

Expectations vs. reality in **employee benefits**



Are HR and your employees on the same page when it comes to benefits? They may not be.

To understand this question, we surveyed **over 5,000 U.S. employees** on the topic of benefits and earned wage access to gauge how satisfied employees feel with the benefits they're currently receiving. We also wanted to understand which benefits are most important to them and see how well they think leaders are doing when it comes to understanding what's important to them.

We also surveyed **over 500 HR directors** with many of the same questions to determine what kind of gap—if any—might exist between where employees stand and where HR directors *think* employees stand.

The results of our survey show broad agreement between the two groups on the questions they were asked. However, there does appear to be an enthusiasm gap between the two groups, with HR directors commonly rating employee attitudes as more enthusiastic or positive than the employee responses actually are. Often, there's a gap of 10, 20, or more percentage points between the answers provided by HR directors and those provided by employees.

While it's difficult to draw too many conclusions from these responses, we believe they underscore what most leaders already know—that listening and clear communication are absolutely vital for a team's success. But when asked how often they receive an employee engagement survey, **30% of employees reported never receiving one.**

This is just one statistic out of several others, but it's worth highlighting from the outset because of the questions it raises. Why haven't these employees received an engagement survey? Is it possible they did receive one, but there was no communication strategy around it? Are people simply too busy to notice?

Our survey can't answer these questions, but taken together, the gap in expectations vs. reality suggests leaders in HR and at higher levels have more listening to do if they want to see greater alignment within their companies.

Over the next few pages, we'll break down some of the data we collected and highlight important takeaways.



Key takeaways



Less than half of surveyed employees believe that leaders understand what's important to them, **compared with more than three quarters** of HR directors who said the same.



30% of employees say they never receive a survey to gauge their satisfaction or engagement.



There's a **21% enthusiasm gap** between how satisfied HR directors think employees are with their benefits and how satisfied employees actually are.



Nearly half of surveyed employees said benefits are second only to salary when making decisions about their careers.



70% of employees identified earned wage access as an important benefit.

"For employees to be engaged at work, they need to feel that their leaders understand what's important to them. Without this, building and maintaining a talented, motivated team is challenging. Our survey raises a number of questions that leaders will need to answer if they want to create a workplace culture where employees can thrive. There isn't a one-size-fits-all solution for improving engagement, but it starts with listening. Don't make guesses about what's important to your people—ask them. That way the solutions you explore, whether it's co-sourcing certain routine tasks or implementing an earned wage access solution, have a targeted purpose and are more likely to lead to success."

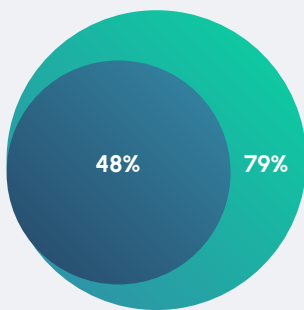
Trey Campbell, CEO

What questions were asked

How well do leaders understand which benefits are most important to their employees?

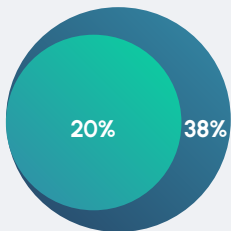
To create a workplace culture where employees feel heard, engaged, and cared for, it's important for leaders at the top to understand what benefits are most important to employees.

But our survey revealed a 31-point gap between our two audiences on this question.



Leaders have a good understanding of which benefits are most important to their employees:

At **79%**, the HR directors we surveyed had an overwhelmingly positive view of how well their company's leaders understand which benefits are most important to employees. But only **48%** of employees had this same level of confidence.



Leaders somewhat understand which benefits are most important to their employees, but not completely:

An additional **38%** of employees selected the more measured response, that leaders understand somewhat but not completely. This is compared with only **20%** of HR directors who felt the same way.

How often do employees receive a survey to gauge their satisfaction and engagement?

Our results for this question revealed a wide variety of answers from both employees and HR directors with little agreement between the two groups. Answers range from daily to weekly, biweekly, monthly, and yearly, with no discernible patterns across industries.

What stands out the most, though, is the percentage of employees who say they never receive a survey.

