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The Sustainable Workforce Report:

Choosing the best employee benefits to
attract and retain top talent



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What's this all about?

We're currently living through a unique period of time.

The great resignation, where employees are quitting their jobs en masse, meets the cost of living crisis, which has seen many households have a drop in disposable income caused by rising inflation.

90% of employers expect their employees to experience **financial difficulties** in 2023 [\(Reference\)](#)

This will lead to a [fifth of the workforce looking for a new role](#) with higher pay and better benefits this year. The impact of this will be felt by businesses as we're set for another difficult year for recruitment and employee retention.

Alongside these challenges, **the UK is working towards a future of net zero carbon emissions by 2050**

This is a bold goal that requires significant changes to the way we live and work.



To navigate this complex and uncertain landscape, individuals, organisations, and governments are taking decisive action to find ways to adapt and thrive in the face of these changes.

But the barrier to sustainability, for both businesses and individuals, is often high. The sustainable choice can be the more expensive and difficult choice for individuals and businesses. It takes time and effort to break habits. So, in the Sustainable Workforce Report, we're diving into how organisations can link their sustainability strategies with improving recruitment and retention of top talent, to succeed in both of these crucial areas, with a focus on employee benefits.

This report will help you:

- ⚡ Understand what your teams want as part of their employee benefits package
- ⚡ Guide you in evaluating your current benefits
- ⚡ Give you easy-to-implement guidance you can use right away

To get you some handy insights, we've asked over 500 UK HR managers about the role of employee benefits in their organisations, and compared this information with the results of over 2,000 UK employees who share their expectations and wants from employee benefits.

What are we here to answer?

1

What do employees **need** from their employer **during the cost of living crisis**?

2

What benefits do employees **value** and how do benefits impact their **decision to join, and remain with**, an employer?

3

How important is sustainability to today's workforce?

4

How **comfortable** are employees with asking their employer for the benefits they want? And what are the best ways we can facilitate communication between them?

5

What are the tactics that employers need to consider for **recruitment and retention of talent** in the near future?

Key insights

What employees think about their benefits package

51%

don't feel comfortable asking their employer for the benefits they want

Employers are more likely to put an employee benefit in place if it was requested by their team, **but most employees (51%) don't feel comfortable asking their employer for the benefits they want.**

59%

are more likely to stay at an organisation due to the benefits package

More than half of employees (59%) are more likely to join or stay with an organisation if they have a comprehensive benefits package on offer.

34%

don't see the value in their current benefits package

More than a third of employees **don't see the value in the current benefits package** on offer by their employer, with a majority **having never used them**, while the rest **don't know what's available.**

33%

have never been asked for feedback on their benefits package

Communication between HR and employees **is lacking around employee benefits.** A third (33%) of employees **have never been asked** for feedback on the employee benefits available to them, and **nearly half** get asked for feedback on benefits just once a year or less.

