



No Turning Back: The New Workforce Landscape

*Get ready for the
year of the 'Great
Rebalance'!*





Meet your presenters:



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WELCOME TO OUR DISCUSSION!



We are *your partner* in building an engaged workforce!



Our Agenda Today



- Pulse check: Where are we and where are we going?
Hint: Think Roller Coaster
- Identifying the issues
- Employee Engagement or EX – It's EVERYTHING!
- How to FIND them and KEEP them
- How do employee benefits fit into the mix?
- Succession planning strategies



Adapting our Organizations:

**Culture is how employees'
hearts and stomachs feel about
Monday morning on Sunday night.**

- Bill Marklein





Our Current Landscape

KEY FACTS: THE PERFECT STORM

- High inflation – High compensation!
- Migration out of New England
- Quiet Quitting, Quiet Firing, Quiet Hiring and Layoffs (Recession??)
- Mental health and wellness issues are on the rise
- High baby boomer retirements
- Gen X – Smallest generation!
- New employment currency – What needs to change?

Culture, culture, culture – What's your EVP? (Employee Value Proposition!)





Inflation, Deflation & Compensation (Oh My!)

- Inflation over 8% in 2022 – Employee costs are UP
- Average comp increase in 2022 – 5.5%
- WTW survey says 96% of employers globally increased salaries in 2022 (63% in 2020)

2023 and Beyond

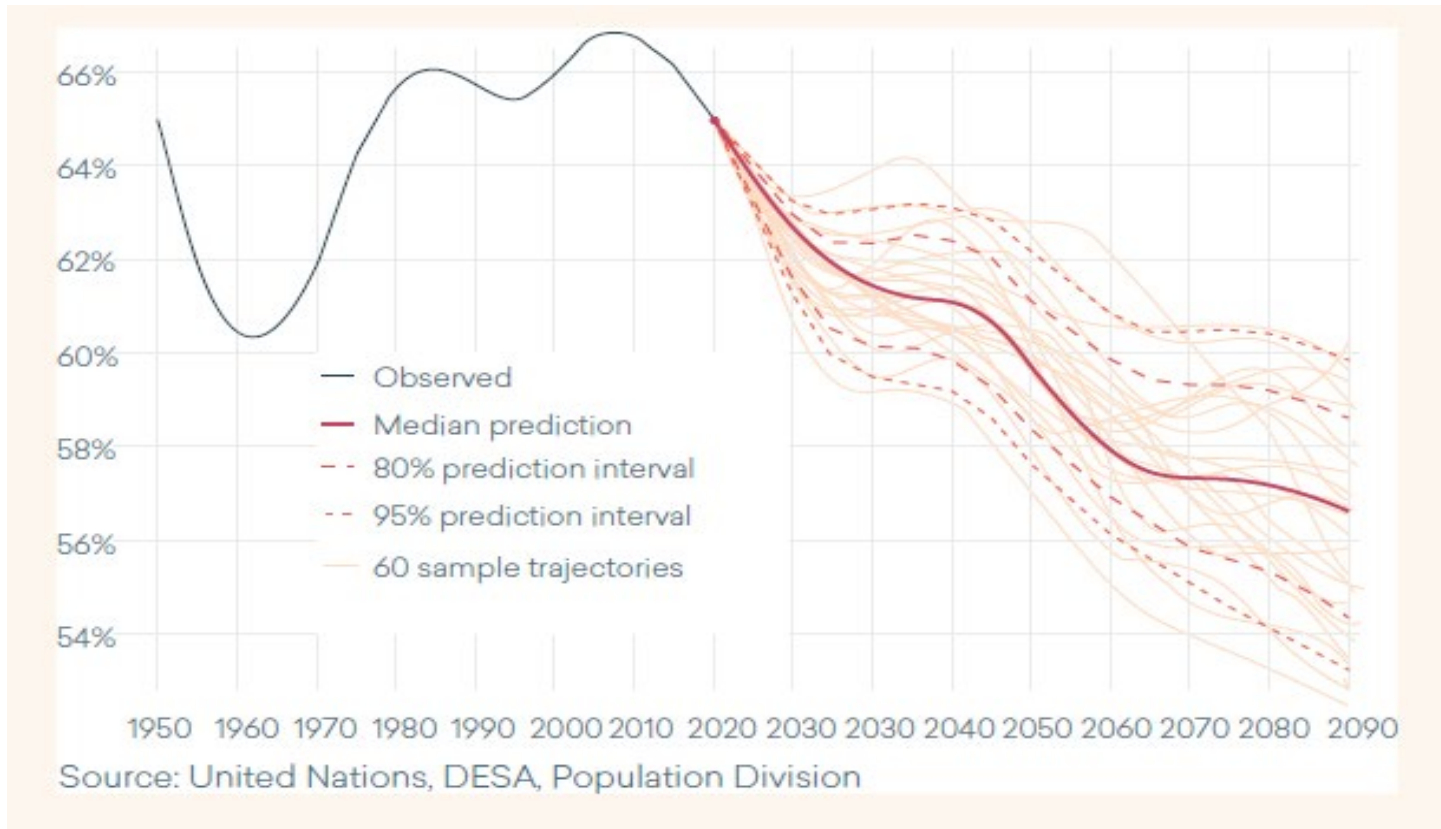
Whether it is inflation or the tight labor market driving the increase in wages, employers will have to adjust their strategies accordingly in the coming year. World at Work recommends setting merit budgets between 4-5%, with a minimum of 4%. If organizations can afford it or are in an industry with an extremely tight labor pool (hospitality, restaurants, health care attendants), a 6% budget would not be out of line, he said.