30% of employees say they never receive a survey to gauge their satisfaction or engagement.

Digging deeper into the data, this 30% figure is consistent across each industry, with exceptions for **Finance, Healthcare, HR, and IT & Telecoms**. Within these industries, employees **were more likely** to receive a regular survey.

The 30% figure is even more concerning when compared with the 2% of HR directors who say they never survey their employees.

Given how important surveys are for understanding what's important to employees, why is there such a large gap between these two groups in their responses?

The top 3 industries with the highest percentage of **Never** responses:



Retail, Catering & Leisure



Manufacturing & Utilities



Travel & Transport

How do employees feel about their current benefits?

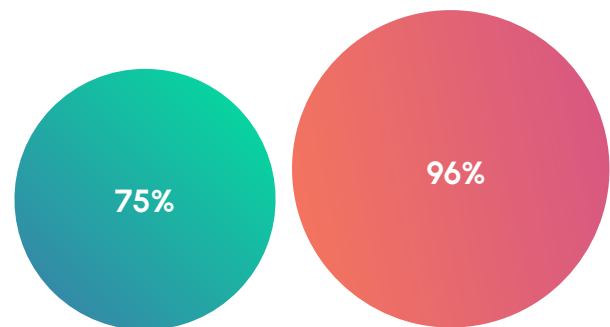
If the first two results in our survey are discouraging, the findings of this question are cause for greater optimism.

Three out of four employees report being satisfied—either very satisfied or somewhat satisfied—with their current benefits. This is compared with nearly four out of four—96% to be specific—of HR directors who believe that employees are satisfied.

While there is still a gap of 21 points between these responses, these results suggest there is broad agreement between employees and HR directors—**even if HR directors believe employees are more satisfied than they really are.**

How satisfied or unsatisfied do you believe employees are with their current benefits?:

- Employees – **75% satisfied**
- HR directors – **96% satisfied**



Industries with the highest levels of employee satisfaction:



Finance



IT & Telecoms



HR

Industries with the highest levels of employee dissatisfaction:



Retail, Catering & Leisure



Education



Architecture, Engineering & Building

How much emphasis do employees place on benefits when making career choices?

46% of employees reported that benefits are second only to salary when making choices about their careers.



Looking at the data from an industry level, this figure was consistent across each group with peaks of **50% or more within Education and Manufacturing & Utilities.**

The only industry where benefits were less important was within the Sales, Media & Marketing category. Here, **50% of employees said benefits were only moderately important.**

The cities with the highest percentage of "most important" responses:



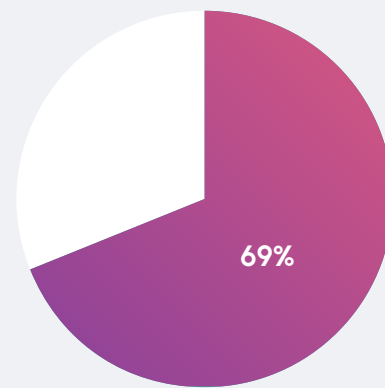
The cities with the highest percentage of "least important" responses:



How competitive, if at all, are your current employee benefits at helping you attract the best talent compared with other companies in your industry?

69% of HR directors believe their benefits are very competitive compared to most companies in their same industry.

As with our previous question, this figure is consistent across industries, with a few notable exceptions.



This answer was the highest in HR, with an overwhelming **84%** of HR directors reporting their benefits as "very competitive" and only **15%** reporting their benefits as "competitive in some respects but lacking in some areas."

We saw similar results in the Finance industry, with **72%** reporting their benefits as "very competitive" and **28%** reporting as "competitive in some respects but lacking in some areas."

The top 3 industries with "very competitive" benefits:



HR



Finance



IT & Telecoms

The top 3 industries where benefits were "lacking in some areas":



Sales, Media & Marketing



Education



Healthcare

What, if anything, caused the most stress for employees in 2022?

While Covid-19 continued to impact employee engagement in 2022, other factors played a role as well.

For this question, the number one choice for both groups in our survey was the impact of inflation on compensation and finances. **This was true not just across every industry but every region as well.**

But even though it was the top choice for both groups, HR directors rated this response higher than employees themselves did.

