What’s Happened to Employee Loyalty and Satisfaction?

If you are an employee, are you satisfied with your job? If you are a business owner, what do you feel about your employee’s satisfaction with what they are doing and the company that they are working for? My questions today are motivated by listening and talking to a whole bunch of business folks from a variety of different kinds of companies and industries. So I started to do some focused reading about the topic and I ran across a study that was released very recently.

The 9th Annual Study of Employee Benefits Trends done by MetLife Insurance Company delivers a clear message to employers: “Reprioritize employee loyalty and satisfaction, or economic recovery may arrive with unanticipated setbacks for retention and productivity.” The findings reveal a workforce that has grown more dissatisfied and disloyal, to the point where a startling one in three employees hopes to be working elsewhere in the next 12 months. It goes on to state that “employers continue to believe employees are loyal, and they do not appear to be tuned in to this potential flight risk.”

The challenge of this study to business owners is that companies may be blindly focused on the tough business environment, and remain confident of strong levels of employee job satisfaction and loyalty. The importance of a loyal and satisfied workforce is part of the foundation of business growth. However, widening cracks in this foundation may force employers to pay a price in reduced retention and productivity when the job market improves.

A new perspective on Benefits may be needed. Benefits remain an important mechanism to support business goals of employee attraction, retention and productivity, and to forge an employer-employee bond by helping to financially protect employees and their families. The impact of the recession has made employee benefits more important than ever. And, as the Study shows, year after year, employees who are satisfied with their benefits are more likely to be satisfied with their jobs.

But, the study admits that there is no going back to the earlier, paternalistic benefits model — one in which employees exchanged loyalty and productivity for lifelong financial security and health care. In the face of new economic realities, including escalating health care costs and a growing aging population, employers must provide benefits on different terms. The study suggests that this requires a new benefits blueprint. Balancing business costs and benefit needs is not about spending more — it’s about spending differently.

The recession has impacted workers differently at different stages of life, with varied financial implications. The Study highlights how this diverse employee experience can translate into disparate
benefits attitudes and needs, and why employers might do well to consider a generational strategy for benefits, utilizing flexibility, customization and choice.

One such strategy may be the increased use of voluntary benefits. Employers may be surprised at the reported readiness of their workers to pay for more personally relevant benefits, which indicates that voluntary benefits have a key role to play in enabling individual choice, customization and flexibility within budget constraints. Balancing business costs and benefits needs is not about spending more — it’s about spending differently.

In addition, there is compelling evidence that incorporating social media into benefits communications tools might be an increasingly important solution for capturing the attention of younger workers.

Employees also have to look at benefits differently. The new benefits blueprint requires employees to become more engaged in efforts to improve their health and in building financial security for today and tomorrow. For example, wellness programs are now widely accepted as a way to help control company health care costs and improve productivity by reducing absenteeism.

Taking this a step further, this year’s Study shows that both employers and employees recognize there is also a connection between financial wellness and physical and mental health. Programs that “treat” financial “ills” appear to hold promise for improving productivity as well as reducing the incidence of stress-related health conditions.

Having a reliable income during working years and during retirement is something most Americans count on. Yet most do little to preserve or protect that income. Although most employees recognize that they must accept more responsibility for their financial security, taking action is a challenge. The new benefits blueprint looks to employers to facilitate and support employee efforts with access to the right coverages and by providing effective education and guidance. This year’s MetLife Study shows that both employers and employees recognize there is also a connection between financial wellness and physical and mental health.

These times seem to suggest that a new approach to benefits is at hand. Employers who seek to rebuild employee loyalty must focus benefits strategies on helping to create a safety net rather than providing a security blanket for their employees. Findings from the Study suggest actions employers could take to help their employees enjoy healthier lives and greater financial security. In return, employers may reap the rewards of improved retention and productivity.

To learn more about employee benefit options for your business, contact America’s free and confidential source of small business mentoring and coaching, SCORE, on our website: www.score-SEMinnesota.org.

Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
*Dean is a volunteer SCORE Counselor.