[Expect Pay Merit Increases to Continue to Rise in 2023 | WorldatWork](#)





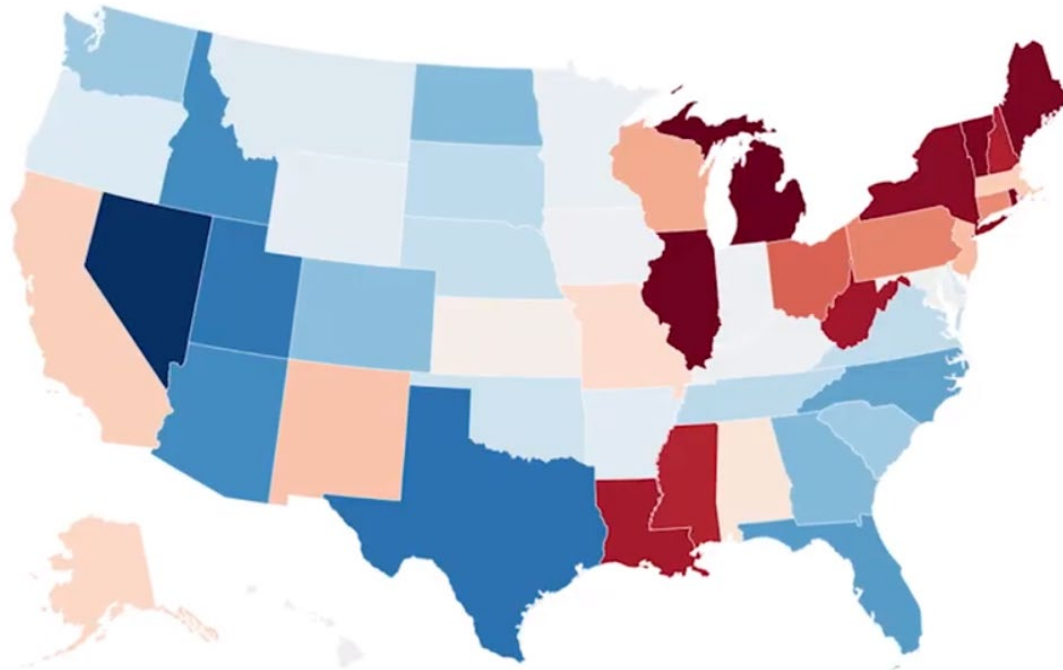
U.S.: % of population ages 15 – 64





2001-2021 – Decline of Young People (<25)

-13.75% 34.1%



Source: Emsi labor market analytics. 2021

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HERE'S THE PROBLEM...





EMPLOYEE INSOMNIA

Reasons for Quiet Quitting

- *Covering monthly expenses*
- *Saving for retirement*
- **WORKLOAD/LIFE BALANCE**
- Physical health and fitness
- **Mental/emotional health (links to managers)**
- **Personal fulfillment and purpose**
- Job security
- *Personal debt*
- Pace of life – Chaos factor
- Personal safety
- Personal relationships
- Career advancement

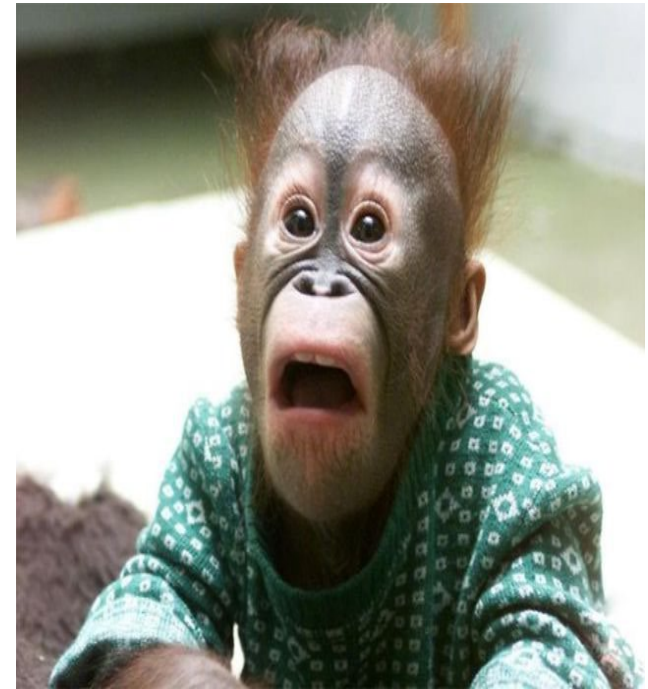




SENIOR LEADER INSOMNIA

- Profitability/Forecasting
- **LOWER PRODUCTIVITY ****
- **Market instability**
- Shareholder accountability
- Unpredictability of everything!
- Labor force challenges
- Competitive challenges
- Supply chain issues

**** YTD worker productivity has plunged by the sharpest rate on record since 1947, when they started measuring it! More hours – less productivity. Houston: We have a problem!**





THE SOLUTION? RECALIBRATE.





A few definitions...

Total Rewards

- Anything the employer offers in return for employees' membership, commitment, and contribution. The narrow definition of total rewards has been compensation, benefits, well-being, recognition and development.

Employee Value Proposition

- The promise an employer makes to its employees detailing what the employer will provide to employees when they bring their skills, experience and commitment to the workforce.

Total Employee Experience

- The worker's perceptions about his or her journey through all the touchpoints at a particular company, starting with job candidacy through to the exit from the company.



