CONNER STRONG & BUCKELEW

benefitNEWS

Health Benefits Drive Employee Loyalty

More young employees are taking an interest in workplace benefits, but employers might not realize it, a recent MetLife study finds. More than half of surveyed employees (58 percent) say benefits are an important retention driver – highest among Gen Y (63 percent) and Gen X (62 percent) workers.
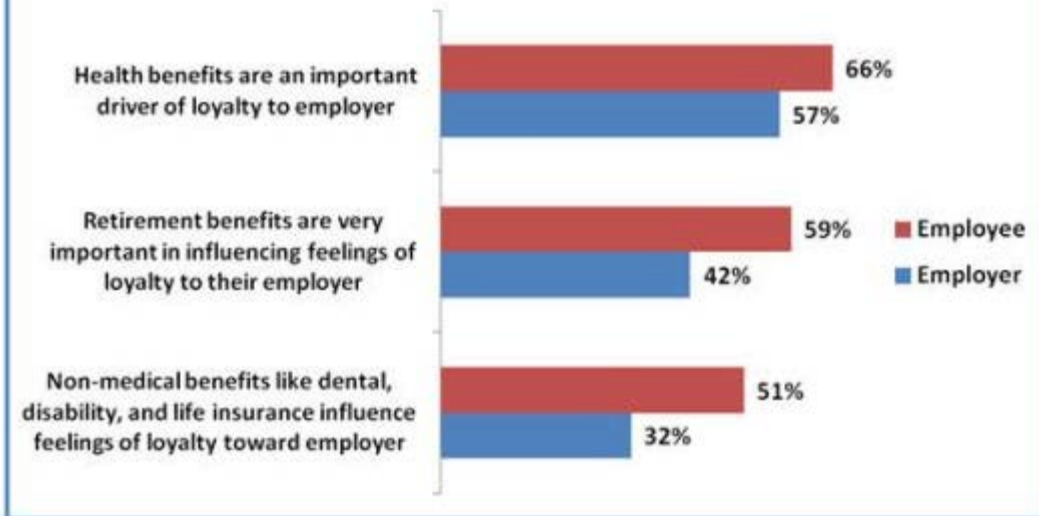
While employers seem to understand how salary and wages, advancement opportunities, and company culture influence employees' feelings of loyalty, they continue to underestimate the power of leveraging their benefits programs, according to MetLife's annual study of employee benefits trends.

For example, while 66 percent of surveyed employees say health benefits are an important driver of their loyalty to their employer, only 57 percent of employers believed so. The divide continues to widen when it comes to retirement and nonmedical benefits: 59 percent of employees say retirement benefits are very important for influencing their feeling of loyalty, but only 42 percent of employers realized this. Finally, 51 percent of employees said the same for non-medical benefits like dental, disability, and life insurance, while only 32 percent of employers thought such benefits were a factor.

Nearly half of employees surveyed say that a fragile economy causes them to count on employers' benefits programs to help with their financial protection needs – and that percentage climbs to 55 percent for Gen X workers and 66 percent for Gen Y.

The results of the study show employee loyalty waning with only 42 percent of employees expressing a very strong sense of loyalty toward their employers. That's a seven-year low. Conversely, the percentage of employers who feel a very strong sense of loyalty towards their employees grew to 59 percent in 2011 – a seven-year high.

What's Important?

Health benefits are an important driver of loyalty to employer
- Employee: 66%
- Employer: 57%

Retirement benefits are very important in influencing feelings of loyalty to their employer
- Employee: 59%
- Employer: 42%

Non-medical benefits like dental, disability, and life insurance influence feelings of loyalty toward employer
- Employee: 51%
- Employer: 32%

Legend:
- ■ Employee
- ■ Employer

To discuss how your employee benefits plan can drive employee retention, please call your Conner Strong & Buckelew account representative.