity and retention. Consider hosting summer outings, offering catered lunches, or simply providing free (good quality) coffee in the break room.

Support new hires by assigning mentors. Mentorship programs are proven to increase retention, particularly for the millennial generation. In the 2016 Deloitte Millennial Survey, 61 percent of those surveyed had a mentor and 83 percent reported to be satisfied with the results. The survey also reported that those intending to stay with their organization for more than five years were twice as likely to have a mentor (68 percent) than not (32 percent).

STEP 4: COMMUNICATE BENEFITS



To make sure that your benefits package is fully understood, put together a benefits guide. This guide can be distributed to candidates during the interview process as a recruiting tool and used by employees to ensure they are maximizing the benefits you provide.

Also consider creating an annual statement of benefits for each employee that includes wages plus all other benefits translated into a dollar amount. This will help your employees appreciate the value of the benefits you provide, in turn increasing retention.

As you revisit your compensation and benefits package, reach out to your employees for their input. Conduct a survey to determine which perks and benefits appeal to most of your workers. Remember, you don't need to add all benefits at one time. Choose the benefits that will be most beneficial to your employees and your hiring strategy, and make a goal to work toward the others.

To make successful hires in today's competitive market, you can't hope for the best or do what you've always done. You need a new strategy: it's time to add Hunter Hamilton to the equation. If you need help determining how to attract and retain finance and accounting talent, partner with Hunter Hamilton today.

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BEYOND NUMBERS.