The Total Rewards Model



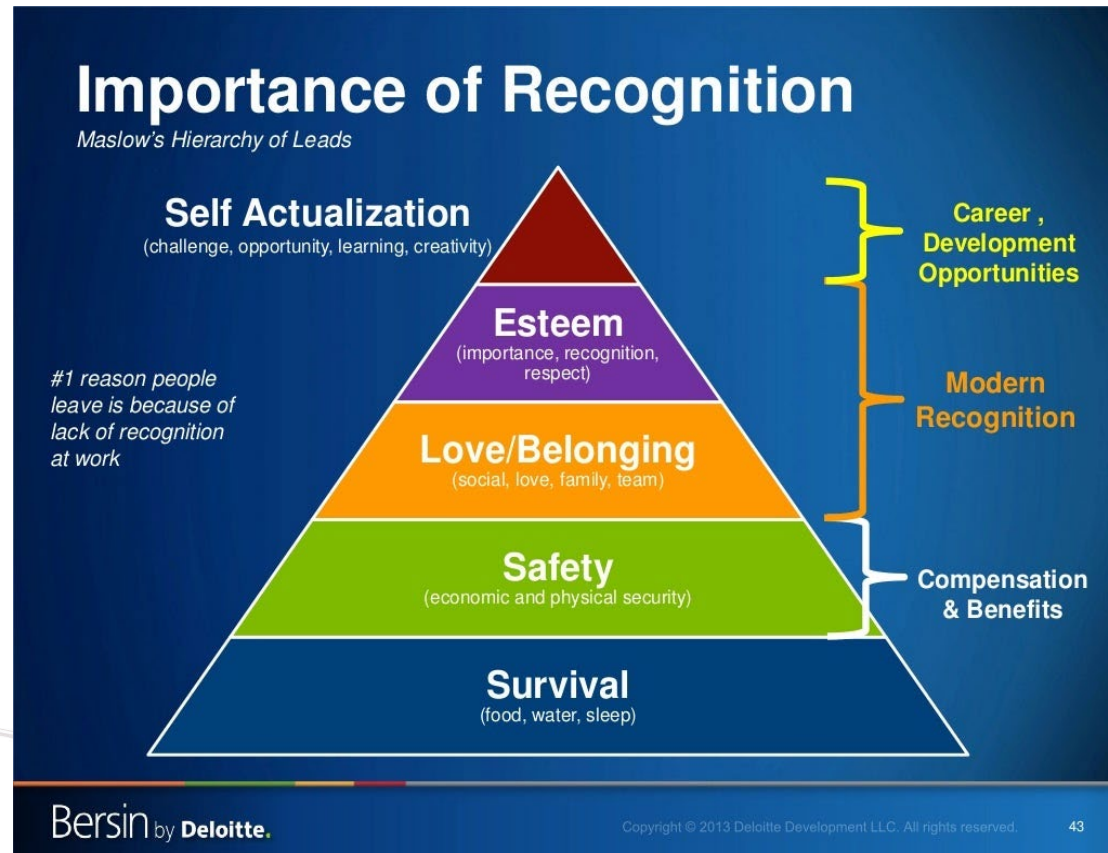


The Power of Recognition

Social recognition is the act of publicly acknowledging your people for who they are and what they do. It puts the power of gratitude to work, aligning your people and culture with a shared purpose. (Work Human)

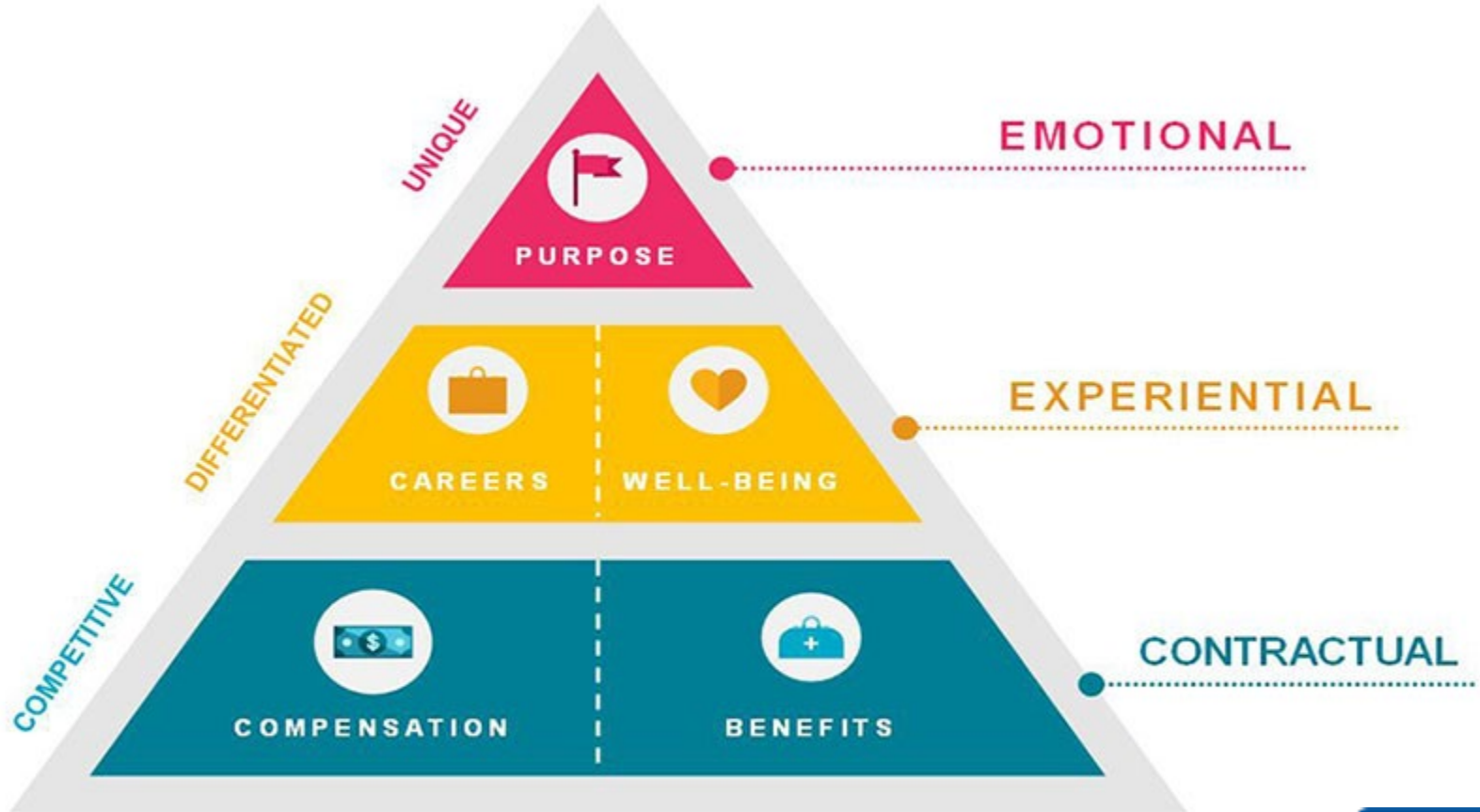
- Manager/Supervisor
- Peer to Peer**
- Top level

- Personal milestones
- Life events**
- Team recognition
- Individual recognition





Components of the Employee Value Proposition



Source: Mercer Thrive Research





IS THIS THE SOLUTION?



