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## HR Benefit Strategies for Evolving Employee Needs

Is Your Organization Prepared to Lose Your Burned-Out Employees?

## Introduction

While we may be starting to see the worst of COVID-19 in the rearview mirror, employers are currently trying to manage a workforce that is still reeling from the after-effects of a pandemic that forced unprecedented change upon it.

More than 4.3 million Americans quit their jobs in August 2021, breaking records, according to the U.S. Bureau of Labor Statistics, a situation being referred to as “The Great Resignation.” This marks the highest resignation level since the agency began tracking such data and the sixth consecutive month of exorbitantly high quit rates.

These numbers don't seem to make sense, particularly at a time when schools have re-opened, the vaccine is widely available, businesses are expanding and the economy is resurging. But the main problem, experts say, is that American workers are simply burned out.

In addition to burnout, there are several other reasons for this mass exodus of employees, including a toxic workplace culture, being asked to complete work faster, being micromanaged, and lack of control in the workplace, according to a recent survey. These factors have all contributed to elevated stress levels that can result in lower productivity, health issues, substance misuse and heightened anxiety and depression. Alternatively, the impact of burnout on employers can be seen in lower commitment, higher absenteeism and of course, higher turnover.

Meanwhile, 7.7 million people remain unemployed and don't seem eager to jump at the roughly 10.4 million available job openings. Perhaps it's the result of burnout and a change in what workers now value, but people seem emboldened by today's labor market, leaving employers at a loss to fill empty positions. As one sociologist put it, “Employers can't expect employees to just pretend like we didn't just



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**For employers, this disruption in the workplace has given rise to a new set of challenges to be cognizant of and address. Among them:**

- **Changes in benefits usage** – While COVID-19 didn't cause a mental health crisis, it exacerbated it, forcing many employers to confront the problem. And, while mental health issues like depression and anxiety increased during the pandemic, they existed long before it began. Findings from a Headspace for Work survey noted that employees' use of mental health solutions rose from 2020 levels with an increase of 14 percent.

The same can be said of substance use disorders, which have a strong correlation with depression and anxiety. A 2021 study by the New York University School of Global Public Health of people who drank found that 29 percent increased their drinking during the pandemic. Those experiencing depression were 64 percent more likely to do so, and people with anxiety were 41 percent more likely.

- **Increased expectations from employees** – Forrester reported that employees are expecting their employers to improve their benefits programs to meet employees' changing needs, yet navigating the increased pressure for expanding employee benefits is a challenge for 93 percent of all employers. The research also revealed that, in addition to new usage plans, 91 percent of companies face the challenge of navigating employee burnout.

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- **Gaps in benefits technology** – Forrester also found that, even though 95 percent of companies say they are satisfied with their benefits technology, only 22 percent agree that they get what they need from their reports. This indicates that either technology fails to provide needed reporting, or users don't know how to access the reports. This is an issue because Human Resources (HR) teams need tools and reports that can help inform benefits decisions instead of being an obstacle to them. Employers and employees both feel their satisfaction would improve if benefits technology was upgraded.

On the positive side, the pandemic has presented employers with unique opportunities for reevaluating their benefits offerings and overall culture and to make necessary changes they may not have made otherwise, according to the International Foundation of Employee Benefit Plans (IFEBC). It has accelerated trends already in process, brought new ideas and priorities to the forefront, and given organizations an opportunity to assess what works best for their workplace.

For example, during the pandemic, 23 percent of employers added virtual mental health therapy sessions to their employee benefits roster and nine percent



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are considering doing so. Of those that added virtual counseling, almost all have either made it permanent (71 percent) or are considering doing so (26 percent).

To ensure their resiliency, businesses must protect and support the evolving needs of their employees, their most important asset. Employers also must focus on attracting and retaining top talent to remain competitive and thrive in the marketplace.

As employee benefits continue to serve as a critical tool for recruitment and retention, it is imperative for companies to reassess their benefit offerings and take action on decisions that best support their workforce. Not only is it the right thing to do; it comes with measurable ROI.

## An Evolving Benefits Landscape

Without a doubt, the events that transpired since March 2020 have dramatically impacted the benefits landscape. Not only have they significantly shifted how employers view and design their benefits; it also has changed the way they communicate their offerings and respond to workers' needs.

Prior to the pandemic, benefit offerings focused on traditional healthcare and retirement benefits. This approach was altered somewhat as employers sought to appeal to certain demographics, such as attracting more women with fertility benefits.

