

2022 HR and Benefits Report

**Opportunities
for Brokers and
Their Clients**



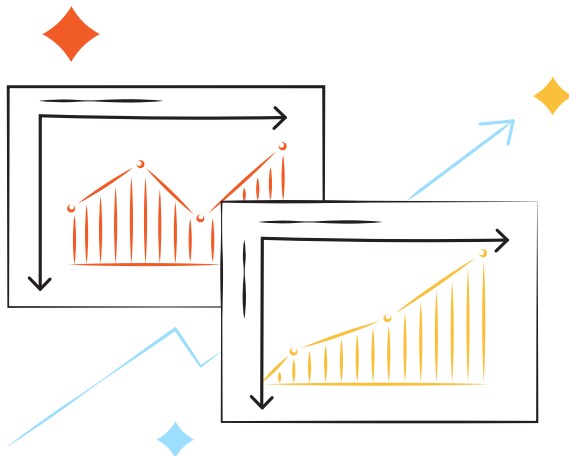
Introduction

Every year brings new challenges for growing businesses. Mineral and BenefitsPRO's 2022 HR and Benefits Report ("Report") digs into what employers care about, struggle with, and where they may need help.

For the first time in years, the Report highlights a strong trend of employers being laser-focused on recruiting, hiring, and retaining employees. To clients, it's been both a challenge and a business priority that will require significant effort in the coming year.

However, such efforts may come at a cost for resource-strapped employers. Data in the Report also reveals that clients have de-emphasized core HR functions like benefits, compliance, and handbooks – possibly in response to the increased complexity of the HR function.

As a result, there is a massive opportunity for brokers to add value to their client and prospect relationships in the coming years. Our Report provides the knowledge and insight to help you do that.



Demographics

The organizations represented in the survey are diverse in terms of geography, industry, and business size. Most organizations tended to be smaller in size, had limited HR resources, and operated in complex industries.

Industries Represented

Half of respondents were from heavily regulated industries.

NON-PROFIT	18%
PROFESSIONAL SERVICES	12%
MANUFACTURING	10%
CONSTRUCTION	10%
HEALTHCARE	7%
TECHNOLOGY	4%
RETAIL	4%
FINANCIAL SERVICES	4%
EDUCATION	3%
HOSPITALITY	2%
PUBLIC ADMINISTRATION	2%
TRANSPORTATION	2%

Business Size

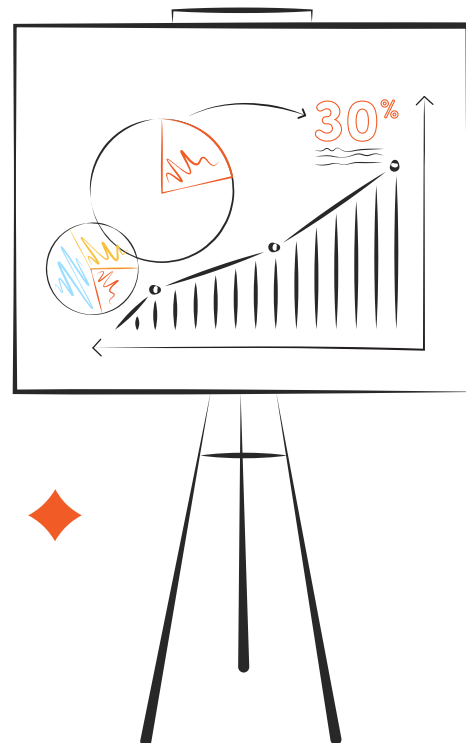
93% of respondents were from organizations with 500 employees or less.

1-10 EMPLOYEES	17%
11-50 EMPLOYEES	39%
51-200 EMPLOYEES	28%
201-500 EMPLOYEES	9%
501-1000 EMPLOYEES	4%
1001-5001 EMPLOYEES	3%

Number of People with HR Responsibilities

75% of respondents had two or less people with HR responsibilities.

0-1	42%
2	33%
3-5	18%



Business Priorities

Organizational and capital investment spanned a number of priorities for growing organizations as they looked to improve overall operations and culture.

In 2021, employees were increasingly quitting their jobs as the COVID-19 pandemic progressed. In an exodus dubbed, “The Great Resignation,” the alarming trend greatly stressed employee retention and hiring for many organizations. According to the U.S. Bureau of Labor Statistics, at least 4 million workers quit their jobs in each of the months between August and December 2021.¹ And while the trend appears to be slowing, nearly half of survey respondents noted that expanding the company’s workforce was an investment priority in the next one to three years (48%). Accordingly, 74% of respondents cited recruiting and retaining employees as a high priority in 2021.