KPI=

~~**Key Performance Indicators**~~

The New Leadership

KPI

Keep people interested

Keep people informed

Keep people involved

Keep people inspired





**#1 PRIORITY FOR 2023:
Build Better Leaders!**

***FAILURE OF
LEADERSHIP MAKES
DISTRUST THE
DEFAULT***





Leaders Must Lead

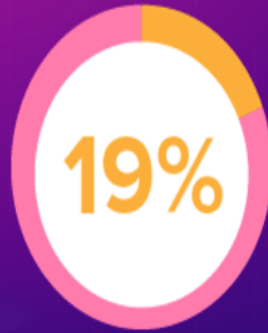
REGULAR FEEDBACK LACKING FOR MANY

Nearly one-half of the workforce receives manager feedback only a few times a year or less.

HOW OFTEN DO YOU RECEIVE FEEDBACK FROM YOUR MANAGER?



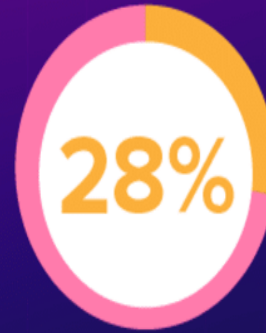
Daily



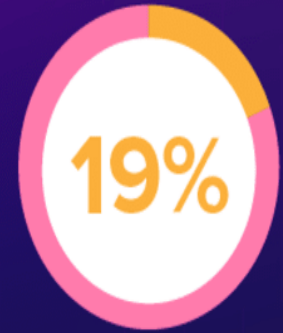
A few times
a week



A few times
a month



A few times
a year



Once a year
or less

Source: Gallup.



The Reward!

55% of workers say annual performance reviews do not improve their performance.

85% of workers who have weekly check-ins with their managers report higher levels of engagement.

ONLY 2% of workers who have weekly check-ins say they are disengaged.

Source: Workhuman.



How do you create Employee Engagement? – WIIFM

GALLUPS BIG 10:

1. Do I know what is expected of me at work?
2. Do I have the equipment to do my work?
3. Do I have the opportunity to do my best every day?
4. I regularly receive feedback from my supervisor
5. Does my supervisor seem to care about me as a person?
6. Is there someone at work that encourages my development?
7. At work, do my opinions seem to count? Am I asked?
8. Do I support the mission of the organization?
9. Are my coworkers committed to doing quality work?
10. Is the company committed to my growth?





Weathering the Storm: Quiet Quitting & Quiet Hiring

HIGH COST OF EMPLOYEE TURNOVER AND RETRAINING!

- ✓ Review your jobs and your workflows. What needs to change?
- ✓ Identify your top performers! Use stay interviews, not exit interviews
- ✓ Present realistic job descriptions – Offer job enrichment
- ✓ Revamp your performance management system – Frequency!
- ✓ ***Train yourself and your managers to be better coaches!***
- ✓ Establish strong onboarding, mentoring and training programs
- ✓ Be flexible where you can – Adapt to change
- ✓ Communicate frequently and be open and accessible. Create a culture of trust through transparency
- ✓ Coach up current staff and help them gain new skills and competencies



How do we ATTRACT New Talent to our Organizations?





Attracting New Talent!



THE GREAT 8! (Hint: It's about your BRAND!)

1. Really **GREAT job descriptions** and **recruitment ads**
(These are different!!)
2. **Remove friction** from the application process – Make it **EASY** to apply! Create a '**shorter time to hire**' mindset
3. Give them the **WIIFM!** Right away – And make it good!
4. Create an **internal referral program**. Make it good!
5. Get **SOCIAL!** And **CREATIVE!** **Brand Ambassadors!**
6. Revamp and **reset your onboarding process**
7. **ILP's** – Individual Learning Pathways
8. **Video, video, video!!**





What's YOUR Brand?

And why does it matter?

- **86% of job seekers AND employees research an organizations reviews and ratings online to decide where to apply for a job**
- **68% of millennials and 54% of Gen Xers visit an employer's social media properties specifically to identify and evaluate the employer's brand before applying for a job**
- **A strong employer brand can reduce your cost per hire by as much as 50% and a negative reputation can cost a company as much as 10% more per hire**





Power UP Your Benefits!

Is your broker your partner or a vendor?

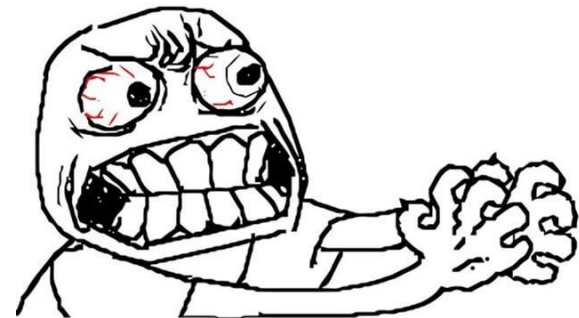
- **The Problem in Healthcare:** You don't know what you don't know
- **Understand your options:** Do you qualify for alternative financing vehicles for health, dental and voluntary benefits?
- **Reassign funds:** Use savings for unique employee "Perks"
- **Get creative!** Defined Contribution Model
- **Consider financial wellness** programs. Cambridge Credit Counseling is a great resource!
- Do you offer **mental health benefits**, like an EAP? Cost effective and so important.
- **What can you do for FREE?** Engage your current vendors and ask for MORE!





Introducing the Problem

- Lack of Transparency
- Network Discounts
- Pharmacy Rebates





Lack of Transparency


New estimate: [GO](#)
Or browse by ▼

COMPARING PHYSICIANS FOR [Back](#)

Colonoscopy With Polyp / Lesion Removal

(Procedure code: 45385) This is an exam of the large in ... [More](#) [Related Services](#)

\$ Did you know?
You can find the costs for hospitals and facilities where your surgeon performs this procedure in the Hospital and Clinics section.



