

2023 Will See the Return of “Normal” Benefits — With a Twist

The pandemic changed not just how employees work but how they think about work, and that includes what benefits they believe employers should provide. While health and leave benefits were prioritized over retirement benefits throughout 2020 and 2021, this year has seen employee preferences turning back to what they were pre-pandemic.

This trend of benefits preferences returning to “normal” is likely to continue to dominate in 2023 but with a twist. Employees want employers to offer retirement and financial wellness benefits and strong health and leave benefits, as well as a variety of other offerings. All forms of benefits are more important to employees now than ever before, and employers should strike while the iron is hot to attract and retain top talent.

Redefining Employee Benefits

This pivotal moment offers employers the opportunity to redefine employee benefits. Traditional benefits (<https://www.cbiz.com/webinars/going-beyond-traditional-benefits-tactics-to-reduce-turnover-put-more-money-back-in-your-employees-pockets>) aim to offer protection and provide a safety net should a worst-case scenario become reality. Offering only these benefits led to employees forgetting about their benefits until they were needed. As a result, appreciation and utilization of these benefits did not align with the high cost of providing them.

Now, many employers are restructuring their benefits (<https://www.cbiz.com/insights/articles/article-details/rethinking-your-employee-benefits-strategy-for-2023-consider-these-3-key-questions>) to maximize their value, and this involves prioritizing and personalizing benefits to meet employees’ wants and needs. When benefits are prioritized and personalized, employers can leverage these offerings to improve employee health, boost morale, and increase attraction and retention — all without increasing costs.

Prioritizing Benefits

Prioritizing benefits that provide valuable care serves employers as well as employees, but how can you determine which benefits should be prioritized? The answer is simple — ask your employees. By asking your workforce what they need and want, your organization will be empowered to make informed restructuring decisions. In addition, engaging employees in the benefits conversation will enhance their awareness and understanding of the offerings available to them. This will make them more likely to utilize and appreciate your newly restructured benefits program.

Personalizing Benefits

Personalizing benefits can play an important role in employers' retention strategies, especially as budgets tighten. For example, financial security has increased in importance for employees amid the economic downturn (<https://www.cbiz.com/insights/podcasts/podcasts-details/biztips-episode-20-the-science-of-uncertainty-an-actuaries-take-on-inflation>). Building a comprehensive financial wellness program that prioritizes employee financial security can go a long way toward gaining employee trust and loyalty and help you combat two trends that have been detrimental to employers as of late — quiet quitting (<https://www.cbiz.com/insights/articles/article-details/what-is-quiet-quitting-how-can-employers-prevent-it>) and quick quitting (<https://www.cbiz.com/insights/articles/article-details/how-to-put-a-halt-to-the-quick-quitting-trend>).

Benefits are typically employers' most expensive budget item after wages (<https://www2.cbiz.com/CostSavingStrategies>). Redefining your benefits program through prioritization and personalization is a cost-effective way to keep employees healthy and happy, maximize your offerings to enhance retention and protect your bottom line.