Investing and upgrading human resources information system (HRIS), payroll, or administration services was a priority for nearly 18%, followed by digitizing human resource processes (13.5%).

Compliance continues to be a challenging issue for SMBs, and 50% noted it as a high priority in 2021.

And while cybersecurity training for employees ranked high in previous responses (40%), only 13% of organizations say that improving their organization’s cybersecurity was an investment priority.

Organizational Priorities (2021)

RECRUITING/RETAINING WORKERS	74%
COMPLIANCE W/STATE & FEDERAL REGULATIONS	50%
UPDATING INTERNAL TECH/COMMS SYSTEMS	30%
IMPACT OF RISING HEALTHCARE COSTS	26%
IMPROVING COMPANY CULTURE/DEI INITIATIVES	25%
DEVELOPING NEW POLICIES FOR REMOTE/HYBRID WORK	19%
ANALYZING HR RELATED DATA	14%

Investment Priorities in next 1-3 years

EXPANDING WORKFORCE	48%
INVESTING/UPGRADING HRIS, PAYROLL, ADMIN SVCS	18%
DIGITIZING HR PROCESSES	14%
IMPROVING CYBERSECURITY	13%
OTHER	7%

♦ **SUMMARY** Most organizations acutely felt the impact of employee retention and recruitment as the labor market experienced record resignations. And while the trend appears to be slowing, companies will likely endure workforce repercussions for several years.

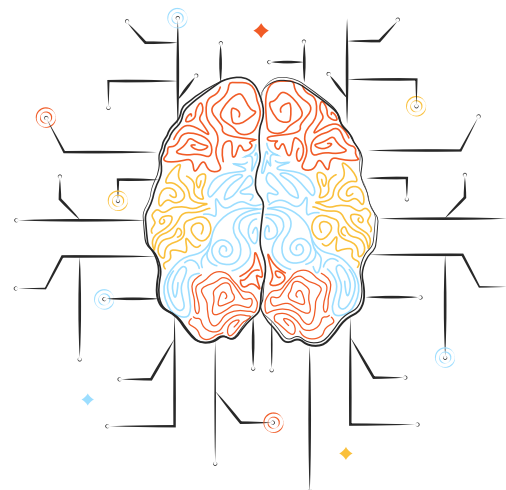
¹ U.S. Bureau of Labor Statistics. Found at <https://www.bls.gov/news.release/jolts.t04.htm>

Compliance

Complying with laws and regulations has been a significant struggle for growing organizations.

In 2019 and 2020, for example, employers said that their most challenging HR and compliance issues were changes in state and federal laws.² Managing remote employees in different locations as well as state and federal responses to the pandemic contributed heavily to these challenges.

But as usual, new years bring new challenges. For the first time since 2019, recruiting and hiring skyrocketed to be the number one HR and compliance challenge for growing organizations in 2021 (60%). Challenges with employee retention also doubled compared to 2020 (40% vs. 20%) while terminations and layoffs decreased significantly (30% to 18%).³

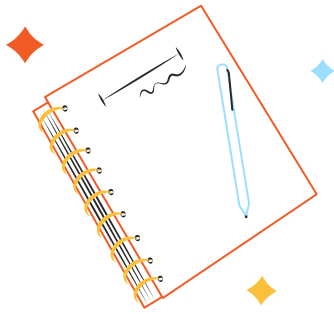


Which HR and compliance related issues were most challenging for you in 2021 vs 2020?

	2021	2020
RECRUITING AND HIRING	60%	24%
STATE LAW AND REGULATION CHANGES	50%	59%
FEDERAL LAW AND REGULATION CHANGES	49%	63%
EMPLOYEE RETENTION	40%	20%
EMPLOYEE TRAINING	26%	20%
LOCAL LAW AND REGULATION CHANGES	25%	34%
EMPLOYEE ENGAGEMENT	24%	22%
BENEFITS ADMINISTRATION	24%	15%
BUDGETING AND RESOURCES	20%	13%
TERMINATIONS/LAYOFFS/FURLOUGHES	18%	30%
DISCIPLINARY ACTION	18%	16%

