Fidelity INVESTMENTS

Fidelity Workplace Consulting

Solutions for an Evolving Employee Experience.

2 Reasons to Communicate Total Rewards Right Now

Communicate your Total Rewards strategy to boost employee engagement & retention in the new normal

November 2020

As we look into 2021 and year two of living with COVID-19, what employees need from their benefits and seek in their careers will continue to evolve. Having the right Total Rewards strategy in place for this moment will help ensure you continue to attract and retain your key talent. For organizations that have been able to hold course and make the necessary investments to ensure safety, health, and productivity of their workforce, this may be the right time to amplify your Total Rewards message as other employers have had to make cuts.

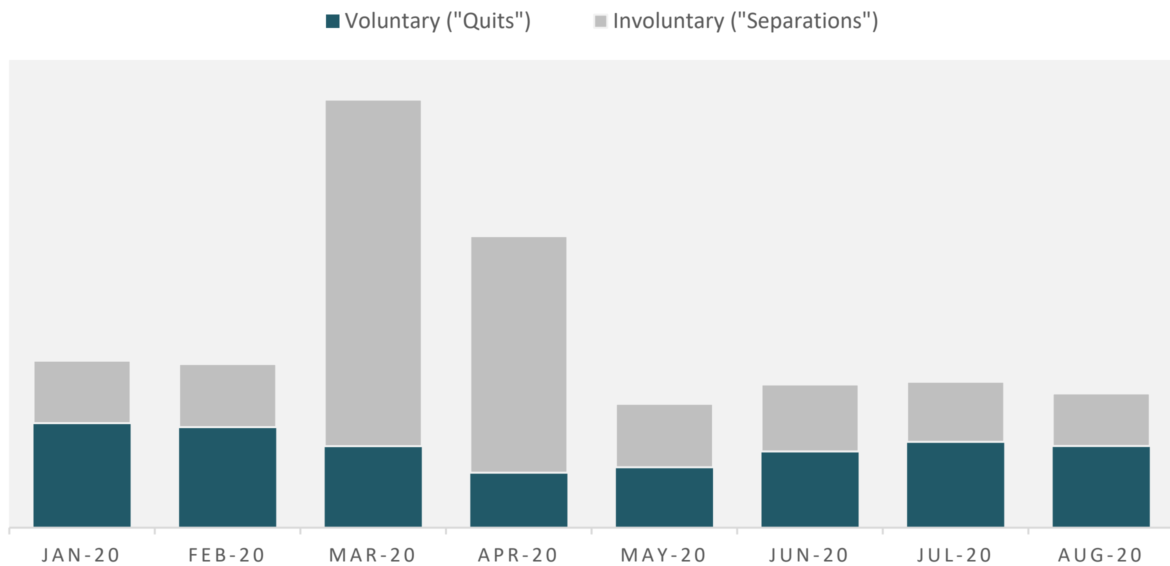
While we are only beginning to understand how COVID-19 will reshape work environments and employee benefits, two trends are becoming clearer.

Trend #1 – Employee needs and their perceptions of the benefits are changing rapidly.

COVID-19 scrambled many things in 2020, including how employees view their jobs and benefits. As employees shifted to work from home full-time, many were also growing more concerned for the health of their families, and social distancing from the people or activities they loved to do most. This took its toll on mental health, and shifted benefits priorities and utilization. According to The Hartford's 2020 Future of Benefits Study, the pandemic caused employees to place more importance on employer-sponsored benefits that help people plan for unexpected life events and provide financial protection.[1]

Trend #2 – Voluntary employee turnover is low, but how long will that last?

The U.S. Bureau of Labor reported that during this period of massive layoffs, more employees are choosing to stay with their current employer and not voluntarily change jobs. In fact, the rate of people voluntarily quitting their job for a new opportunity is down 21% comparing August 2020 to August 2019.[2] When the new normal begins to stabilize next year, top talent will begin to explore potential career changes after a year of staying put. While career opportunity and compensation are key criteria, benefits such as quality health care, mental health support, work flexibility and even voluntary benefits will influence decisions.



U.S Bureau of Labor Statistics, Job Openings & Turnover Report, 2020

Providing employees with an update on their Total Rewards can help with both trends
Now is the time to over communicate about benefits and to get ahead of future employee turnover. A digital Total Rewards Statement (TRS) can remind employees about how you are supporting them through this challenging time and help them get even more value from their benefits.

Fidelity recently upgraded our TRS offering to address these challenges by focusing on three best practices:

Include space to express your benefits strategy. Use TRS as opportunity to connect your benefits to this moment and the needs that employees are most concerned about right now.

Personalize messages to drive utilization. Historically, TRS solutions focused on the value of last year's rewards; Fidelity's approach includes personalized "next best step" messages to suggest how each person can get even more value from their benefits.

Incorporate benefits that don't have a direct monetary value. Benefits such as mental health support or flexible work policies are very important and should be included.

During these turbulent times, employees want and need to feel supported. Employers can use their Total Rewards as a tool to reassure employees in this moment and build positive perceptions that will help mitigate turnover once the labor market warms back up.

How Fidelity Can Help

For more information on how Fidelity can help you communicate your Total Rewards strategy to your employees, please contact your Fidelity Managing Director or email Fidelity Workplace Consulting at fidelityworkplaceconsulting@fmr.com.

1 The Hartford's 2020 Future of Benefits Study was an online survey fielded in two waves. The first wave was fielded from Feb. 27 – March 13, 2020, just before the pandemic escalated in the United States, and included 761 employers and 1,503 employees. The second wave was fielded from June 15 – June 30, 2020 and included 567 employers and 1,038 employees. The employers surveyed were HR human resource professionals who manage/decide employee benefits and employees surveyed were actively employed. The margin of error is employer +/- 4% and employee +/-3% at a 95% confidence level.

2 U.S Bureau of Labor Statistics, Job Openings & Turnover Report, 2020. Total separations include quits, layoffs and discharges, and other separations. Quits are generally voluntary separations initiated by the employee, therefore the quits rate can serve as a measure of workers' willingness or ability to leave jobs.