

# PORTRAIT OF AMERICA'S MEDIUM-SIZED BUSINESSES

## (100-499 EMPLOYEES)

### Top Human Resources Issues

The most important HR issues are:

1. Controlling health care costs
  2. Retaining employees and
  3. Increasing worker productivity
- » Offering robust benefits while staying within budget/cost constraints is a top benefits challenge for 55% of medium-sized companies.
  - » Understanding the changing health care landscape is the second-largest benefits challenge for 34% of medium-sized companies

### Benefits Objectives

The top three objectives for benefits programs are:

1. Taking care of employees
  2. Retaining employees
  3. Increasing employee satisfaction
- » Nearly one in three (32%) decision-makers at medium-sized companies say their current benefits package meets employee needs only somewhat/not very well.
  - » 46% of HR decision-makers think it is extremely/very important to tailor benefits offerings to employees at different levels or life stages, yet only 35% of medium-sized companies do so.

- » Just 38% of HR decision-makers at medium-sized companies believe their employees are extremely/very knowledgeable about benefits offered at their organizations.
- » 75% of medium-sized companies use a broker or benefits consultant to help determine benefits options, the highest percentage among companies of all sizes.

### Benefits Communications

- » 45% of HR decision-makers believe they only communicate somewhat effectively with employees about benefits.
- » The majority of medium-sized businesses (60%) say their employees understand their company's benefits communications, but only 27% survey or measure their employees' understanding of benefits communications.
- » 41% of HR decision-makers say it is extremely/very important to customize benefits communication approaches to employees at different levels or life stages, but only 26% do so.
- » When it comes to benefits offerings, truly understanding what employees want is a top benefits challenge for 19% of medium-sized businesses; however, only 28% of medium-sized businesses survey or measure employee preferences or needs when it comes to benefits options.
- » One-quarter (25%) of medium-sized companies only communicate with their employees about benefits during open enrollment or new hire enrollment.

## Role of Voluntary Benefits

- » Representatives of medium-sized companies say their top challenges when adding voluntary benefits include:
  - » Having employees with an interest in purchasing the coverage
  - » Getting employees to understand their different options
  - » Administering the program
- » 41% of medium-sized companies currently offer voluntary insurance to their employees, and just 6% say they would not consider adding new voluntary insurance products.
- » 27% of medium-sized companies say satisfying employee demand or interest would be their primary reason for adding voluntary benefits.
- » Just 21% of HR decision-makers believe their employees are extremely/very knowledgeable about voluntary benefits.

## Beliefs About Workers' Perspectives

- » Decision-makers at medium-sized companies believe an overall benefits package is very/extremely influential on:
  - » Job satisfaction
  - » Worker loyalty
  - » Worker productivity
- » 63% of decision-makers believe employees should be more engaged in making benefits decisions.
- » 64% of decision-makers say immediate family problems are the most prevalent source of worker distraction, followed by financial problems and health problems.
- » Decision-makers at medium-sized companies are most likely to believe that productivity is lost because employees are concerned about personal issues (70%).

# 70%

of decision-makers believe productivity is lost because employees are concerned with personal issues.