

The Hidden ROI of an Expansive Approach to Employee Benefits

by Abba Belgrave, Sales Support Manager

As the healthcare landscape continues to evolve so to do employee benefits. The traditional offerings, medical, dental and vision, are no longer enough as worker expectations have evolved as well. Employers who proactively meet employee needs will learn that while benefits are a cost, they also create opportunities that can yield measurable returns in productivity, retention and engagement: the hidden ROI of a wide-lens approach to benefits.

High quality benefits are linked to lower turnover rates, higher employee morale and improved organizational performance. Companies that offer robust benefits saw up to [30% lower turnover](#) rates on average. This is important to note since employee attrition represents increased organizational costs with recruitment, development and training of new personnel. When [81% of employees](#) say they are more likely to stay with an employer because of their benefits, the benefits matter.

Overburdened HR teams know this already but the issue is cost. Budget constraints are real. Rising labor costs alongside talent shortages are a nightmare for HR and Finance teams alike as nearly [43% of CFOs](#) cite this as their top concern. So it pays to be strategic when it comes to what you offer current staff.

Research suggests that flexible work arrangements, generous paid time off (PTO) and mental health initiatives drive employee engagement. These benefits didn't just retain talent: they enhanced performance. Flexible work hours have been shown to improve productivity for 43% of employees while mental health benefits yielded a four dollar return for every dollar invested according to the same article. Two of these three benefits represent perks that organizations can provide without the additional expense of implementing an external vendor. Taking an expansive approach does not have to mean additional cost. With a little insight into the specific needs of your employee population, the right benefits strategy can provide significant productivity gains for your organization.

Personalized employee benefits are not a luxury but a necessity as [Gen Z employees](#) surpass Boomers in the workforce. Gen Z and their Millennial colleagues report [below average](#) job satisfaction scores so it is imperative that employers attempt to meet their needs as they become the workplace majority.

But the question is always where to start. One key step employers should take when improving benefits strategy is listening to their employees' specific needs. Conducting employee surveys or focus groups can reveal what different subgroups in your workforce need. Do this regularly and consistently to measure the uptake and value of your current benefits and receive insight into what is no longer working.

From there, consider how implementing cost-effective employee benefits such as the examples below might deliver strong ROI without straining your budget:

1. Flexible Work Arrangements

This could mean remote or hybrid work arrangements depending on the industry. Implementing flexible hours or compressed workweeks has minimal cost impact and can boost productivity.

2. Expanded PTO or Volunteer Time Off

Gen Z employees bring a values-first mindset to their work. Offering time off for volunteering allows them to find purpose while in the workplace. It also enhances employee engagement and promotes community involvement while still being low cost to employers.

3. Financial Wellness Resources

As the economy continues to be volatile, more employees are seeking financial wellness support from their employers. Budgeting workshops and access to financial planning tools give staff the support their need to navigate their money concerns. Offering these resources also supports long-term employee stability.

Organizations should also consider modular benefits that allow employees to choose what suits them best such as a [lifestyle spending account](#). These accounts have wide appeal as they can accommodate the different priorities of employees in the workplace whether they are a parent needing childcare benefits or an LGBTQ+ individual seeking gender affirming care.

Talk to your benefits advisor about what is feasible for your employee population. Ultimately, an employee-informed approach ensures that benefits are not only appreciated but aligned with an organization's goals for retention, engagement, and performance.

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