

BENEFITS

Insights



6 Benefits to Attract and Retain Small Business Employees

Attracting and retaining employees is a constant struggle for organizations of any size, but it's particularly so for small businesses. With smaller teams, employers need to hold onto talent whenever possible. And that can be a challenge, especially when resources are scarce as they are currently amid the lingering effects of the COVID-19 pandemic.

That's why it's critical for small employers to tailor their benefits offerings in a way that attracts and retains the most employees. One of the best ways to start this process is by surveying existing and potential employees. Employers can ask workers what types of benefits would interest them the most, then use that data to inform benefits decisions.

While each workforce will have unique needs and interests, there are some commonalities seen among small business employees. This article outlines six of the most popular benefits that small businesses are using to attract and retain employees.

1. Health Insurance

Health insurance is consistently one of the most desired benefits among small business employees. That may be because health care is so expensive and is unaffordable without employer-sponsored insurance. Amid the COVID-19 pandemic, having good health coverage is more critical than ever. This provides employers with an opportunity. By offering generous health benefits, employers can compete for top talent. In fact, doubling down on health insurance might be a better option for some employers than adding other ancillary benefits that employees don't need or want.

2. Leave Benefits

The ability to take time away from work is an important consideration for employees. And, in the wake of the COVID-19 pandemic, employees may have more caregiving responsibilities than they had before—making scheduling flexibility all the more important. Leave benefits will vary by workplace, but they typically include paid time off (PTO), vacation days and sick time. These types of leave usually come with specific use requirements. For employers looking to attract and retain employees, expanding these benefits could be a great leverage tool. This may include allowing faster PTO accrual, providing more sick days or allowing for flexible scheduling.

3. Performance Bonuses

Employees want to be recognized for their hard work. Failing to do so can lower morale and affect retention. Introducing performance bonuses as an employee benefit can be a way to combat this. Performance bonuses will vary, but the general idea is to compensate employees in some way for a job well done. How this looks in practice will depend on the employer. For instance, employees might receive incentives such as gift cards, cash, additional PTO or other perks, depending on their achievement. However, before implementing such bonuses, employers should ensure compliance with any applicable workplace laws regarding employee compensation.

4. Retirement Planning

Financial security is very important to employees, and that sentiment grows as employees near retirement age. It's also top of mind for those struggling financially thanks to the COVID-19 pandemic.

Employees invest their time and energy into their work. As a tradeoff, many employees want their employers to invest in their retirements in return for years of service. Offering a 401(k) with contribution matching can be a powerful attraction and retention tool, as it demonstrates an employer's investment in their workers in the long term.

5. Professional Development

Employees may leave a workplace simply because they want other opportunities or need more of a challenge, rather than being driven solely by compensation. Additionally, surveys suggest employees have been putting off job changes during the COVID-19 pandemic, meaning a wave of turnover may be coming soon. Employers may want to think proactively about ways to keep employees around.

In other words, when it comes to top performers, employers should be reluctant to let these employees go. That's where professional development comes in. Generally, this involves cross-training employees on other positions or otherwise preparing them to take on additional responsibilities. This helps provide the employee with more growth opportunities while still keeping them within the business. Offering such development opportunities also signals to prospective employees that a workplace has upward mobility and is willing to help workers along with their career pathing goals—two factors that can weigh heavily in recruiting conversations.

6. Wellness Benefits

Wellness is a hot topic these days, and employees are looking more and more for employers who take wellness seriously. This can be especially true in the wake of the COVID-19 pandemic, where health consequences are interwoven with everyday decisions. In fact, through the lens of the pandemic, ignoring wellness initiatives may be interpreted as ignoring overall health—something employers obviously want to avoid.

Different workplaces will offer different wellness benefits, but the purpose of any of them is generally to increase employees' overall well-being. For instance, benefits may include mental health counseling, health breakroom snacks, gym memberships, fitness trackers, yoga sessions or other perks. When it comes down to it, employees want to feel like their employers care about them as individuals. This means prioritizing well-being.

Conclusion

Knowing which employee benefits to offer as attraction and retention tools isn't always easy. One of the best places to start is by surveying current and prospective employees, as the offerings are meant for them. Beyond that, the perks listed in this article have been shown to be popular among employees—making them a viable option to try as well.

However, these benefits aren't employers' only option to help attract and retain employees. Reach out to VCG Consultants today to learn more about these perks and other potential incentives.

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