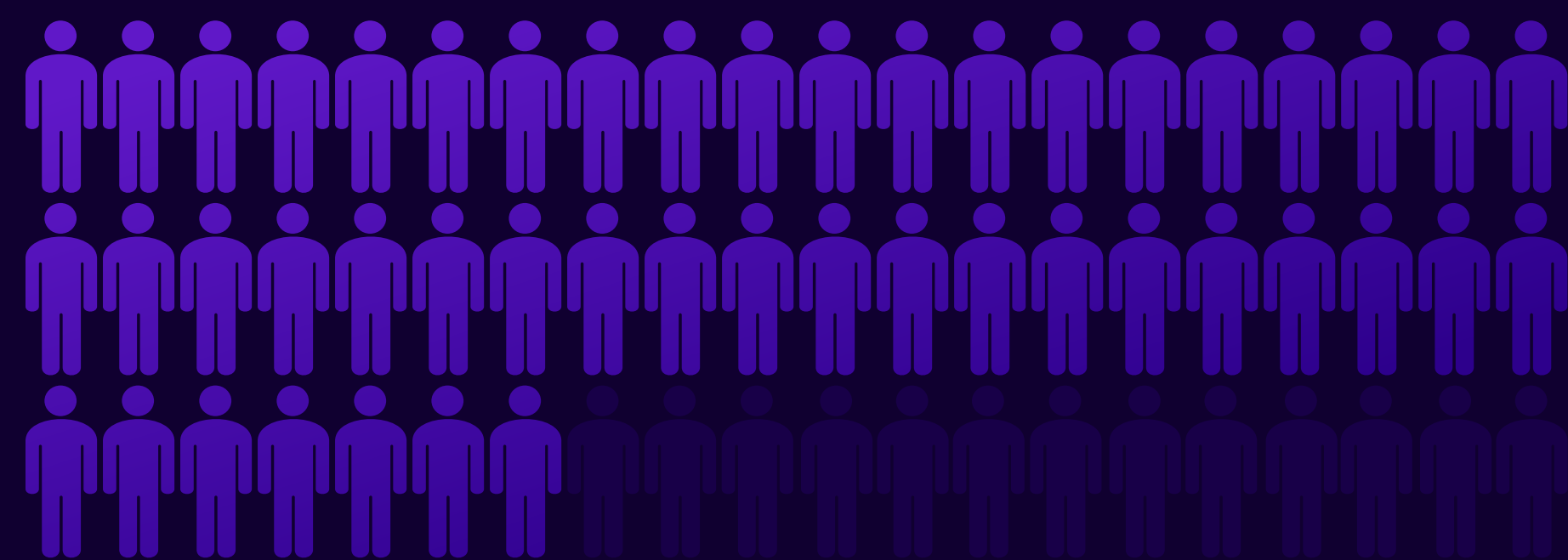
Key insights

What employees want from their employer

70%

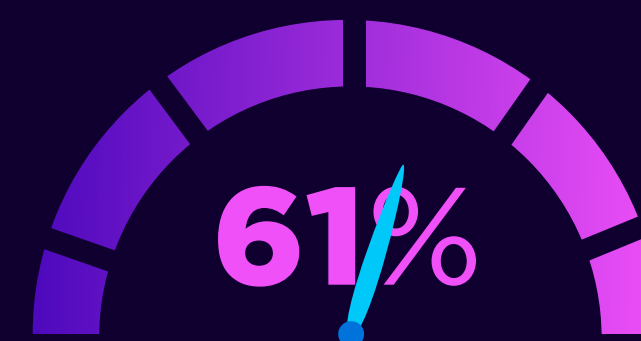
expect their employer to be proactively sustainable and ethical

Most employees (70%) now expect their employers, or potential employers, to be proactively working towards clear environmental, social and governance (ESG) goals as this is a deciding factor in recruitment and retention.



73% of employees want cash saving benefits

Employees want financial support from their employers that goes beyond their monthly pay. An overwhelming majority want cash saving benefits that they can access through their employer.



want to switch to an electric vehicle

Most employees (61%) want to make the switch to an electric vehicle for their next car and price is a key factor for most (78%).

74%



want their employer to offer EV salary sacrifice

The overwhelming majority of employees (74%) said they'd want their employer to offer an EV salary sacrifice scheme when they were shown what was included.

Part 1:

The great resignation and
the impact on recruitment
and retention



The pandemic sparks 'the great resignation'

There's no denying the COVID-19 pandemic fundamentally changed life as we know it. Around 9 months after the start of the pandemic, changes to the way we work and live sparked a new economic trend amongst workers.

The great resignation, also known as the Great Reshuffle, saw historic numbers of employees handing in their notice, with the highest rates of people quitting amongst UK workers [since 2009](#).

The **highest** rates
of people quitting
since **2009**

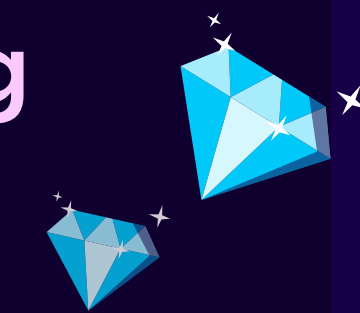


But if we take a step back, this isn't surprising. The rate of people resigning from their jobs has been on the rise for the last decade. Dissatisfaction with pay amid increasing living costs, lack of career opportunities, toxic work environments and inflexible remote working policies are the [top cited reasons for employees quitting their jobs](#), but this isn't just about the fall-out from COVID.

The seeds for disruption in the labour market were sown long before the pandemic took hold. But mass changes to the way we live and work that were sparked by the pandemic gave workers the opportunity and headspace to reflect on what's really important to them, and whether their needs are being met by their current employers.

Post-COVID, many people are searching for a job that better aligns with their values or lifestyle. Others are not just quitting their jobs - but changing professions entirely - to pursue work that feels more meaningful to them.

The **majority of employers**
are having difficulty finding
and retaining talent



This poses a real challenge for employers because Britain is currently facing its tightest labour market in years. The [majority of employers \(77%\)](#) are having difficulty finding and retaining employees as the great resignation takes its toll.

And a tight labour market isn't the only challenge. With increasing inflation rates, the country has been hit with a cost of living crisis, which impacts not only individuals, but businesses too.

With **increasing inflation**
rates, the country has
been hit with a **cost of**
living crisis



The impact of inflation on businesses

A fifth of companies expect that the cost of living crisis will be [worse for their business than the pandemic](#) and [70% of HR professionals](#) say that the cost of living crisis is their most significant challenge for 2023.

The top financial challenges facing businesses in the next half year are [higher energy costs, inflation, and supply chain disruptions](#), which are all causing businesses to try to reduce spending.

