

## Portrait of America's Small Companies (3-99 employees)

### Critical Human Resources Issues

- ◆ The most important HR issues for small businesses are: (1) increasing worker productivity, (2) controlling health care costs and (3) retaining employees. Of small, medium and large companies taking part in the 2011 Aflac WorkForces Report, only small businesses named productivity as their primary concern.
- ◆ Understanding the changing health care landscape is the No. 1 benefits challenge for 64% of small employers.
- ◆ Offering robust benefits while staying within budget/cost constraints is the second-largest benefits challenge for 63% of small companies.

### Benefits Objectives

- ◆ The top three objectives of small businesses with regard to benefits programs are: (1) taking care of employees, (2) doing the right thing and (3) retaining employees. Small companies are much more likely than medium and large companies to rank taking care of employees as their top objective, with 35% putting it first.
- ◆ 51% of small companies believe their current benefits packages meet employees' needs extremely/very well; 13% say they meet workers' needs not very/not at all well.

- ◆ HR decision-makers at small companies are less likely than those at medium and large companies to believe it is important to tailor benefits offerings to employees at different levels or life stages (28%). They are also least likely to do so (29%).
- ◆ Just 48% of small businesses use a broker or consultant to help determine benefits options.

### Benefits Communication

- ◆ 52% of HR decision-makers at small businesses believe they communicate very or extremely effectively with employees, a higher percentage than at medium and large companies.
- ◆ HR decision-makers at small companies are most likely to believe their employees are extremely/very knowledgeable about benefits offered by their organizations (46%). However, they are least likely to survey or measure their employees' understanding of benefits communications (33%).
- ◆ Small companies are the least likely to believe it is important to customize their benefits communications approaches to meet the needs of employees at different levels or life stages (34%).
- ◆ 38% of small businesses communicate benefits options to workers during only during initial hire and open enrollment. Small companies that do communicate with employees more frequently do so an average of 3.5 times a year.

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## Role of Voluntary Benefits

- ◆ Small businesses are more likely than their large and medium counterparts to say they would not consider adding new voluntary insurance benefits (19%).
- ◆ 42% of small companies say their top challenge when adding voluntary insurance benefits is developing employee interest in purchasing voluntary benefits, followed by administering the benefits program (18%).
- ◆ More than one-quarter (27%) of HR decision-makers at small companies believe their employees are extremely/very knowledgeable about voluntary benefits.

## Beliefs about Workers' Perspectives

- ◆ Small companies are the least likely to believe an overall benefits package is very influential on:
  - Job satisfaction (31%)
  - Worker loyalty (32%)
  - Willingness to refer friends to the company (18%)
  - Worker productivity (17%)
  - Employees' decisions to leave the company (18%)
- ◆ Small firms are less likely than large and medium-sized firms to believe employees need to be more engaged in making benefits decisions (54%).
- ◆ 43% of decision-makers at small businesses say health problems are their employees' greatest distractions at work.
- ◆ Leaders at small companies believe 18% of productivity is lost because employees are concerned about personal issues they are experiencing.

# 43%

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*\*2011 Aflac Workforces Report, a study conducted by Harris Interactive for Aflac, September 2010.*