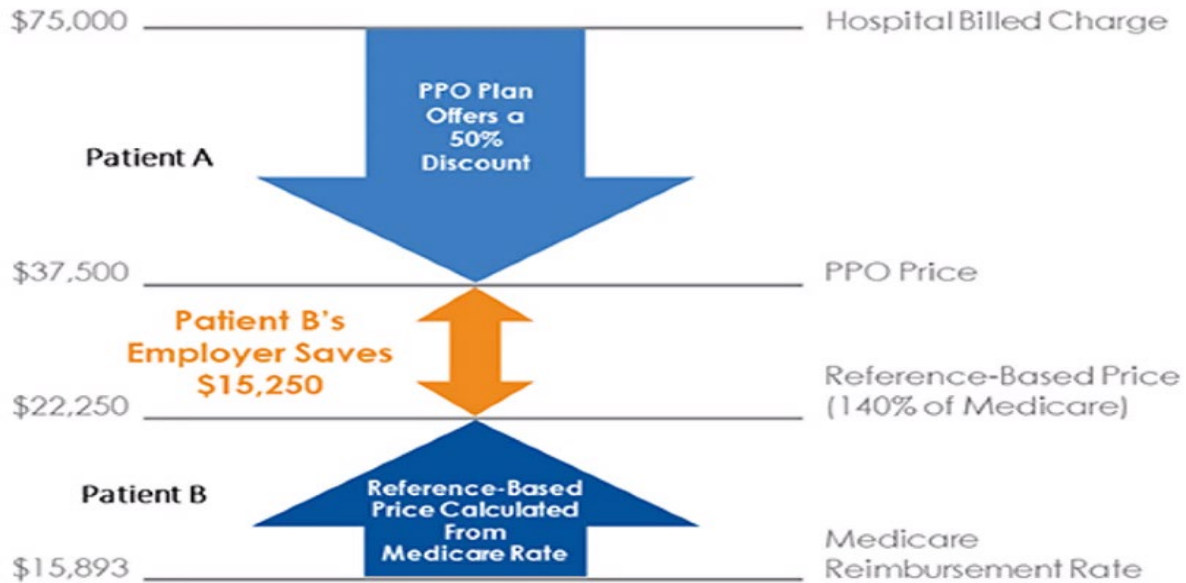
	PROVIDER A 1.3 miles - Map/Directions	PROVIDER B 1.8 miles - Map/Directions	PROVIDER C 4.5 miles - Map/Directions
Network	✓ In-network	✓ In-network	✓ In-network
Specialty	Gastroenterology	• Colon & Rectal Surgery • Surgeon	Gastroenterology
SETTING	Physician's Office	Outpatient Hospital	Outpatient Hospital
▶ YOUR SHARE (Area range \$0 - \$0)	\$0	\$0	\$0
EMPLOYER/PLAN SHARE (Area range \$2,273 - \$4,236)	\$828	\$2,187	\$4,353
▶ TOTAL COST (Area range \$2,273 - \$4,236)	\$828	\$2,187	\$4,353

Add another physician to compare
[Add a Provider](#)



Network Discounts

EXAMPLE: Knee Replacement Procedure



	Patient A: Top-Down Pricing	Patient B: Bottom-Up Pricing
Hospital Billed	\$75,000	\$75,000
Reimbursement	\$37,500	\$22,250
Patient B's health plan reimbursed \$15,250, which is 40% less than the reimbursement from Patient A's health plan.		



Pharmacy Rebates

Google

harvoni cost



People also ask :

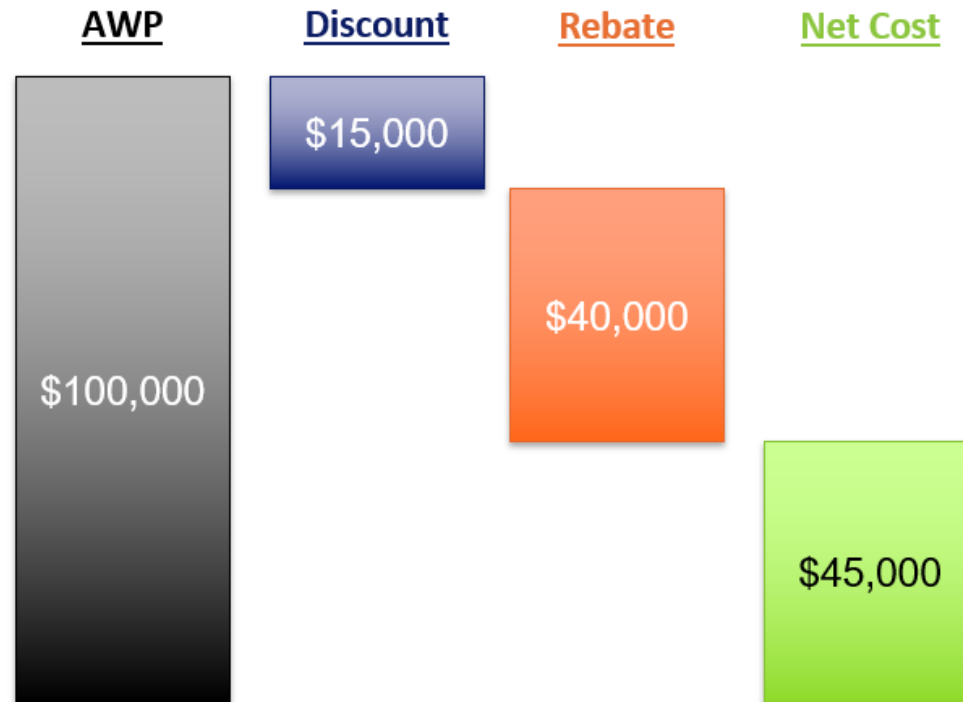
How much is a 12 week supply of Harvoni? ^

Hepatitis C drugs are pricey

Just one Sovaldi pill costs \$1,000. A full 12-week course of treatment with this drug costs \$84,000. The price of other hepatitis C drugs is also high: Harvoni costs **\$94,500 for a 12-week treatment.** Feb 5, 2019