The top financial challenges for businesses:

- ⚡ Higher energy costs
- ⚡ Inflation
- ⚡ Supply chain disruptions

The squeeze on budgets is likely to have a knock on impact on the cost of recruitment. Despite the great resignation being in full swing and the notice letters still piling up, more than 60% of companies surveyed by [CIPD](#) said they expected their recruitment budgets to reduce or stay the same in 2023.

MORE THAN

60% of companies

expect their recruitment budgets to **reduce or stay the same** in 2023

So how can HR professionals continue to hire and retain good staff in a tight labour market with a reduced budget?

There are some [key elements](#) of successful recruitment and retention that help all employers compete in a tight labour market:

- ⚡ **Financial security:** going above and beyond salaries, employers that provide a comprehensive package of benefits have a better chance of attracting and retaining staff.
- ⚡ **Employee morale:** keeping your team spirits high even during tough times will help both the organisation and the employees ride the economic waves.
- ⚡ **Company culture:** having a positive company culture that comes from the top down boosts employee engagement rates and supports retention.
- ⚡ **Career progression:** giving a clear path for progression and providing multiple opportunities for employees to advance their career avoids stagnation and improves employee engagement.
- ⚡ **High job satisfaction:** good relationships between employees and employers results in higher job satisfaction and supports retention.
- ⚡ **Commitment to the organisation:** when employees feel valued by their employer it increases their commitment to the organisation, reducing staff turnover.

Read on to find out what's going on in the labour market right now, or jump ahead to part 3 to check out the matrix and review your benefits package.

JUMP AHEAD →

The real cost of staff turnover

It's a well known fact that the cost of recruitment far outweighs the cost of keeping a reliable staff member. Some surveys estimate the cost of recruiting a new team member to be between [£1,500 - £3,000](#), including costs from in-house resourcing time, advertising costs, and agency or search fees.

IT CAN COST AN ORGANISATION

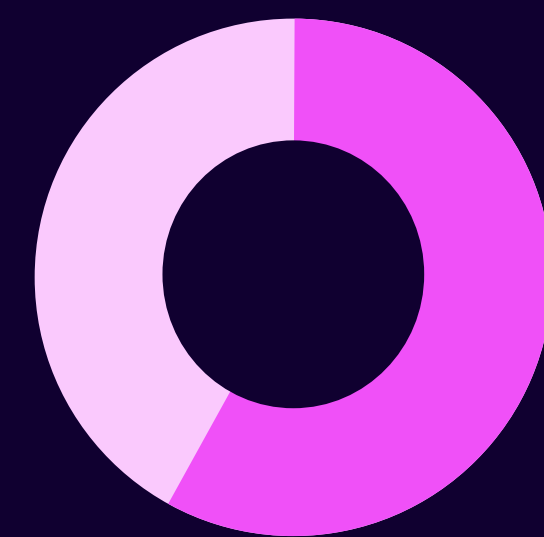
£1,500 - £3,000
to recruit a new team member

Not only is there a monetary cost attached to recruitment, there are other resource costs too. These include labour costs associated with onboarding and training, short-term productivity losses and potential knock on effects amongst the wider team. '[Turnover contagion](#)' is a real phenomenon. More than ever it's important to retain staff to safeguard your business against unplanned costs or further losses of team members.

Turnover contagion

The domino effect of resignations that's sparked by the quitting or termination of staff.

We asked employers how they felt about retaining their team over the next 12 months:



64%

said that **staff retention was a concern**

Research from [WorkNest](#) found that HR professionals are more concerned about retention (69%) than they are recruitment (55%) in the coming year. There are worries about employees' mental health and financial wellbeing, and HR professionals are being encouraged to think about the ways they can provide support to their employees during this difficult time.

Retaining your team doesn't have to cost your organisation lots of money, but an effective retention management plan is essential. **We want to help you develop the right company culture that naturally keeps the best talent;** so we've created a step-by-step guide on engaging your team to create an appealing employee benefits package, plus explore how incorporating values based benefits will help **attract the next generation.**

Part 2:

The role of employee
engagement during
uncertain times



How the cost of living crisis is impacting employees

Unsurprisingly, employees have concerns about what the next year will bring. [60% of employees](#) say that managing financially with the cost of living crisis is one of their biggest concerns for the coming year.

60% of employees say
**the cost of living crisis is one
of their biggest concerns**

Some employers have been slow to respond to their employees' needs throughout these global challenges. Despite the cost of inflation rising to more than 11% in 2022, research showed that [35% of employees received no cost of living support from their employer](#) within the year.

35% of employees received
**no cost of living support from
their employer in 2022**

If you want your employees to perform well during difficult times, it's better to be proactive with your support. But with pressures from all angles, it can be difficult to know where to start when implementing a retention strategy.

