



# THE MOUNTAIN OF LOST BENEFITS

Making Employee Benefits Matter

# FOREWORD BY PROFESSOR AMANDA KIRBY



**Today we are seeing global talent shortages leading to talent wars between all sizes of organisations. More than ever, we need to attract and retain diverse teams to allow organisations to thrive. This has meant that the wellbeing needs of our workforce has come front and centre and companies need to do more well-doing to retain the talent they have and attract new talent. We need to remember that dissatisfaction may not be noisy but for some may be 'quietly quitting'.**

*I am a specialist working in the field of neurodiversity in the workplace and have won and international recognition for my work in equity, diversity, and inclusion. I wrote the award-winning book 'Neurodiversity at Work'. I can see from my experiences working with all sizes of employers that it is essential to understand the people within each of our organisations.*

*The past few years have both been a time of change and certainly one of challenge. In 1987 Bennis and Nanus, renowned leadership experts, created an acronym which aptly describes the times we have all been through. This was VUCA. This stood for volatility, uncertainty, complexity, and ambiguity. Bill George from Harvard Business School later reframed this as VUCA 2.0 which stood for Vision, Understanding, Courage, and Adaptability. I think the latter is a great way to consider how we positively move forward and create a place for people to thrive.*

*A stable workforce generates secure and consistent environments and aids team cohesion. Frequent new*

*starts can be challenging especially when you need to understand different people's communication styles. Miscommunication can in turn impact on morale, mental wellbeing and productivity. It can take time to get to know how colleagues work optimally.*

*High rates of turnover can also put pressure on those who remain in the organisation. Time looking for new candidates and reassigning job responsibilities can impact on everyone in the organisation and has a real cost. Team members who are there still often must cope with temporary gaps in skills within a team.*

*Today more than ever we see that every penny counts. Cost of living is discussed daily. For those working in HR roles there is a fine balance between supporting employees coping with work and life pressures and enabling the organisation to thrive. Deciding where and how to spend most effectively becomes even more important.*

*Navigating new times of change demands a greater understanding of the Employee Value Proposition (EVP), how it is communicated and delivered, and how the impact and value it derives is measured and reviewed. While salary is important for most people it is not necessarily everything and may not always be the one reason why someone stays or leaves. By listening to our employees, we can create more effective and targeted talent retention strategies, policies, and practices and can also extend the tenure of high-performing employees. Employee benefits when chosen carefully can also lead to stronger employee commitment and engagement.*

*Sodexo Engage has commissioned this important piece of research speaking to HR professionals and employees to help businesses to be on the path to ensuring they make better decisions for choosing the right types of benefits for their workforce.*

*This report not only demonstrates the importance of listening. More than three quarters of employee respondents said they felt more motivated to work when their organisation is supporting them and nearly three quarters of respondents also said that when choosing an organisation to work for that the benefits package was an important part of the decision-making process.*

*The report also highlights the challenges for HR professionals. With over two-fifths of HR professionals reporting their biggest challenge when putting in place benefits packages and ensuring relevance to employee needs and wants was also balancing reduced budgets.*

*Different workforces will value different types of benefits. Developing a competitive employee compensation package cannot be an afterthought, nor should it be done in haste. By creating a well-thought-out compensation strategy that aligns with the company's vision and business strategy the benefits can have the greatest impact. This useful report contributes to our understanding of the present landscape and can help HR professionals to know what they need to consider to make the right and most impactful decisions when choosing employee benefits.*



# INTRODUCTION

**Workplace benefits and rewards can be hard to get right. It can be both difficult and challenging to ensure you are offering employees the right benefits at the right time, whilst balancing the needs of workers with the needs of the business.**

But arguably, it's even harder to get benefits and rewards right in the current climate. After all, we are in the midst of a cost-of-living (COL) crisis – something that's naturally commanding a focus on pay. What's more, the COL crisis is also a cost-of-doing-business (CODB) crisis, meaning HR teams often have to contend with reduced budgets too.

At Sodexo Engage, we wanted to understand this complex landscape better. With this in mind, we spoke to **500 HR professionals and 2,000 employees** about their workplace benefits provision. We asked them what worked, what didn't work, and what they would change about what's on offer.

Our research shed light on how businesses can move towards better benefits. Uncovering key themes and some striking disparities, we unearthed what workers really think about the world of workplace benefits and rewards.