^{2,3} Mineral 2021 State of HR Report

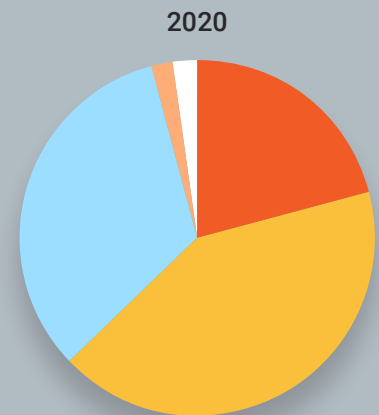
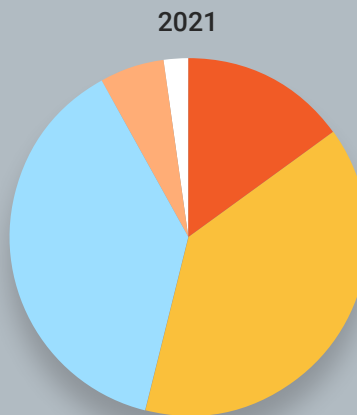
Compliance (Continued)



Compliance trends have been shaken up in other HR areas as well. A good example is the employee handbook, which typically addresses compliance-heavy topics like leave and harassment. Across the board, employers updated their handbooks less frequently in 2021 compared to 2020, further suggesting a change of focus from compliance to business operations.⁴

How often is your employee handbook or policies updated?

- MULTIPLE TIMES PER YEAR
- ONCE A YEAR
- INFREQUENTLY
- WE DO NOT HAVE AN EMPLOYEE HANDBOOK
- UNKNOWN



To be sure, employers still found compliance challenging. Behind recruiting and hiring, complying with state and federal laws were still among the top three challenges (50% and 49%, respectively). But it's clear HR professionals have hiring and retention top of mind.

◆ **SUMMARY** When confronted with staffing, hiring, and turnover problems, business realities trumped compliance as a primary focus for employers. Depending on the industry and size of the organization, this could create more risk for growing organizations in 2022.

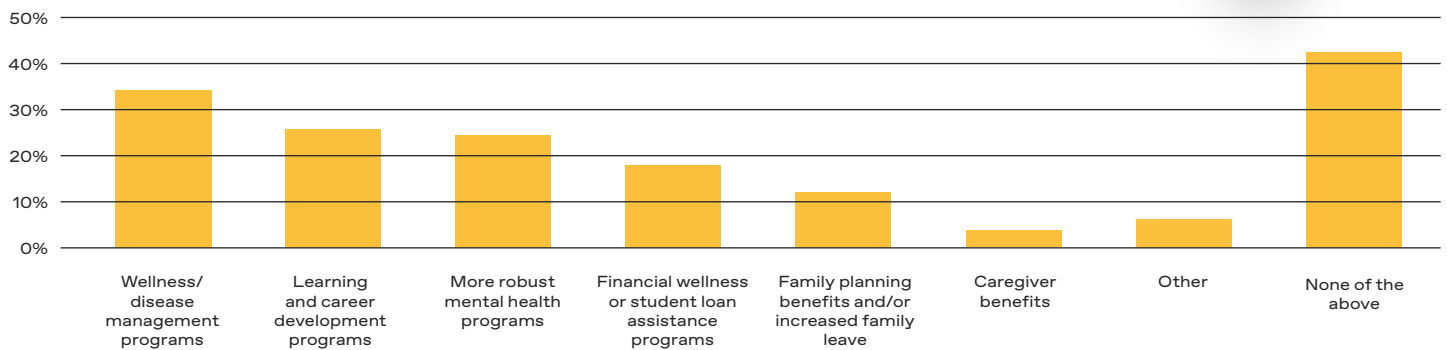
⁴ Mineral 2021 State of HR Report

Wellness in the Workplace

Many studies show a definitive link that helping improve the health and wellness of employees can result in reduced healthcare costs, while also having an encouraging effect on morale and productivity.

Following the lead of larger companies, healthy initiatives covering a host of areas are becoming more prevalent at SMBs, with at least 34% saying that they offer a wellness/disease management program. In comparison, one study states that 84% of large employers (200+ workers) that offer health benefits, also offer a workplace wellness program.⁵

Many workers experienced increased stress as the COVID-19 pandemic impacted numerous aspects of their lives, including concerns around job security, financial stability, and childcare/school needs. In response, nearly a quarter of employers report in the survey that they offer (or plan to consider) “robust mental health resources.” Surprisingly, more than 40% of respondents noted that they had not implemented nor considered new benefits or programs.