Our YouGov research asked over 2,000 employees and 500 HR professionals in the UK about the role of employee benefits in recruitment and retention. More than half of employees (59%) said they're more likely to either join, or stay with, a business if they have a comprehensive benefits package. It's clear that an easy way to boost your employee recruitment and retention is by building out a comprehensive and tailored benefits package to suit your team.

59% of employees said they're
**more likely to join or stay with
a business that has a
comprehensive benefits
package**

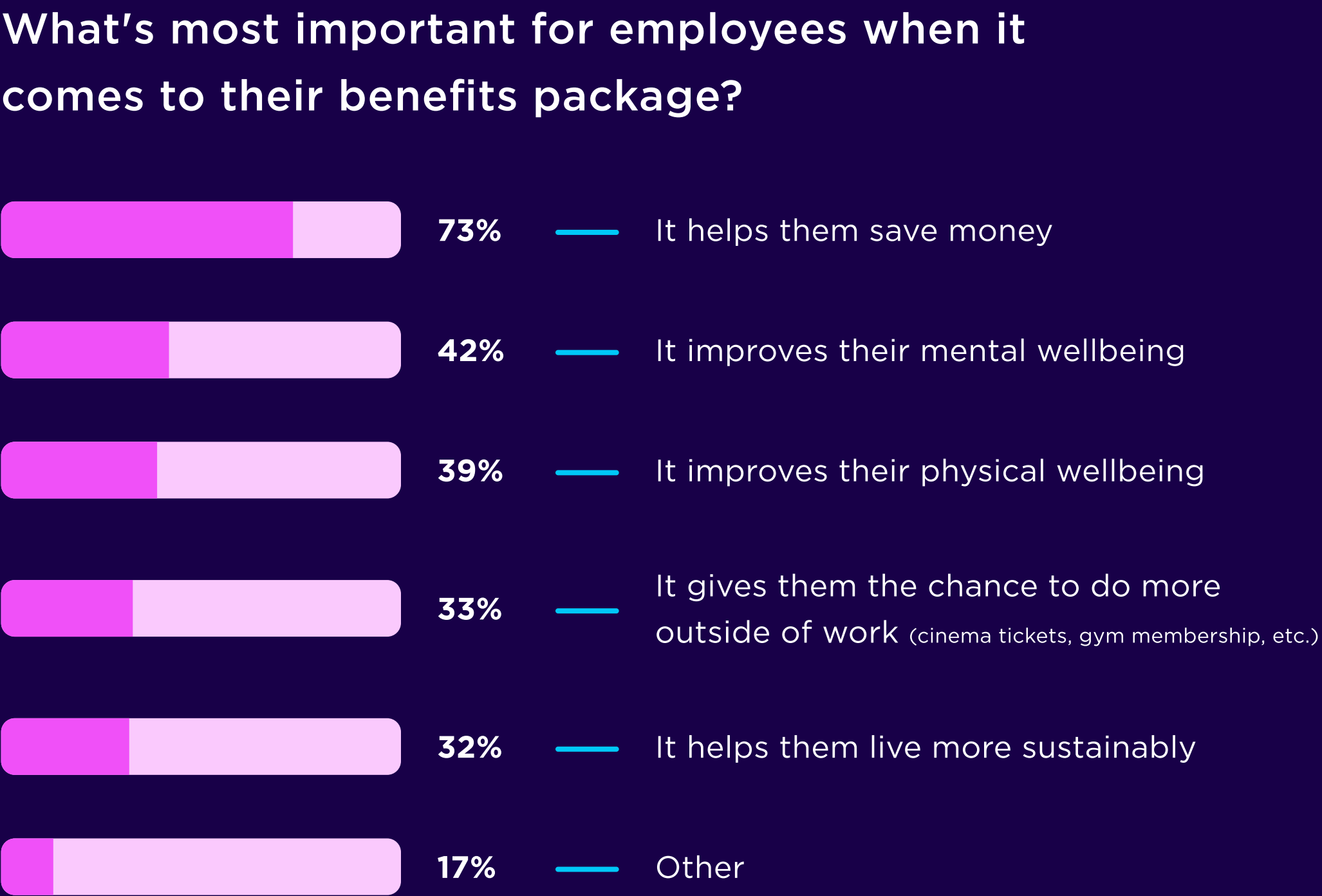
We believe that getting your team's feedback plus conducting your own gap analysis on your current benefits package will set you up for maximum team happiness.

[Head to part 3 for our how-to guide](#) →

Employees want benefits to help them save money

There's no denying that cash is king during times of recession - and it's part of the reason so many people are quitting their jobs in pursuit of higher pay and better benefits. Right now, your employees may be looking to make savings across lots of different areas of life - including food, shopping, transport, holidays and leisure time.