**Let's find out more.**



**SECTION ONE**

# **THE IMPORTANCE OF BENEFITS AND REWARDS**





# THE IMPORTANCE OF BENEFITS AND REWARDS

**Workplace benefits and rewards are important. They can help foster a supportive workplace culture, as well as bolster your employees' financial, mental, and physical wellbeing. On top of this, they can help employees' pay slips go further – amplifying the cash they already have. Because of this, many leaders feel that it's important to put benefits and rewards in place, if only from a moral standpoint.**

That said, benefits and rewards also help the business. Specifically, they can really help with attracting talent and retaining staff. This can be helpful, especially in today's tight jobs market. Currently, there is a war for talent, with many sectors suffering from chronic staffing shortages – and for both existing staff and talent, it's not just about the money.

Nearly three-quarters (74%) of our employee respondents said an organisation's benefits package is important when thinking about accepting a job offer, with just 4% saying it was unimportant. A similar number (71%) said they consider their current benefits when thinking about continuing working for an organisation, with just 5% saying they were unimportant. What's more, three-quarters (75%) of our respondents said they agree or strongly agree with the statement *"I feel more loyal towards my employer if I feel my organisation is supporting me"*.

But benefits and rewards aren't just good for talent attraction and staff retention. They are also good for engagement.

As the vast majority (76%) of our employees said, workers feel more motivated when their organisation is supporting them. The right benefits – tailored to the needs and demographics of your workplace – can help employees with their physical and mental health, reduce stress, improve focus, bolster creativity, and make them feel productive and passionate about their job. They can also make employees feel like their place of work cares about them – something that may very well be true!



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**SECTION TWO**

**WHAT'S DRIVING  
THE MOUNTAIN OF  
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# WHAT'S DRIVING THE MOUNTAIN OF LOST BENEFITS?

Unfortunately, despite a business's best efforts, employees often don't make the most of the workplace benefits or rewards on offer. Indeed, only 11% of our employee respondents said they make full use of their workplace benefits and rewards.

When this happens, it can be a significant problem. Unused benefits amount to an inefficient use of HR budget, but also an inefficient use of HR time. After all, a lot of thought goes into creating an organisation's benefits provision. To see it go unused can be disheartening, to say the least. As our research revealed, there are many reasons for this poor uptake.

## LACK OF COMMUNICATION

From our research, communication – or rather the lack thereof – often drives the poor uptake of workplace benefits and rewards.

Over a quarter (28%) of our employee respondents said that their organisation doesn't offer any benefits or that they don't know if their organisation offered any benefits, with 12% saying they don't know how to access the benefits that are on offer at all.



**27%** of our HR professionals said employees don't know who to ask for information about benefits or rewards.

This chimes with what our HR professionals said. A significant number (29%) thought employees don't know where to find information, with a similar number (27%) saying employees don't know who to ask for information about benefits or rewards.

This not-knowing is unfortunate. It seems that, for a significant number of organisations, internal communications about workplace benefits and rewards are simply not robust enough, with accessibility sometimes lacking too.

On top of this, poor communication sometimes feeds into a mismatch between what employees want and what employers offer. In fact, **37% of our employee respondents said they don't use the benefits on offer because, in their opinion, they simply don't align with their needs.**



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**Only 36%** of our HR respondents said they offer retail discounts and cashback in their benefits package

For example, according to our survey, retail discounts and cashback are one of our employee respondents' most popular benefits, with 23% of our employee respondents saying they use them. However, only 36% of our HR respondents said they offer retail discounts and cashback in their benefits package – suggesting not all businesses know how popular retail discounts and cashback can be.