♦ **SUMMARY** As SMBs recognize the benefits of wellness programs, not only for employee health, but also for bottom-line reasons, we expect more employers to implement initiatives that contribute to overall employee well-being.

⁵ Kaiser Family Foundation. Found at <https://www.kff.org/private-insurance/issue-brief/trends-in-workplace-wellness-programs-and-evolving-federal-standards/>

The HR Professional

A common theme emerged from the survey centering around employee recruitment and retention challenges. Since much of that responsibility falls to the human resources department, it's no surprise that they felt palpable levels of stress in their jobs.

But first, who are they? Respondents were equally split regarding how they see their role in the company as a combination of Generalist (56%), Benefits Manager (55%), and Compliance (50%). More than one-third of them have been with their organization for at least seven years, with approximately 44% having been with the company one to five years.

Which best describes your HR role at your company?

GENERALIST	57%
BENEFITS MANAGER	55%
COMPLIANCE	50%
TALENT MANAGEMENT	24%
PEOPLE ANALYTICS	23%
DIVERSITY & INCLUSION	18%
CHRO	17%
OTHER	12%

How long have you been in your current role?

LESS THAN 1 YEAR	8%
1-3 YEARS	24%
3-5 YEARS	20%
5-7 YEARS	12%
MORE THAN 7 YEARS	35%

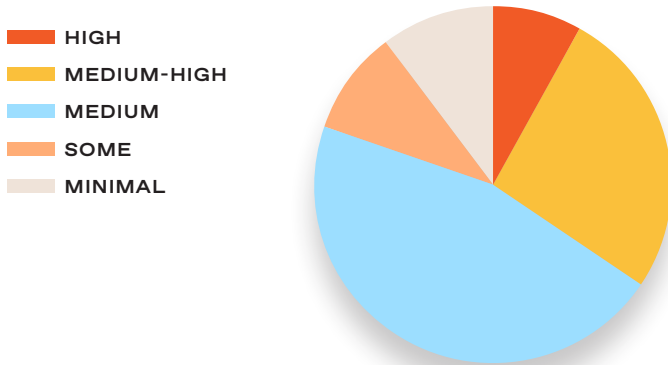
A worrisome 80% of respondents report experiencing a medium to high level of stress over the last year. As reported on the next page, hiring/turnovers/staffing shortages was the top contributor to their stress levels, with about half adding that increased job responsibilities and dealing with regulation and compliance were also factors.

If extra work hours were available in a human resources/benefits professionals' daily schedules – likely a luxury rather than a reality – the time would be used for options that benefit the organizations or employees, versus personal well-being. Forty percent or more of respondents said they would likely use extra time in the day to support managers to be better leaders, give additional focus on business strategy or meet with employees more; conversely, only about a quarter wanted to take more time off work.

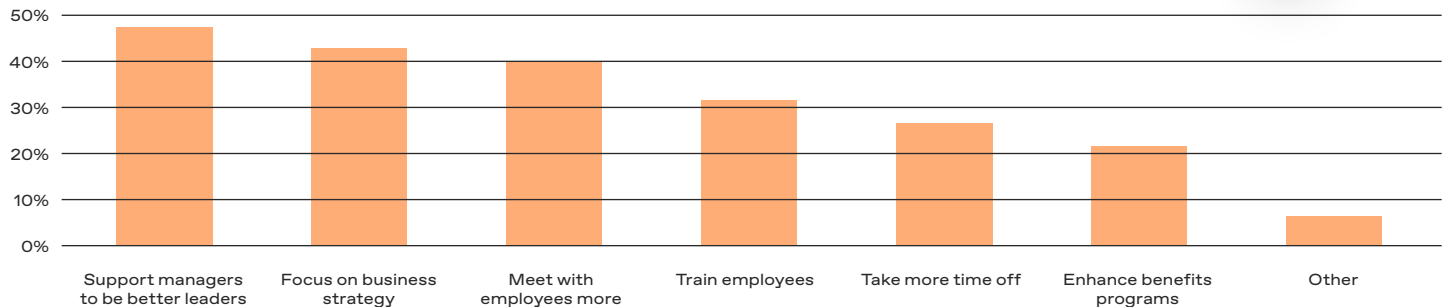


The HR Professional (Continued)

How would you rate your current level of stress at work?