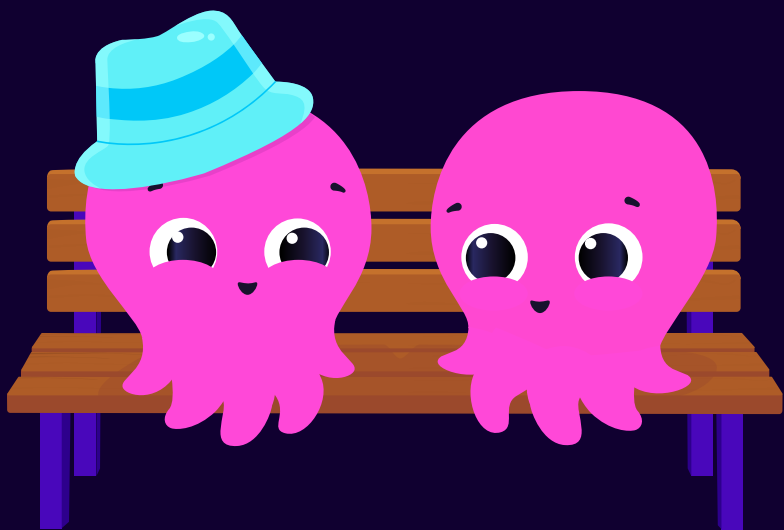
Our research found that for the vast majority of respondents (73%), the most important factor in an employee benefit was the ability to save money, with benefits focused on mental and physical wellbeing coming in a distant second and third (42% and 39%, respectively). This is significant, but not surprising given the challenging economic environment. It tells us that employees are turning to employers to support them in more ways than they have done previously, with more focus on financial support.



So, employees are clear on what they want from their employer, but there's a gap between how HR professionals are evaluating and choosing employee benefits and how employees feel about their involvement in the process. Almost half of employees (49%) said they don't feel comfortable asking for the employee benefits that matter to them. On the flip side, 52% of employers said they'd be more likely to launch a benefit if their employees suggested it.

49%

of **employees** don't feel comfortable asking for the benefits that matter to them



52%

of **employers** are more likely to launch a benefit if their employees suggested it

The majority of employers say that they're asking for feedback on their benefits packages, anywhere from bi-monthly to once a year. But employees don't feel like they have a forum to give feedback on the benefits provided. **More than half of the employees surveyed said they'd never been asked for feedback, or don't recall ever being asked.**

So how do we bridge this communication gap? **The great news is that this is relatively quick and easy to fix.** In part 3 of this report, we cover some strategies for effective communication with your team and how you can use this information to build an all-star lineup of employee benefits. Not only will you have the tools to evaluate how your employee benefits package stacks up, **we're also sharing ways for your benefits package to evolve based on your employees' values.**

Part 3:

How to engage your employees with an appealing benefits package



Step 1: Getting employee feedback on your benefits package

It's clear why benefits are an important part of an employee's remuneration package. They give staff the ability to save money on things they really care about and that make their lives better, without costing the employer too much to put in place.

OUR RESEARCH SHOWS THAT

52% of employers are more likely to put a benefit in place if an employee asks

but as highlighted earlier, **around half (49%) of employees** don't feel comfortable asking for the benefits they want.

What are the best ways to review what you're offering your team, and how can you improve it?

A good employee benefits package includes a mix of perks that should appeal to your employee demographics. Our research shows that 59% of employees are more likely to either join, or stay with, a business if they have a comprehensive benefits package.

Consider benefits that cover areas like:

- ⚡ Health and wellbeing
- ⚡ Work-life balance
- ⚡ Sustainability
- ⚡ The environment
- ⚡ Travel
- ⚡ Ways to save money

