

BENEFITS

Insights



Leveraging Benefits in Post-coronavirus Compensation

In response to the coronavirus (COVID-19) pandemic, many organizations have been faced with making tough decisions—often leading to layoffs, furloughed employees and reduced pay. Post-coronavirus, many employers find themselves torn between balancing fair compensation and the current financial realities of their business—while hoping to return to a new sense of normalcy.

The current employment market is intrigued by more than just pay, and compensation is often viewed holistically—including benefits packages. As organizations complete post-coronavirus planning, benefits can be leveraged as an attractive offering for both current and prospective employees.

Expanded Benefits

As organizations manage uncertainty, current conditions have impacted compensation. We've also seen changes in benefits, such as the number of organizations extending their paid sick leave benefits. A report from Alight Solutions found that 47% of surveyed employers are implementing expanded paid sick leave or paid time off (PTO) policies, and another 11% are considering such changes. As well, numerous studies show the growth of flexible work options such as remote work or flexible scheduling—which are attractive options to many employees.

When developing a post-coronavirus compensation plan, employers can take steps to meet the evolving needs of the workforce by leveraging expanded benefits.

Benefits Considerations for Employers

Currently, employees value health, safety and flexibility—and attractive benefits packages can help retain employees while boosting an employer's recruiting efforts. As organizations develop plans to meet the current needs of the employment market, considerations include:

- **Remote work options**—Employees are often enticed by flexible work arrangements, including the opportunity to work remotely. While not all roles and responsibilities are perfect fits for telecommuting, employers can consider the feasibility of remote work in their respective workplaces.
- **Flexible scheduling**—While many schools, day cares and other facilities are currently closed or operating in a limited capacity, many employees are balancing caretaking and personal responsibilities with their careers. Flexible scheduling is considered an attractive benefit to many.
- **Paid sick leave**—Health, safety and flexibility are top of mind, and employees value benefits such as expanded paid sick leave more than ever.
- **Expanded PTO**—While many organizations struggle to commit to increased compensation, paid vacation remains a valuable perk.
- **Additional health benefits**—Employees increasingly value access to virtual health services such as telehealth visits and mental health support. To meet evolving employee needs, organizations can also consider implementing an employee assistance program (EAP) to support the needs of employees.

Expanded benefits can become a core competency for your organization—as well as steps taken to ensure employee health and safety.

Workplace Safety

When considering benefits offerings that resonate with the current employment market, the ability to work in a safe environment remains a top priority. A recent survey by Korn Ferry found that 25% of employees weren't confident their employer had created a safe and healthy workplace in response to the coronavirus. Safety remains a key consideration for employees, and employers can take steps to ensure they are operating using appropriate practices. Consider evaluating your safety practices, and ensure your efforts are communicated effectively. Safety practices should include specific actions in response to COVID-19, which may include measures such as increased cleanings using disinfectants, social distancing and the wearing of face coverings.

When creating safety practices or considering reopening a workplace, employers should review up-to-date guidelines from the Centers for Disease Control and Prevention and follow guidance from local health officials.

Employee Relations

Many lives have been distraught due to the impact of the coronavirus, and employers should be thoughtful when sharing news—good or bad—to their employees. Employers can also consider surveying their employees to get a feel for current attitudes regarding benefits and compensation. Your employees will be a great source to let you what benefits they consider essential.

As your organization makes updates and changes to benefits or compensation, ensure that your efforts are communicated thoughtfully, yet in a transparent and timely manner. For example, when delivering tough news, consider outlining updates under the context of being temporary—not permanent—but necessary for the greater good. However, leaders may find that, in light of tough times, expanded benefits may be received well by their employee base.

Expanded benefits can not only help an organization retain current employees, but make a workplace an attractive opportunity for prospective employees. If you expand your benefits offerings, ensure they're also included into any recruiting efforts.

Effectively Leveraging Benefits

Employers can continue to consider how their compensation and benefits offerings resonate with current employment markets. Appropriate offerings will vary by employer, so consider what steps are best for your business. As the current employment market evaluates available opportunities, expect expanded benefits to be highly valued.

As laws and guidelines related to COVID-19 update, employers should consult with legal counsel when updating or changing policies. For assistance with benefits or compensation, contact VCG Consultants for additional resources.

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