



Employee engagement: Do benefits make a difference?

Mercer recently released its 2011 What's Working—Inside Employees' Minds survey on employee engagement. The survey asked more than 2,000 Canadian workers for their views on various aspects of the employment deal, including pay, benefits, careers, leadership, performance and engagement. The survey analyzes differences by workforce demographics and includes an analysis to determine what employees value most.

Some of the more interesting observations from the survey include the following:

- One in three Canadian workers is seriously considering leaving his job—as such, employers may face a loss of valued talent as the economy and job market improves.
- One in five Canadian workers is disaffected—she is committed to neither staying nor leaving the organization.
- Base pay is at the top of 13 elements that employees value, but only 58% of survey respondents believe they are paid fairly.
- Employee benefits rank in the lowest third of the most valued elements of the employment deal. In addition to base pay, factors such as retirement/savings, type of work, respect for the organization and incentive compensation are valued more than benefits.

Employee benefits may not drive employee engagement, however, approximately half of Canadian workers say benefits play a significant role in their decision to stay with their organization.

One in two Canadian workers says his benefits meet his needs, although there is a growing perception that his plan lags behind other organizations.

Most employees have only a passing appreciation for their benefits plan until they need to make a claim, and then they are grateful for the protection it provides. Conversely, a poorly designed benefits plan or the absence of coverage can become a significant source of dissatisfaction.

The opportunity for organizations is not to reduce benefits to save money (believing that benefits do not matter) but to make benefits more relevant in the employment deal.

Consider the following actions:

- Provide meaningful choice in plan design to respond to different needs, wants and expectations of employees and their families.
- Repackage benefits to appeal to different workforce demographics and broaden your benefits horizon. We tend to think of benefits in very narrow and traditional terms—there is so much more that could be considered.
- Enhance your communication efforts to boost awareness and employee satisfaction. Use technology to reach employees in new and innovative ways—create a buzz about your benefits program and its value. Without awareness and understanding, your employees won't value the program.
- Employees are increasingly more willing to spend more to get more. Enhance your benefits plan through additional employee-paid options and/or the introduction of voluntary benefits.
- Employees want to feel like they belong and that their employer cares. Health management programs are gaining traction not only because they make sense from a future cost management perspective but also because they resonate with employees across all generations. Investing in employee health demonstrates to your employees that you care.
- Create a stronger linkage between benefits and total rewards, and move toward more flexibility and employee choice across the entire rewards spectrum.

Employee benefits absolutely make a difference in employee engagement—in a supporting role. Benefits can be relevant and part of an employer's unique value proposition for employees. There are tremendous opportunities to make them more relevant and to make them work better for the employer as well. Those who are successful will have a significant edge in the war for talent.

Source: Benefits Canada

E&oe

**210-13900 Maycrest Way
Richmond BC V6V 3E2
Phone: 604.270.1142
Toll Free: 1.888.766.6390
Fax: 604.270.3662
Toll Free Fax: 1.888.636.1430
Website: www.dupuislangen.com
Email: info@dupuislangen.com**

Thank you for your referrals

Business is great but new clients are always welcome!

If you know of others who may like to receive our newsletter or who would appreciate an audit of their group benefits plan, please let us know!



Salary Increases Despite Market Turmoil

The good news? Salary budgets are increasing. The bad news? Employees won't be pocketing as much as they thought.

Employers project base salary budgets will increase by 3.1% for next year, according to Mercer's 2012 Compensation Planning Survey. This is a slight improvement over 2011's projected increases (2.9%), but well below increases planned before the global financial crisis, when 4% was the projected 2008 base salary increase.

With a projected inflation rate of 2.6% in 2012, working Canadians will not be much further ahead.

According to Mercer's recent What's Working study of employee engagement, Canadian employees cite base pay as the most valued item in their employment agreement, ahead of bonuses, flexibility, training and career opportunities.

The survey also found that employees are increasingly disengaged: one in three is seriously considering leaving his or her organization and one in five is indifferent.

The same survey found that only half of employees are satisfied with their base pay and far fewer employees reported understanding how their pay is determined (74% now compared to 82% in 2006).

The current market turmoil will likely negatively impact the salary plans made by employers. Equally, global employers leveraged in markets experiencing acute financial pressures may exert downward pressure on subsidiaries operating in Canada.

"Canadian employers are starting 2012 with an increasingly disengaged workforce who are less informed about how their compensation is determined," says Iain Morris, leader of Mercer's Human Capital business in Canada. "Add to that a healthy dose of uncertainty in the markets and we see a challenging year ahead for Canadian employers."

Source: Benefits Canada



BC Help Smokers Quit

The B.C. government has taken steps to help smokers quit. In May, the government re-directed residents to www.quitnow.ca, and announced at least \$15 million in funding for nicotine replacement therapy. Starting Sept. 30, 2011, British Columbians will have the choice of either nicotine gum or patches to help quit tobacco with a free supply for up to 12 weeks, or obtaining coverage of prescribed smoking cessation drugs through PharmaCare.

Over the coming months, the Ministry of Health will work with groups such as the B.C. Lung Association, the Heart & Stroke Foundation of BC and Yukon, the Canadian Cancer Society, BC and Yukon Division, BC Pharmacy Association, pharmaceutical manufacturers, health authorities and the BC Medical Association on the best way to implement the program, including how to distribute nicotine gum and patches.

"By reducing the number of people who smoke, not only will we prevent or delay the onset of diseases like heart attacks and cancer, but also avoid the millions of dollars cost on our health-care system," said Health Minister Michael de Jong.

Each year, more than 6,000 British Columbians die from tobacco use. The cost to the B.C. economy is approximately \$2.3 billion annually, including \$605 million for direct health-care costs.

BC Pharmacy Association CEO Marnie Mitchell said, "Many community pharmacists already offer support and advice to patients who wish to stop smoking, including smoking cessation clinics. We welcome the chance to be involved in this consultation, as community pharmacists are a trusted, accessible health-care resource."

As part of the consultation, government will look at ensuring the provision of nicotine replacement therapies and smoking cessation prescription drugs is looked at through a rural lens, making sure products are accessible to all B.C. smokers, regardless of where they live.

While B.C. has the lowest smoking rate in Canada at 14.9 per cent, there are approximately 550,000 British Columbians who smoke. An estimated 70 per cent of smokers in B.C. want to quit.

Currently, QuitNow Services offers British Columbian smokers a confidential helpline (1 877 455-2233) with information available in 130 languages and an online quit community where professional and peer support is available 24/7. As well, quitters can sign up for email quit tips and text messages, join QuitNow's Twitter and Facebook page and explore interactive quit tools and resources at: www.quitnow.ca

Source: Pharmacare