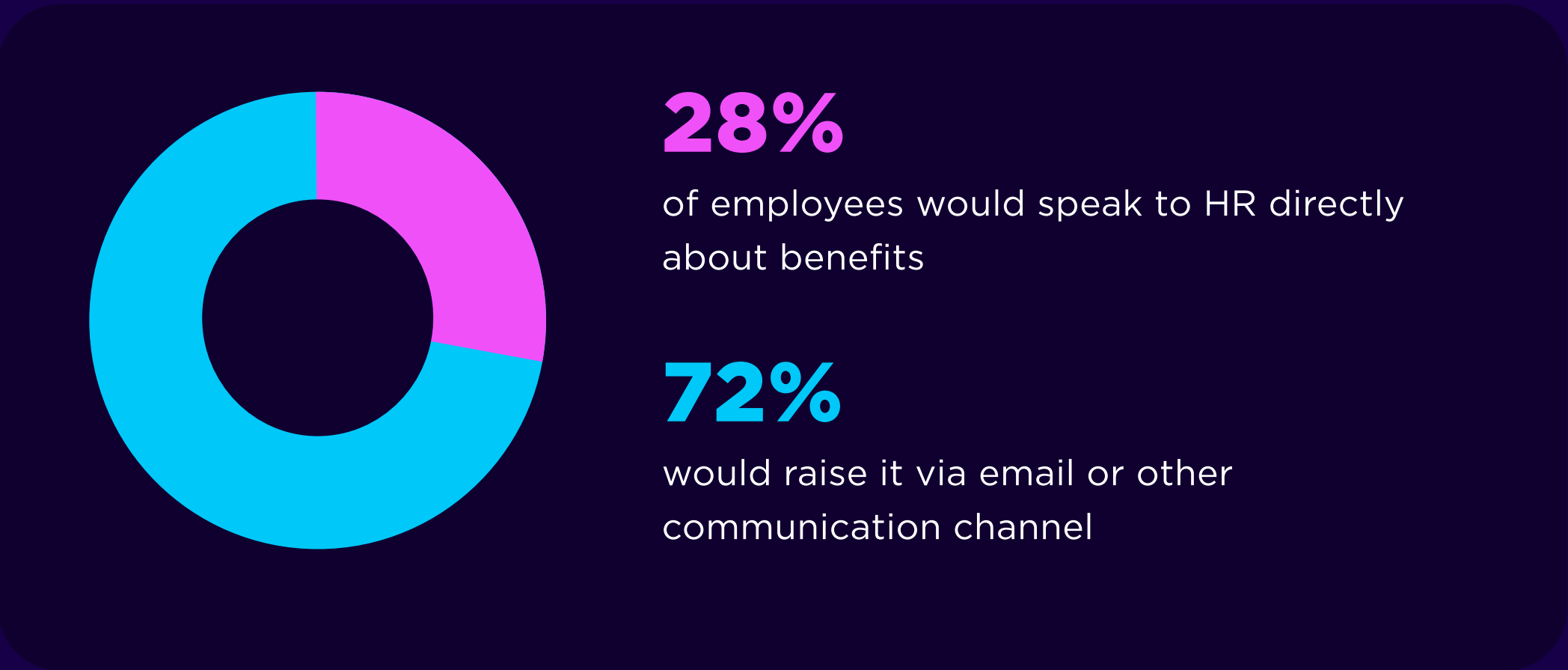
Good communication between employees and employers is essential. It helps staff feel valued, boosts morale and improves job satisfaction. Asking your team what kind of benefits they'd like to see in their package is a no-brainer.

Let's explore how to do that effectively.



Opening up channels of communication

Of the 49% of the employees who feel comfortable talking to their employer about their benefits, only 28% of employees feel comfortable enough to speak to HR directly about benefits, and the other 72% would either raise it via email, or ask via another communication channel (like Slack). Some of them (28%) would need to talk to the rest of their team first before feeling confident about putting the idea forward.



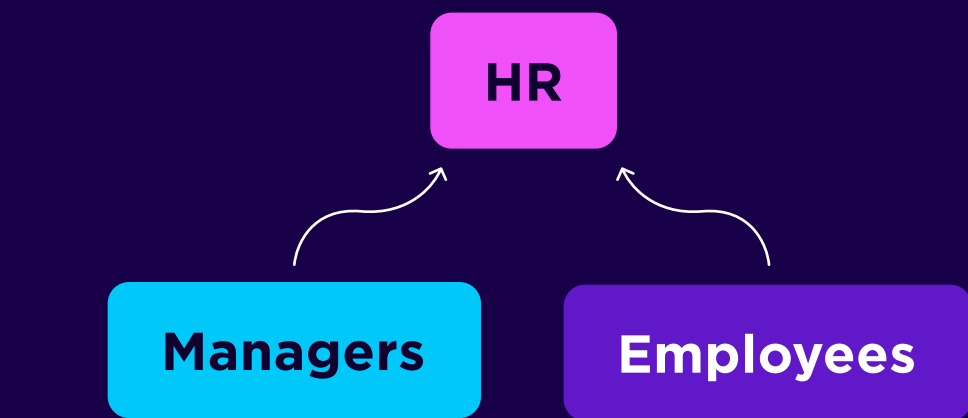
So how can you help your team share their feedback?

There are three organisational levels that you can get feedback from on for your benefits, and it's important to create the right environment for your business to bolster and improve your long term benefits strategy.

The three levels of feedback:

At each level you can take a different approach to getting the feedback you need.

- 1 Organisation level**
Everyone in the organisation feeds back to HR



- 2 Team level**
The team feed back to the managers and each other



- 3 Interpersonal level**
Within one to one meetings between employees and line managers



Feedback forums



Online surveys

The first, most obvious and easy to implement way to gather feedback at an organisational level is through online surveys. You can set these up to be automatically sent out on a regular basis through software like Typeform or SurveyMonkey. This is a great way of giving employees the option to remain anonymous and share more openly. We recommend you ask your employees for feedback on your benefits package at least twice per year.



Dedicated channels of communication

The second way you can get feedback is to create a specific communication channel, email address or forum where employees can ask questions about the benefits schemes on offer and let you know about any benefits they might like added to their package.