The next biggest cause identified by both groups was extra work due to talent shortages, with only about 2 points separating their responses.

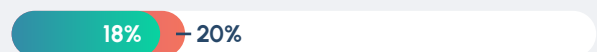
The impact of inflation on compensation and finances:

Employees HR directors



Extra work due to talent shortages:

Employees HR directors



Other causes of stress in 2022 included:



Not enough hours



Lack of effective management



Returning to the office



Concerns about layoffs

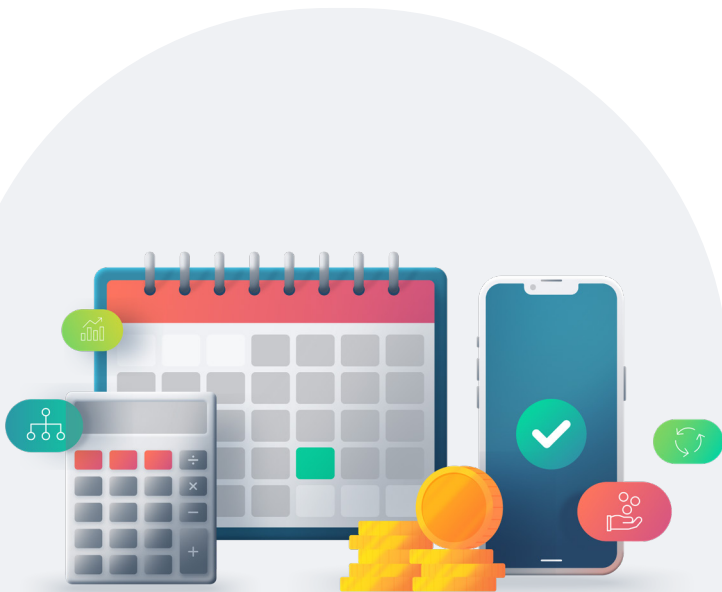


Covid-19

How important or unimportant are the following benefits for employees?

To understand what benefits are most important to employees, we asked them to rate a few different options: paid time off, health benefits, tax advantaged accounts, earned wage access, and consumer perks.

Employees ranked paid time off and flexible work hours higher than any other benefit, with **9 in 10** reporting it as important.



The most important benefits according to employees:

90%

PTO and flexible work hours

87%

Health benefits

77%

Tax advantaged accounts

70%

Earned wage access

55%

Consumer perks

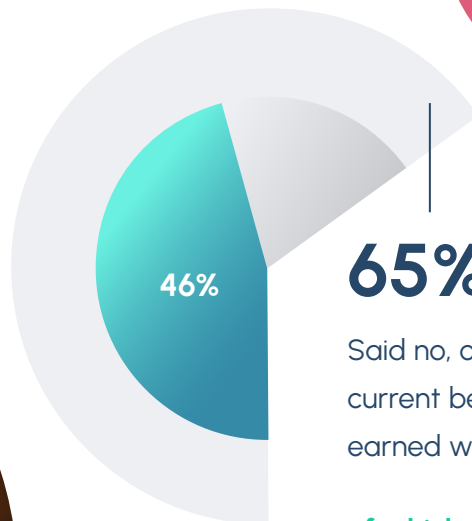
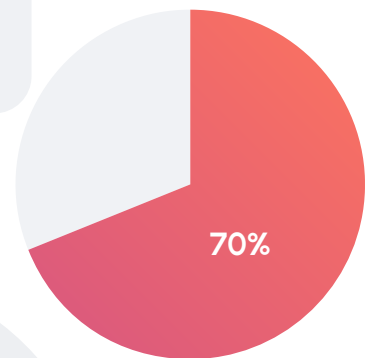
A deeper look at earned wage access

As stated in the previous section, **70%** of employees reported earned wage access as important.

But when asked if their current benefits plan includes an earned wage access solution, **65% of employees said no or they weren't sure.**

Of this group, **46%** felt that having earned wage access would change how they felt about their benefits, either significantly or somewhat.

70% of employees reported earned wage access as important.