If you found yourself with extra work hours, how would you most like to use it?



♦ **SUMMARY** Unprecedented times have produced warp-speed changes to today's workforce and workplace—changes that fall heavily on the shoulders of human resources to manage and implement.

A Changing Workforce & Workplace

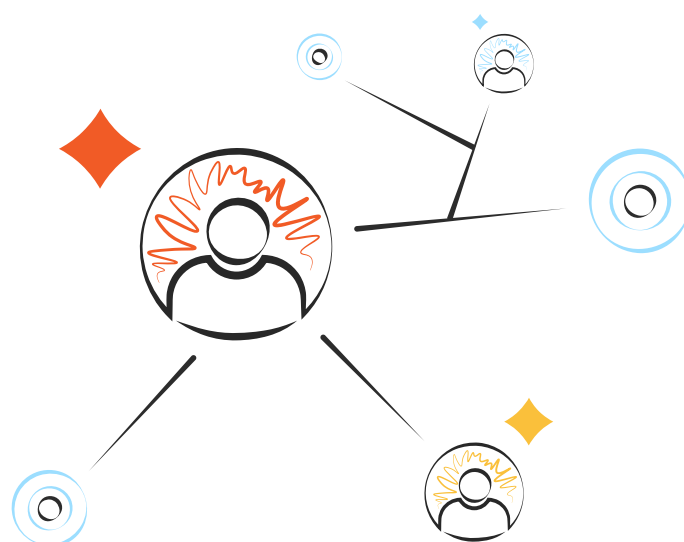
Along with the rest of the world, most U.S. workplaces experienced a “social distancing” of sorts that impacted many tried and true operational processes.

As noted in the survey’s HR Professional section, the new workplace normal also created increased stress levels for professionals tasked with managing scattered workforces, while straining the hiring and retention process.

Recruiting & Retaining

In 2021, virtual interviews were cited as the most implemented part of the hiring process (53%), followed by virtual onboarding (36%). Respondents also cited an increased remote area and greater geographic net for recruiting, likely the result of more companies softening to the idea of workers not needing to be onsite to perform their jobs.

Payroll trends had a negligible effect on an organization’s ability to recruit and retain workers. Issues such as on-demand/daily pay, location-based pay and regulatory increases around minimum pay were overwhelmingly dismissed as having little or no significant effect on worker recruitment or retention.



On the job

The makeup of full-time workers has increased “slightly” for one-third of respondents (33%), while approximately 37% of the full-time workforce “stayed the same.” The vast majority of the workforce for part-time, temporary and contract/gig/freelance also stayed the same.

More and more organizations are offering “flex benefits” for their workers, such as flexible hours or remote working. However, more than one-third say they do not provide any flex benefits. There is more consensus around paid sick leave (separate from PTO) with nearly three-quarters of organizations providing the benefit. And though The Family and Medical Leave Act of 1993 allows for 12 weeks of unpaid leave annually for mothers of newborn or newly adopted children (if employed at a company with 50+ employees), a scant few companies offer paid maternity (11%) or paternity leave (2%).

Which of the following have you implemented in your hiring process?

VIRTUAL INTERVIEWS	54%
VIRTUAL ONBOARDING	36%
GREATER EMPHASIS ON CAREER DEVELOPMENT/ ADVANCEMENT OPPORTUNITIES	24%
INCREASED REMOTE AREA/ GREATER GEOGRAPHIC NET FOR RECRUITING	22%
RELAXED FOCUS ON EDUCATIONAL REQUIREMENTS AND GREATER FOCUS ON SKILLS	16%
NONE OF THE ABOVE	27%

A Changing Workforce & Workplace

(Continued)

How has the makeup of your workforce changed over the past year?

STAYED THE SAME	
FULL-TIME WORKERS	38%
PART-TIME WORKERS	66%
TEMP WORKERS	76%
CONTRACT/GIG/FREELANCE WORKERS	80%

FULL-TIME WORKERS	
INCREASED SLIGHTLY	33%

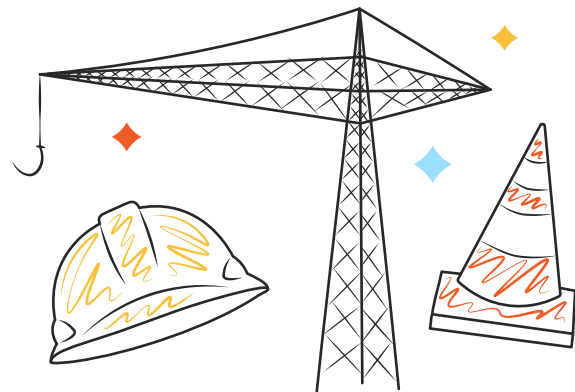
PART-TIME WORKERS	
DECREASED SLIGHTLY	11%

Which of the following flex benefits does your company offer?