For example, if your company uses a messaging service like Slack or Microsoft Teams you could set up a channel specifically for employee benefits where you house all of the most relevant, up to date information about the benefits you have on offer. Linking this to a basic survey tool for Benefits Requests, and communicating with your employees frequently about how they can request benefits is another easy way to open up channels of communication with your employees.



In person feedback

At the team and interpersonal level, empower your middle managers to have open lines of communication with their team members so they feel comfortable raising their wants and needs with their direct manager during team meetings and in 1-2-1 sessions. Then, create an opportunity for the middle managers to take those conversations to HR, or to empower their team members to do this themselves directly.

Here's a really simple questionnaire you can use to get employee feedback on your benefits package at an organisational level.

- ⚡ Are you aware of all employee benefits on offer?
- ⚡ How many of the benefits on offer have you used? (multiple choice boxes to select benefits on offer)
- ⚡ On a scale of 1 - 10, how happy are you with the benefits package on offer? (1 = not very happy, 10 = very happy)
- ⚡ When was the last time you were asked for feedback about the benefits we offer?
- ⚡ How regularly would you like us to ask you for feedback on the benefits on offer?
- ⚡ What other benefits would you like to see offered as part of our package?

Find out what benefits your team are actually aware of

Your employee benefits are a tangible, unique selling point for your business, so don't take them for granted! 13% of employees we surveyed said they didn't know what benefits they had access to through their employer, and a further 21% said they never made use of the benefits available to them. Ask your employees whether they're aware of what's on offer, and whether they find the package useful, and make adjustments based on your employees needs. A tailored approach to your employee benefits based on feedback is the best approach.

13% of employees we surveyed
didn't know what benefits they had access to

21% said they
never make use of them

Clearly communicate your benefits

Top notch onboarding can increase new hire retention by a whopping [82%](#) and improve employee productivity by 70%. Employees who've had a great onboarding experience feel valued, heard, and seen as soon as they step foot through the door. On the flip side, organisations with weak onboarding are [more likely to lose their employees within the first year](#).

By having a robust and well-structured approach to onboarding new hires, you are setting the standard for what's to be expected when you work with us. Weave opportunities for feedback into your onboarding process so your new employees feel more comfortable giving both positive and constructive feedback in the early days with your organisation. Consider asking for anonymous feedback on the organisation's onboarding process after each new staff member joins so you can tweak, refine and optimise the employee experience.

**A good onboarding experience
can increase new hire retention
by 82%**

Step 2: Reviewing your benefits package

Once you’ve got the ball rolling with employee feedback on your benefits package, you’ll want to conduct a Benefits Package Gap Analysis.

This simple tool makes it easy to chart your benefits on a matrix and see where you might have some gaps within your offerings.

Here’s how to use the Benefits Package Gap Analysis matrix:

- 1 List out all your current benefits in the left hand column.
- 2 Tick which category of benefit they fall under. Is it wellness, health, discounts, transport, a green employee benefit? Some benefits might fall into more than one category.
- 3 Once you’ve added all of the benefits into the matrix, and added ticks to the relevant columns, see where there are gaps. Which categories look a bit thin on the ground? Consider which other benefits you could add into the mix to create a more robust suite of perks for your employees.

As a rule of thumb, we recommend having 3-4 benefits in each category.

Here’s an example of what a comprehensive benefits package looks like

Which benefits could you add to your list to make it more attractive and well balanced?

	Health	Wellbeing	Sustainability	Cash savings	Family	Other
Free eye test	✓					
Mental health and therapy platforms	✓	✓				
Gym membership	✓	✓		✓		
Cycle to work	✓		✓	✓		
Flexible working		✓			✓	
Paid parental leave		✓			✓	
Private healthcare		✓			✓	
Green pension scheme			✓			
EV salary sacrifice			✓	✓		
Discount vouchers				✓		
Childcare vouchers				✓	✓	
Training and development						✓
Financial coaching						✓

Step 3: Adding green benefits into your package

It's likely that one area your benefits package might be lacking in is green employee benefits, purely because they're a relatively new offering and there's much more emphasis on the environmental, social and governance (ESG) agenda these days. Green employee benefits are slightly different from mainstream benefits as they help a company and its employees do better for the planet and given the importance of ESG, they're becoming more popular.

What are green employee benefits?

The [90% of millennials and Gen Z](#) employees who care about the planet will naturally connect with companies that are as passionate and committed to environmental issues and sustainability as they are. To attract the best talent, your company needs a benefits package that ticks all the right boxes, including ones that support a more sustainable lifestyle.

90% of millennials and Gen Z employees
**naturally connect with companies
committed to sustainability**

Eco-friendly benefits feature alongside - and maybe in some cases even ahead of - a competitive salary, pension and private healthcare when they're looking for a new job.