Pharmacy Rebates



- Cost As Seen On Reports: $\$100,000 - \$15,000 = \$85,000$
- Actual Cost Net of rebates: $\$85,000 - \$40,000 = \mathbf{\$45,000}$



Fixing the Problem

Get Control of the components

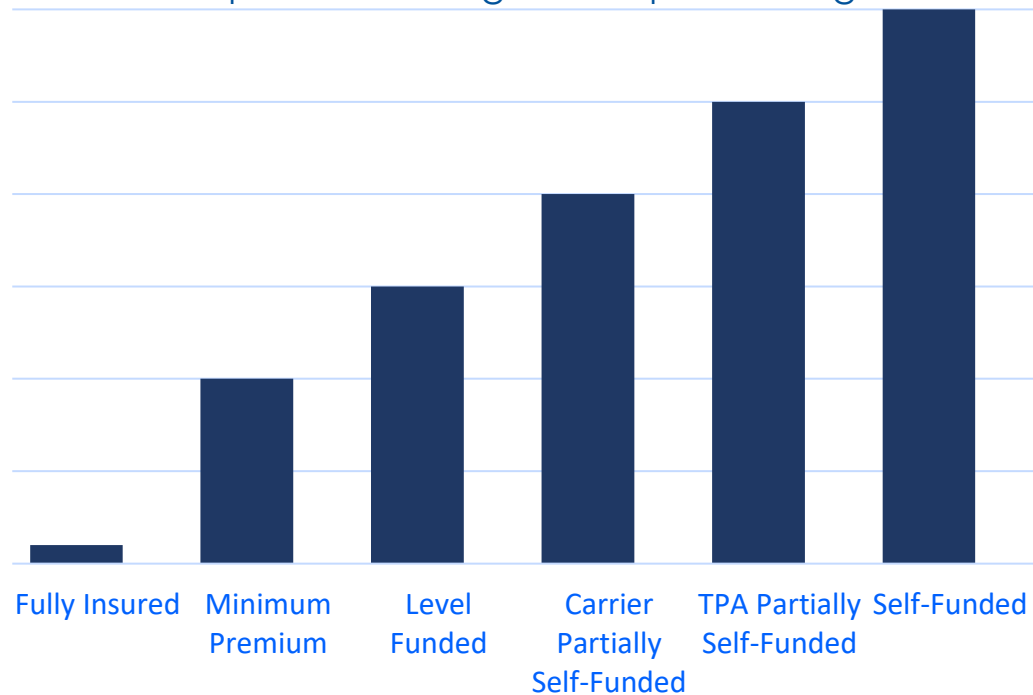
- Alternative funding options
- Take it slow





The Spectrum of Funding Alternatives

As employers move to the right, they assume more risk but also the potential for significant plan savings



Risk/Reward Plan Flexibility & Savings

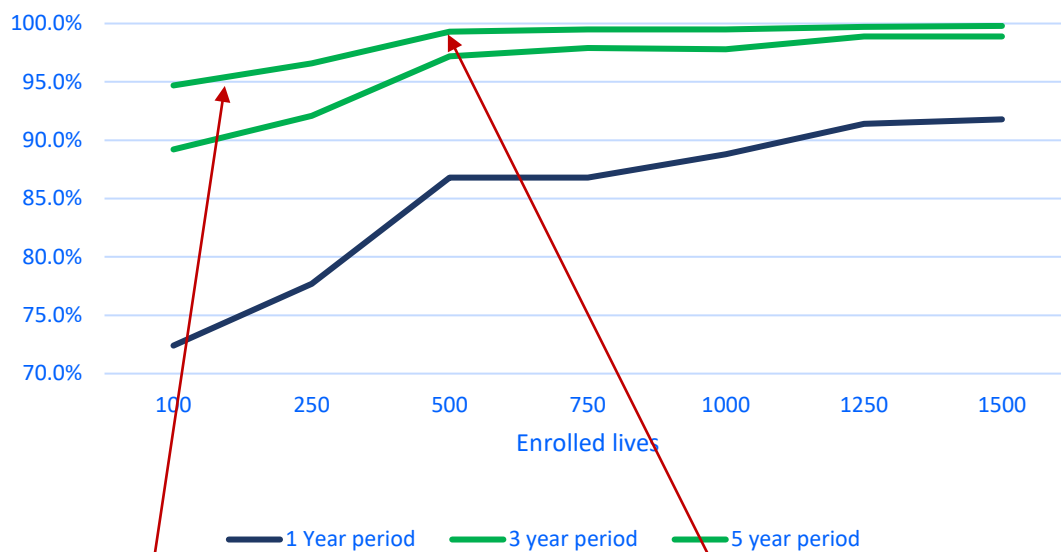




Understanding Probability & Risk

Given inherent tax and fee advantages of alternative funding arrangements, long-term savings are highly likely.

Likelihood of Self-Funding Costing Less than Fully Insured *



Over a 5-year period, there is a 94.7% chance of a 100-life group saving money by self-funding

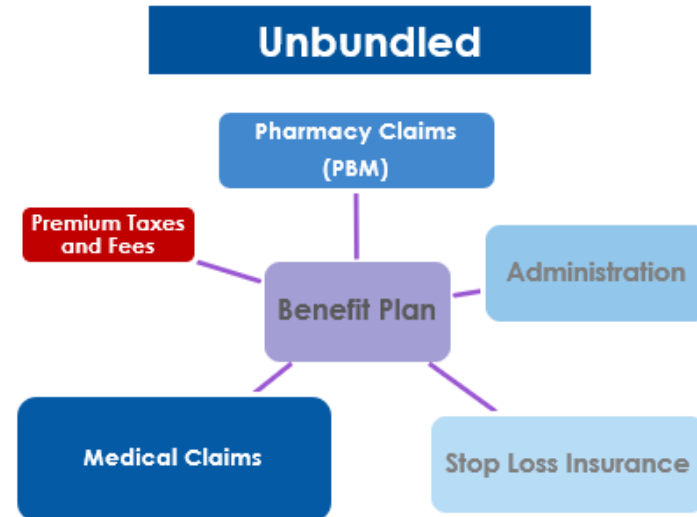
Over a 5-year period, there is a 99.3% chance of a 500-life group saving money by self-funding