FLEXIBLE HOURS	46%
REMOTE WORK	44%
HYBRID WORK MODEL	28%
CONDENSED WORK WEEK	8%
DOES NOT OFFER FLEX BENEFITS	35%

Which of the following types of paid leave does your company offer?

PAID SICK LEAVE, SEPARATE FROM PTO	74%
PAID MATERNITY LEAVE	11%
ADOPTION/PAID FAMILY LEAVE	7%
PAID VOLUNTEER TIME	5%
PAID PATERNITY LEAVE	2%



◆ **SUMMARY** Human resources professionals are evolving into a new operational “normal” that includes a sharper focus on recruiting and retention, virtual versus in-person processes, and corresponding stress levels as they integrate it all into the workplace.

Brokers, Products & Services

As the benefits marketplace gets increasingly competitive, human resources professionals face a number of choices—and decisions, often with the assistance of a broker.

Brokers play a key role in determining benefits offerings and 40% of respondents said they would not consider changing brokers/consultants at this time. For those who would, several factors would cause respondents to consider switching brokers/consultants, with nearly half citing cost or better product offerings.

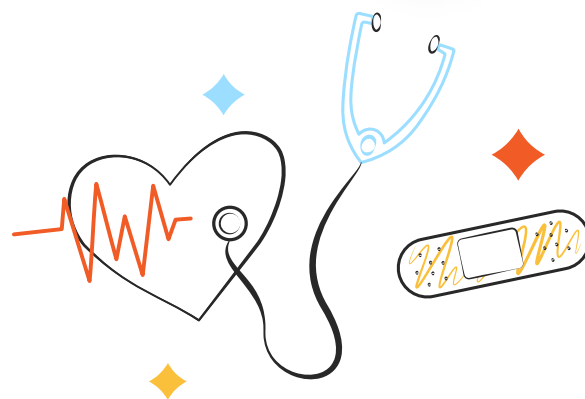
Which factors would cause you to consider switching brokers/consultants?

COST	48%
BETTER PRODUCT OFFERINGS	46%
BETTER COMMUNICATION	26%
MORE CONSULTATIVE APPROACH	22%
BETTER TECHNOLOGY	18%
OTHER	5%
WOULD NOT CONSIDER CHANGING	40%

Human resources professionals use brokers in a number of ways, including discussing cost-savings options, yet there was no clear focus on specific strategies around healthcare.

Which of the following cost savings healthcare strategies have you discussed with your broker?

REFERENCED-BASED PRICING	17%
DIRECT PRIMARY CARE	14%
BUNDLED PAYMENTS	11%
DIRECT CONTRACTING	7%



Brokers, Products & Services (Continued)

When it comes to finding a new carrier, vendor or service provider, price, product options and product/customer support overwhelmingly play the largest role in the decision-making process, with the majority responding that executive leadership was “extremely” (62%) or “moderately” (23%) involved in benefits selection.

When considering a new carrier, vendor or service provider, which factors play the biggest role?

PRICE	84%
PRODUCE OPTIONS	62%
PRODUCT/CUSTOMER SUPPORT	61%
PERFORMANCE RATING ONLINE, INDUSTRY PUBLICATIONS	39%
PERSONAL EXPERIENCE	32%
WORD OF MOUTH/REPUTATION	32%
OTHER	5%



◆ **SUMMARY** Brokers play an invaluable role in helping businesses sort out a myriad of benefits options, a dynamic that is likely to strengthen as employees demand enhanced benefits in the post-pandemic work environment.

Training

Organizations use in-house and external training to help employees enhance their knowledge and skills to achieve business and individual development goals, according to the Mineral and BenefitsPro survey.

In the past two years, organizations noted training challenges including getting employees to complete trainings, keeping up with compliance requirements and administration. However, this has not deterred them from continuing to offer training opportunities to address important workplace issues.