By helping your employees build a more sustainable future, employers are also attracting and retaining the best people for their jobs as well as complying with their own environmental targets.

Green employee benefits tick many boxes:

- ✓ Incentivise staff to act in a positive way to improve the environment
- ✓ Change employees' habits, like using less plastic or reducing carbon emissions
- ✓ Help you hit your company's net-zero and corporate social responsibility targets

Awesome green benefits for your team

⚡ Electric vehicle (EV) salary sacrifice schemes:

Employers lease electric cars and allow their hard working employees [to access the cars as a benefit through 'salary sacrifice'](#); a monthly payment from their gross salary which allows them to save up to 40% on the cost of a brand-new EV.

⚡ Cycle-to-work schemes:

Employers purchase bikes and allow their employees to pay them back for the bike as a benefit in a similar way to an EV salary sacrifice scheme.

⚡ Low carbon holiday travel perks:

A scheme that encourages 'slow travel', where employers give employees extra days off to take lower carbon travel options (e.g. taking the train rather than flying) to reduce their carbon footprint.

⚡ Employee volunteering days in environmental charities:

Time is volunteered to important conservation and biodiversity work to improve green spaces and benefit the community.

⚡ Flexible working (e.g working from home, flexible hours):

Employers allow their employees to work remotely, reducing the carbon footprint associated with commuting to and from work, and reducing the power required to power the office.

⚡ Subsidising / incentivising the switch to renewable home energy:

Employers provide a financial incentive to switch their teams homes to green energy, recognising that each person's home is a 'satellite office' when working from home and how the business carbon footprint is extended across all workers, not just those in office.

⚡ Green pension schemes:

Empowering employees to invest their pensions in causes that reduce harm to the environment and actively contribute to positive change in society.



When thinking about green benefits, an obvious and easy solution is to provide environmentally friendly modes of transportation. Recent surveys show that [more than half of UK working adults](#) would be more likely to use environmentally friendly modes of transportation if their employer offered incentives to do so. This is even more prominent for 35-44 year olds (56%) and 25-34 year olds (62%). Employers are in a prime position to support this.

More than half of UK working adults
**are more likely to use environmentally
friendly modes of transport** if their employer
offered an incentive to do so

We asked employees if they'd consider making the switch to an electric vehicle for their next car; 61% said they'd consider making the move. But with most electric cars on the market being brand new, price could be a barrier to this with nearly 78% of employees citing price as a top consideration when choosing their next car.

78% of employees
cite price as a top consideration
when choosing their next car

When shown what's on offer through our EV salary sacrifice scheme (including a free home charger, free miles, insurance, servicing, maintenance, breakdown and repairs) 74% of employees said they'd want their employer to offer the scheme in their workplace.

The great news is that it's completely free for employers to join and our team can get you set up in as little as two weeks; meaning the eco-choice doesn't have to be the more expensive or difficult one.

When in doubt, a good way to decide if a benefit is a good fit for your business is to ask the following questions:

- ⚡ How does the benefit support the organisation's business and people goals?
- ⚡ How does it reward the values and behaviours needed for the team to become more sustainable?
- ⚡ How does the benefit fit into your HR and reward strategies?
- ⚡ How does this support the organisation's people management and development practices?

And most crucially:

- ⚡ Will the benefit be valued by current and future employees?
- ⚡ Have we asked for their opinions?

EV car schemes and cycle to work schemes are a perfect example of green employee benefits you can put in place that directly benefit the employees and the environment. Not to mention that they reduce your scope 3 emissions as an employer as well.

Providing an EV salary sacrifice scheme through work gives employees both the confidence and support to switch to electric, making it an affordable and real possibility for many drivers across the country. You can provide a cash saving benefit which also helps them, and you, be more sustainable - win-win!



So what can you do next?

The best thing that employers can do to harness the potential of the post-pandemic workforce is to be flexible, stay close to your employees to really listen to what they need, and find new ways of operating that challenge the old status quo

By taking a look at the trends that have emerged during the great resignation and tuning into what employees are needing from their employers for post-pandemic you'll be in a better position to attract and retain talent in a tricky labour market.

Remember, the key elements for recruiting and retaining staff remain the same no matter the economic conditions. By focusing on the following areas, you'll be able to keep attracting and retaining the best talent well into the future.

- ⚡ Financial security
- ⚡ Employee morale
- ⚡ Company culture
- ⚡ Career progression
- ⚡ High job satisfaction
- ⚡ Commitment to the organisation

When you pair these key elements with high commitment to the planet and environmental goals you can be sure to appeal to the best upcoming talent in the labour market.

We know that employee benefits are a great way to recruit new talent, engage your current team and prove that you're an employer that cares. Show them you care not just about them, but about the planet as well, and you're onto a winner.



Ready to join the **electric revolution?**

[Start your journey →](#)