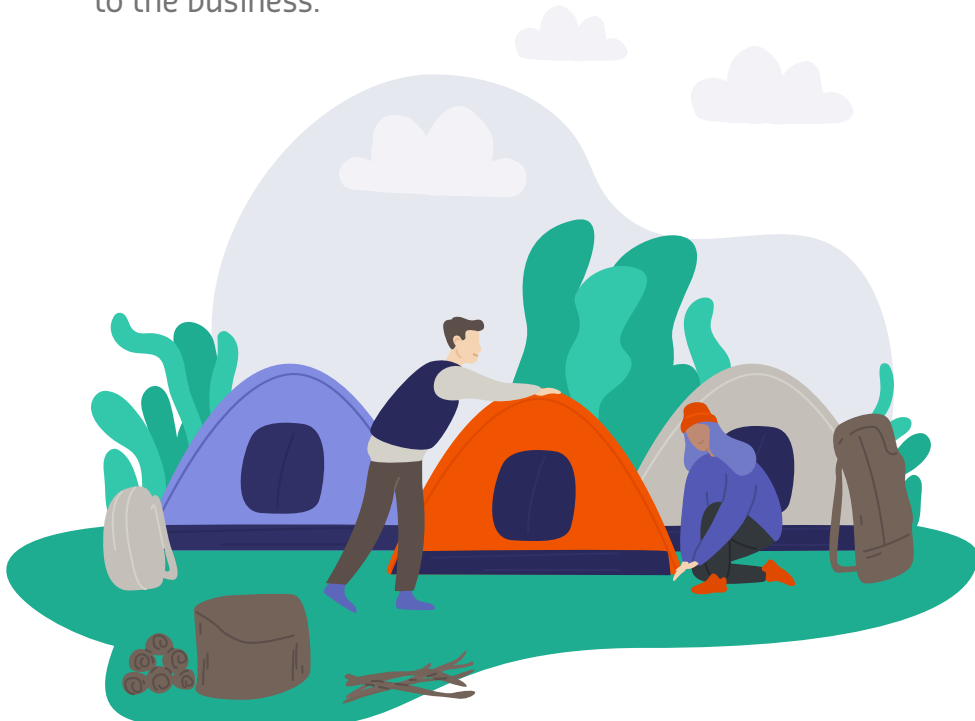
## THE COST-OF-LIVING CRISIS

Over half (61%) of our employee respondents said they want their workplace to help them more with the COL crisis. Indeed, when speaking about their most-wanted benefits and rewards, our employee respondents mostly noted finance-related benefits such as retail discounts and cashback, subsidised food and drink at the workplace, and subsidised travel to and from the workplace.

However, the COL crisis is also a CODB crisis. This can make it hard for businesses to provide everyone's ideal benefits and rewards. Over two-fifths (41%) of our HR professionals said,



when putting in place benefits packages, reduced budgets are their biggest challenge. On top of this, over half (57%) said they feel pressured by senior leadership to cut down on benefits – presumably because, in the view of senior leadership, the business doesn't have the budget to continue funding them or there aren't enough people using benefits to justify the cost to the business.



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Only **10%** of our employee respondents said they have received advice on how they can use their benefits

But of course, benefits and rewards can help employees make their salary stretch further and are often more affordable for businesses than simple pay rises. Despite this, just 10% of our employee respondents said they have received advice on how they can use their benefits to help their salary go further.



# SECTION THREE

## WHAT CAN BE DONE?





# WHAT CAN BE DONE?

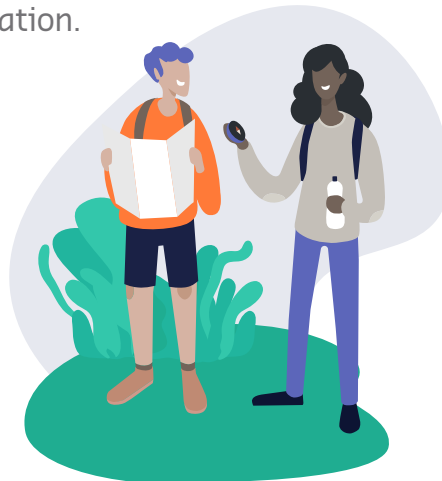
There are some problems that businesses can't solve alone. For instance, a sole organisation cannot address the nationwide COL crisis, even if it wants to. However, a sole organisation can make changes to its benefits and rewards provision – and encourage its teams to make the most of what's on offer.



## BOLSTER COMMUNICATION AND ACCESSIBILITY

As we've seen already, employees often don't know what benefits they have, where to look for benefits, or who to ask about benefits. This problem can be easily solved by making use of a user-friendly integrated benefits platform, or by regularly notifying employees of their benefits via their preferred medium of communication.

According to our research, **almost half (47%) of employees would prefer to learn about their benefits provision via email.** Perhaps this is the case with your organisation too. Either way, it's important to make sure your employees can easily access information about their workplace benefits. After all,



for your employees to use your benefits provision, they must first be aware of it. Prioritising accessibility by ensuring all the relevant information is in one place is a good way to start.