Bundled vs. Unbundled



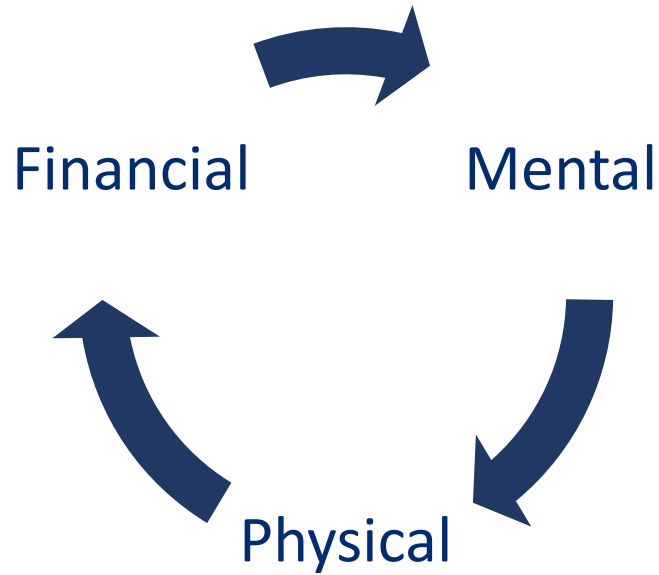
- One carrier for all plan components
- Easier administration for employer as all components are from one company
- Lack of transparency increases costs



- Independent purchase of plan components allows employer to choose based on price and quality
- Save 10% to 15% per component or 4% to 8% total plan savings
- Greater flexibility for employer to build a plan that will drive down claims costs



Topics & Trends in Employee Benefits





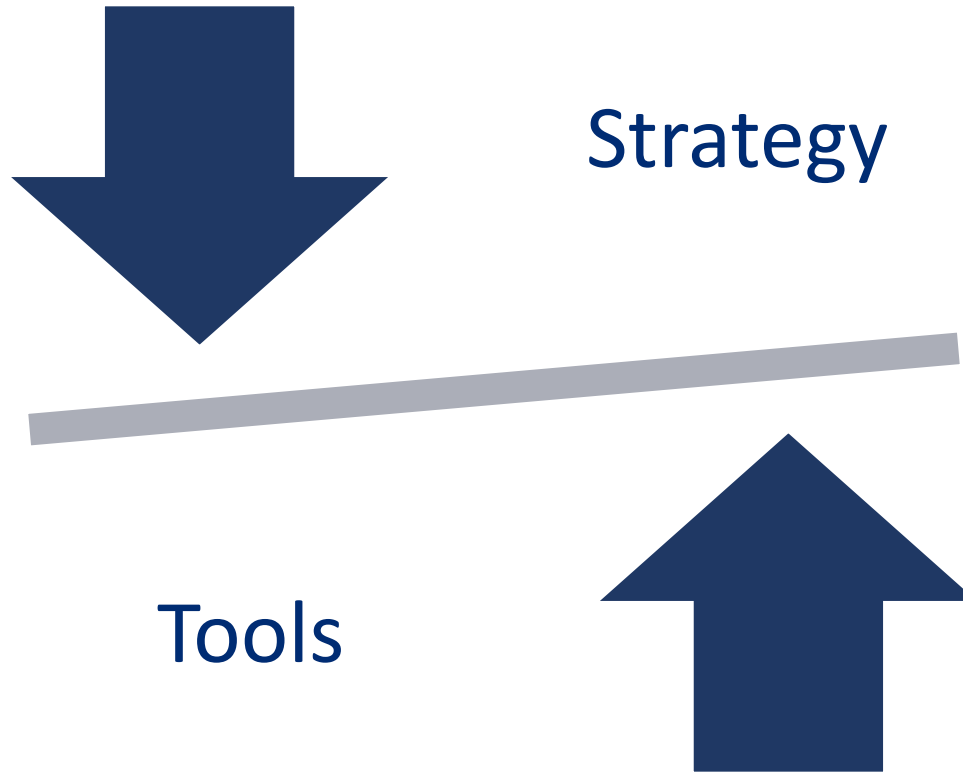
Cafeteria Style “Defined Contribution”

- Employer Assigns Benefit Bank
 - Employees select benefits they want
 - Medical
 - Dental
 - Student Loan Repayment
 - Life Insurance
 - Accident Insurance
 - Retirement Contribution
 - Pet Insurance
 - Additional PTO Days
 - Bank Reduces





Physical Wellness





Why Medical Management is Important

Breast cancer costs and survival rates by diagnosis stage			
CANCER STAGE	COSTS 12 MONTHS AFTER DIAGNOSIS	COSTS 24 MONTHS AFTER DIAGNOSIS	ESTIMATED 5-YEAR SURVIVAL RATE
Stage 0	\$60,637	\$71,909	~100%
Stage 1	\$82,121	\$97,066	~ 100%
Stage 2	\$82,121	\$97,066	~ 93%
Stage 3	\$129,387	\$159,442	~ 72%
Stage 4	\$134,682	\$182,655	~ 22%



Preventive Care

- Early detection significantly reduces costs and increases survival outcomes

- 70% of the US population does **not** have an active primary care relationship
- Promoting primary care physician relationships facilitates lower cost interactions within the healthcare system and encourages proactive healthcare management
- Physician engagement helps to promote early detection of potential catastrophic claims
- Design of financial incentives for members to engage with their primary care physician

Impact and Benefits:

- Estimated cost avoidance can range from **3-5%** of annual premium and significantly reduce long-term trend
- Mitigate emergency room visits and inpatient days
- Early detection and avoidance of catastrophic claims