Noticeable changes from an earlier 2020 Mineral survey include an increased interest from participants in Leadership & Development training (from 47% to 53%); Information Security & Cybersecurity (up seven points from 33% to 40%); and interestingly, a significant decrease in Active Shooter training from 28% to 13%, though this may be due to many businesses switching to remote or hybrid work environments.

Which topics do you plan to train employees on in 2022?

HARASSMENT & DISCRIMINATION	65%
LEADERSHIP & DEVELOPMENT	53%
OCCUPATIONAL, HEALTH & SAFETY	49%
INFORMATION SECURITY & CYBERSECURITY	40%
DIVERSITY, EQUITY & INCLUSION	39%
ETHICS	26%
ACTIVE SHOOTER	13%



◆ **SUMMARY** Organizations continue to prioritize trainings that improve workplace culture, expand individual development and provide for safe working environments.

Methodology

The Report was fielded from November 19, 2021 to December 9, 2021 through the “HR and Benefits Survey” (“Survey”). Mineral and BenefitsPro staff wrote the Survey questions, 32 in total.



Participation

428 professionals participated, yielding a completion rate of 78%. The average time for completion was 10 minutes. Participants’ organizations were headquartered in 49 states and the District of Columbia.



Limitation of data

We use the term “employer” to describe the participants who took the Survey. Survey results are only representative of the sample of organizations responding to the Survey. As a result, readers should take individual circumstances and experiences into consideration before using any data to make decisions.



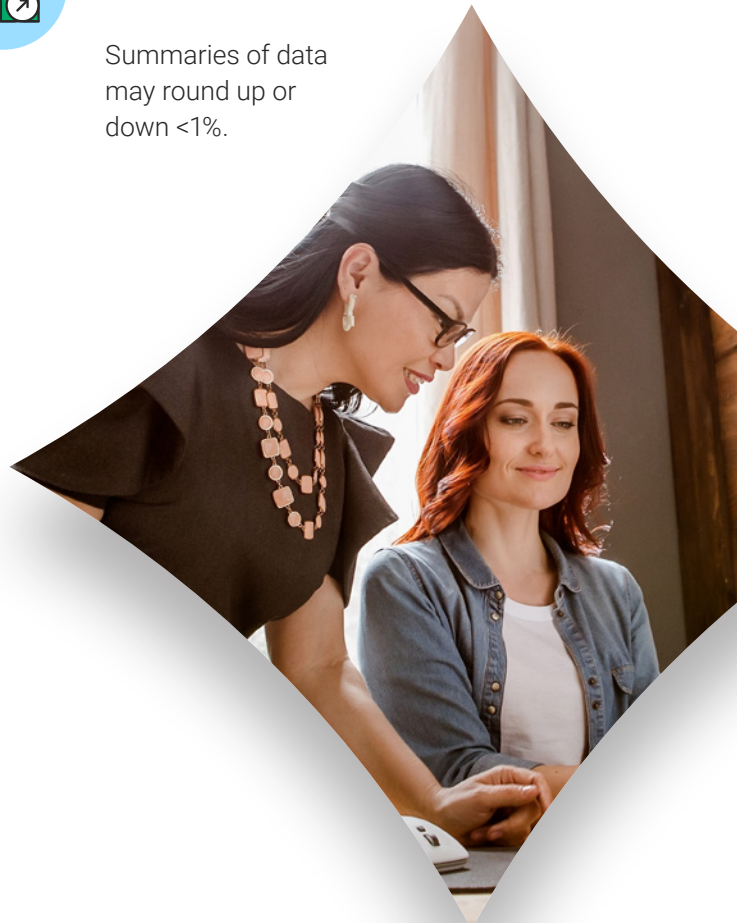
2019 and 2020 data

Past data referenced in the Report came from Mineral’s “2021 State of HR Report” which featured a survey group of a substantially similar demographic who answered certain questions that were asked again in the Survey. That report can be found [here](#).



Table data

Summaries of data may round up or down <1%.



Conclusion

Understanding the challenges facing growing organizations is necessary to fully support them in 2022. The Report dove into the key issues facing clients and their plans for making the workplace better. From hiring and retention to wellness programs and compliance, the Report reveals many areas where brokers can assist clients and prospects alike.





About

Mineral is the HR and compliance leader for growing businesses. Through a combination of data, technology and human expertise, our proactive solutions take the guesswork out of HR and compliance, giving clients peace of mind. To learn more visit trustmineral.com.