What's more, fostering an open and communicative environment can also help you better understand what your workers want. This is likely to help reduce the disparity between what employees want and what you have on offer.

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## REVIEW, REVIEW, REVIEW

From our research, it seems organisations most commonly review their benefits package annually (45%). While this might sound reasonable, if your offering is well out of line with what people want, then this is arguably not frequent enough. Reviewing twice a year, or even more often, could be more appropriate.

For example, as we have seen, the benefits most in demand right now all relate to the current COL crisis. This might not be the case in the near future, when the COL crisis will taper off. If you review your benefits provision more frequently, you can adapt to changing employee needs.

Another option is embracing a more flexible approach. Of our HR professionals, 22% said they offer flexible



# 45%

of organisations only review their benefits package annually

options where employees can choose a mix of various benefits, but 56% said they would consider them. Of our employees, only 9% said they currently have access to such opt-in/opt-out options. However, of those without opt-in/opt-out options, 38% said they want them.

For many businesses, opt-in/opt-out options create their own rigidity and are not the right solution. After all, if an employee opts out of a private health care benefit, but then halfway through the year becomes unwell, they might regret their previous decision to opt out.

Instead, many find simply reviewing your benefits provision more frequently is better, as well as tailoring benefits to reflect the make-up of your business. For example, 41% of our HR respondents said they do not offer different benefits to employees of different levels or job roles, and over half (52%) said they do not consider gender or age when designing the benefits for their organisation. But in order to get closer to what your workforce wants, you need to understand who they are, and take considerations such as gender, location, and age into account. As well as this, and as previously mentioned, it's important to prioritise accessibility by ensuring all the relevant information is in one place.

# SODEXO ENGAGE

**Sodexo Engage offers a wide range of excellent employee benefits – all of which can enhance the financial, physical, and mental wellbeing of your employees.**

From our wellbeing discounts platform to our prepaid household support cards, financial education services, and salary sacrifice programmes, there are many ways we can help your teams with the COL crisis.

Businesses may not always be able to raise salaries – at least not as much as workers would like. That said, the right benefits package can equate to a pay rise in kind. For example, by using the Sodexo Engage discounts platform, an employee who earns £18,125 a year could save £870 a year. That equates to a 4.8% pay rise.

[\*\*LEARN MORE ABOUT SODEXO ENGAGE\*\*](#)





**SECTION FOUR**

# **A MOUNTAIN OF LOST OPPORTUNITIES**



# A MOUNTAIN OF LOST OPPORTUNITIES

**The mountain of lost benefits not only represents a waste of HR budget, but also a mountain of lost opportunities. Employees everywhere deserve to be supported by their workplaces - as well as benefit from improved financial, physical, and mental wellbeing.**

Luckily, with the right communication tools and practices, it's much easier for your workers to make the most of their workplace benefits and rewards. This can only be a good thing, as the more workers take advantage of your benefits provision, the more motivated, happier, and healthier they will be.

[LEARN MORE ABOUT SODEXO ENGAGE](#)







# ABOUT THE REPORT

The research surveyed **500 HR professionals and 2,000 employees** about their workplace benefits provision on behalf of Sodexo Engage by OnePoll, from 23<sup>rd</sup> Dec 2022 to 5<sup>th</sup> Jan 2023. The survey was conducted online using panel members who are credited to participate in the surveys.

Respondents were targeted using screening questions and profile data in order to ensure the correct demographic was achieved. This survey was overseen and edited by the OnePoll research team, who are members of the MRS and have corporate membership to ESOMAR.



## ABOUT SODEXO ENGAGE

Sodexo Engage, part of Sodexo Benefits and Rewards Services, is a leading expert in employee engagement, providing award-winning employee benefits, rewards and recognition, creating experiences that make a real difference to people's lives, both inside and outside the workplace.

Sodexo Engage delivers powerful employee experience solutions which are developed in partnership with their stakeholders to lift the happiness and wellbeing of their people, which in turn supports their objectives and business performance.

Globally, Sodexo Benefits and Rewards Services, number 2 world leader in Employee Benefit and Engagement Solutions, is a trusted and responsible partner bringing to life sustainable and personalized employee experiences, at work and beyond. Sodexo Benefits and Rewards Services operates in 31 countries and is supported by 4200 employees.

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