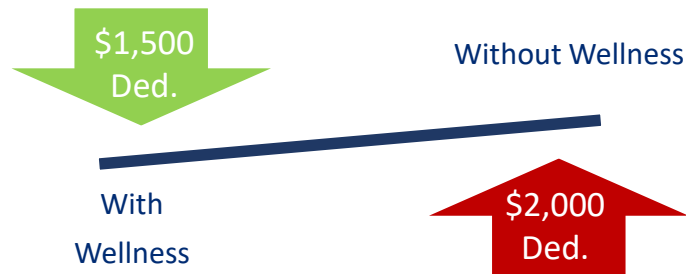


Wellness Incentive – Funding Example

INCENTIVE	CURRENT PLAN BENEFIT	EMPLOYEE PAYS
WITH Wellness Participation	\$1,500 Deductible	\$1,500 Deductible
WITHOUT Wellness Participation	\$1,500 Deductible	\$2,000 Deductible



The Difference Card





Mental Health

- Meditation and Mindfulness- give employees time
- Family Forming
- Behavioral Health Telemedicine
- Direct Primary Care



Financial Health

- Individual Financial Planning
- Debt Consolidation- Cambridge Credit Counseling
- Group coaching sessions
- Onsite trainings
- Lifestyle Spending Accounts

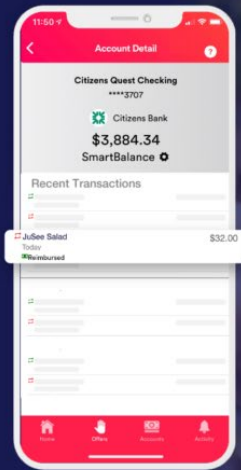


Rewards!

➤ Wallit: Lifestyle Spending Account, Rewards Funding, Expense Reimbursement

The **self-directed** digital wallet

- 1 Any Card
- 2 Everywhere Access
- 3 Real-time payments



A cloud-based enterprise platform to put **benefits, rewards and expenses** on auto

- ✓ Lifestyle spending account
 - Wellness benefits
 - Rewards & recognition
 - Expense reimbursements
- ✓ Smart limit & spend controls
- ✓ Tax compliance
- ✓ Best-in-class integrations
- ✓ Personal financial management
- ✓ Merchant cash back and discounts
- ✓ Real-time reporting & data insights





Succession Planning



- **Employees are on continuous job search; 83% use smartphones to search for jobs must have mobile friendly web site.**
- **Average increase when moving between jobs = 9% Pays to leave!**
- **A lack of career growth opportunities is one of the top reason employees leave their job***
- **91% of millennials expect to stay in a job for fewer than 3 years**
- *Closing skills gap will be essential! Transfer of intellectual property and institutional knowledge from one generation to the next is required.*





What is it exactly?



- ✓ Implementing a talent management strategy
- ✓ The proactive identification of replacement needs helps to identify training and development needs.
- ✓ A process for identifying and fostering the development of high-potential employees or other job candidates who over time may move into new, different, higher level and leadership positions
- ✓ Process for preparing employees to fill internal vacancies
- ✓ Succession planning is NOT just for executive positions

Organizations should be actively developing replacements for anyone whose sudden departure could disrupt the efficiency or effectiveness of the business



Steps for Succession Planning

1. Environmental Scan (Internal and external)
2. Identify departmental strategies/objectives
3. Complete organizational analysis
4. Complete workforce analysis (turnover?)
5. Determine scope and objectives.
6. *Determine needed experience, **competencies** and knowledge*
7. Assess and identify development needs
8. Create development plans for existing staff
9. Execute, monitor, track, adjust, and provide feedback



Example: Workforce Analysis

- **Identify role succession priorities. What are the key things we need this person to do. What competencies should they have?**
- **How soon might the role be vacant?**
- **What would the organizational impact be should a vacancy occur? Who would fill the gaps?**
- **What skills are required for the position and how long is the development process?**
- **Do you have potential internal candidates ready to assume the role? (If not, WHY NOT?)**
- **How challenging would it be to hire from the outside?**



Lot's of Info... What do I do first?



1. **Take a deep breath!** This is a marathon, not a sprint!
2. **Start with the 5-point Total Rewards Star: Compensation, Benefits, Wellbeing, Recognition and Development.** Walk through these one at a time – Do some benchmarking and create a list of things that you would like to improve upon or innovate for your organization.
3. **Build up engagement and buy in from your senior leadership team.** Talk with them – in their language – about why these initiatives and changes are good for the organization. *Remember: Speak their language!*
4. **Consider an employee engagement survey.** If you find yourself wondering about what your employees are thinking, it's always better to ASK THEM over guessing!
5. **This is not all on HR's shoulders!** Build an internal innovation team comprised of HR, Finance, Operations and a few of your Brand Ambassadors.
6. **Be transparent – Over Communicate!** As you begin this work, share it with your employees. They will appreciate the steps being taken to improve the culture and employee experience.
7. **Tie everything back to your Mission, Vision and Values.** Do those need a refresh? If so, start there!



The End Game!

The Irresistible Organization: A Complete Employee Experience

 Meaningful Work	 Hands-On Management	 Productive Environment	 Growth Opportunity	 Trust in Leadership	 Health & Wellbeing
Autonomy	Clear goal setting	Flexible work environment	Facilitated talent mobility	Mission and purpose	Safety and Security
Selection to fit	Coaching and feedback	Recognition rich culture	Career growth in many paths	Investment in people, trust	Fitness and Health
Small teams	Leadership development	Open flexible work spaces	Self and formal development	Transparency & communication	Financial wellbeing
Time for slack	Modern performance management	Inclusive, diverse culture	High impact learning culture	Inspiration	Psychological wellness and support

derived from Simply Irresistible, © Deloitte Consulting LLP



Back to the Beginning...

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hearts and stomachs feel about
Monday morning on Sunday night.**

- Bill Marklein



Shameless Plug:

**LEADERSHIP
SUMMIT**

March 29, 2023
Springfield, MA

Employers
Association
of the
NorthEast

**NAVIGATING
THE NEW
WORKFORCE**



THANK YOU!

The Employers Association of the NorthEast supports over 1070 member organizations across New England! We help members with their PEOPLE PROCESS, creating more successful and profitable outcomes for our member organizations!

At USI we work to Understand the specific needs of our clients, to provide an unparalleled local Service experience, and to Innovate with cutting edge solutions so our clients can continue to invest and grow.