65%

Said no, or weren't sure if their current benefits plan includes an earned wage access solution.

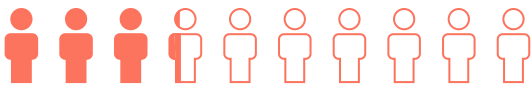
of which:

- 46%** Felt that having earned wage access would change how they felt about their benefits, either significantly or somewhat.



A deeper look at earned wage access

When we asked HR directors why their company doesn't currently offer an earned wage access benefit, **32%** of respondents said it was because they didn't have the resources to implement one.



The top 3 industries where earned wage access is offered, according to our survey:

 IT & Telecoms

 HR

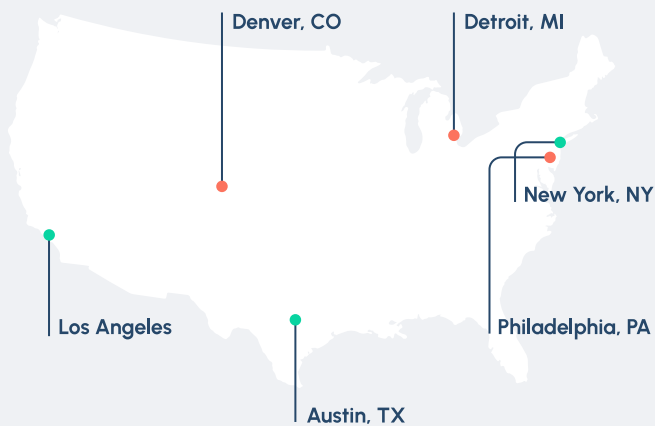
 Finance


The top 3 industries where earned wage access is not currently offered, according to our survey:


 Education

 Travel & Transport

 Manufacturing & Utilities



 The top 3 cities with the most access to earned wage access

 The top 3 cities with the least access to earned wage access

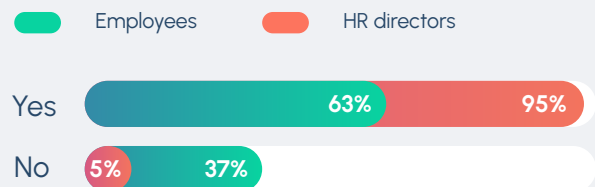


Are companies making investments?

If 69% of HR directors believe their benefits are very competitive, to what extent have their businesses been making investments—and are employees aware of those investments?

With more than 30 percentage points between how HR directors and employees responded to this question, it's worth asking if HR is effectively communicating with employees about what they're trying to do to make work more meaningful and engaging.

Has your company made investments to make work more meaningful and engaging for employees?:



The top 3 industries where employees report recent investments:



HR



Finance



IT & Telecoms

The top 3 industries where employees report no recent investments:



Retail, Catering & Leisure



Education



Travel & Transport



You have to understand what matters if you want your business to thrive.

While there's broad agreement between employees and HR directors throughout our survey, there are also signs of a disconnect.

Our survey doesn't try to answer why this disconnect exists, nor does it try to identify any solutions.

But that said, communication has always been an important bedrock for building strong, healthy teams. Without it, you can't expect any team to thrive.

With 30% of employees reporting that they never receive an employee engagement survey, it's makes sense to wonder—is this part of the disconnect? Is your organization listening to its employees? And if it is, how well is it communicating?

When communication breaks down or leaders stop listening, employees are going to feel that their voice and their hard work don't matter.

But listening opens opportunities for you to address what really matters to your employees. Whether it's identifying teams that could be helped by out-sourcing or co-sourcing, or finding a partner with an easy-to-implement earned wage access solution, knowing what you want or need to accomplish will set the stage for your success in 2023.

About OneSource Virtual

Thrive together in partnership

OneSource Virtual exists to help Workday customers thrive by boosting their capacity for growth through co-sourced HR and Finance and Accounting. Working across industries in North America and EMEA, OneSource Virtual's teams offer their expertise and deep knowledge of Workday to deliver comprehensive solutions and services to over 850 BPaaS customers. OSV is proud to have been awarded numerous accolades and maintains a 97% customer retention rate.