But benefit offerings did not always reflect employees' needs. For example, even though burnout, anxiety and depression were becoming significant workplace

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concerns, mental health benefits continued to lag behind physical health offerings. And, rather than invest in more comprehensive benefit strategies that could better address these issues, employers primarily relied on more standard health insurance benefits to cover employee mental health claims. Unfortunately, this approach proved unproductive, resulting in a shortage of providers, high costs, and a lack of alternatives that left employees feeling stigmatized and unsupported. In turn, this led to significant negative impacts on employee engagement and medical spend.

Underscoring the need for change to employer benefits strategies is a [study](#) from Prudential Group Insurance, which found that:

- Most workers today (77 percent) now consider benefits programs a crucial part of their compensation, up from 67 percent last year.
- A higher percentage of workers consider benefits programs a key reason to remain with their employer. And, many respondents revealed that it would be worth taking a chance on a new job if it offered better benefits.

## Workplace Culture Is Shifting

**The pandemic has reshaped benefits in ways that will most likely extend far beyond its end, in areas such as:**

### **Evolving employee needs and expectations –**

Overall, employees have been more likely to turn to their employers for assistance. In addition, the problem of drug and alcohol misuse – which has continued to escalate from already soaring



pre-pandemic levels – has been brought to the forefront. During the early months of the pandemic, drug and alcohol use increased sharply. Then, in late April/early May 2021, a survey by Lifeworks and the Hazelden Betty Ford Foundation of people employed or recently employed revealed that:

- About 31 percent of respondents who use alcohol reported drinking more since the pandemic started.
- Of those who use drugs, around 29 percent said they had been using more.

Although some workers who used drugs and alcohol over the past year and a half stopped using when they returned to work, many others have developed persistent increases in their substance use, leading to impaired functioning in various areas of their personal and professional lives.

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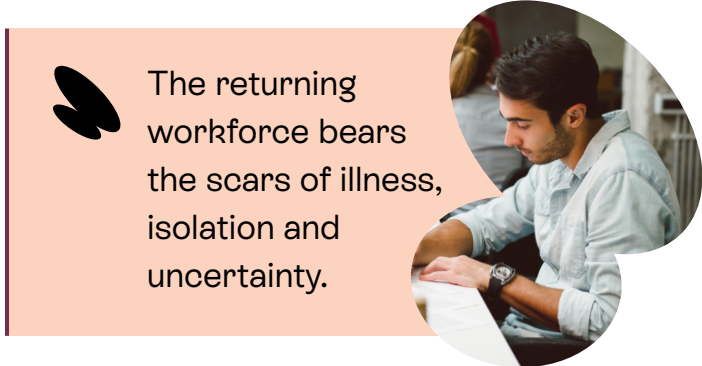
Employees are paying more attention to their benefits and relying on them more, as well. Research from [The Hartford](#) found that, even with a greater employee focus on benefits, there is a perception among them that the value of their benefits has dropped, along with a decline in trust that their company is making the best benefits decisions. This attitude is pressuring employers to offer more robust benefits packages that better meet the needs of employees and prevent them from leaving their jobs to seek improvements elsewhere.

The pandemic also has shifted workers' priorities at an unprecedented rate. For example, 52 percent of respondents to a poll on [LinkedIn](#) indicated they would change jobs to gain more flexible working arrangements.

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**Increased mental health support** – The returning workforce bears the scars of illness, isolation and uncertainty. As a result, many more employees are now suffering from mental health issues like anxiety and depression. In turn, these issues have contributed to burnout and Post-Traumatic Stress Disorder (PTSD). The latest mental health index by the [National Alliance of Healthcare Purchaser Coalitions](#) revealed that:

- The risk of PTSD has increased month-over-month and is [53 percent](#) higher than pre-pandemic levels.
- Nearly [one-fifth](#) of employees are at risk of developing PTSD.
- Employees with PTSD have higher rates of other mental health issues and lose their ability to focus on cognitive tasks.
- Sustained focus dropped [53 percent](#) among employees compared to pre-pandemic levels.



In a recent survey, [41 percent](#) of employer respondents plan to expand mental health benefits this year, and [59 percent](#) cite improved mental health as one of the primary outcomes of caregiving benefits. This number increases to [68 percent](#) for companies with more than 3,000 employees.

Employers are trying to mitigate mental health issues that impact their employees, including burnout, which rose substantially even before the onset of COVID-19. While expanding benefits alone cannot eradicate burnout, it may serve as a bridge to work-culture changes that are badly needed by employees.

**More care from employers with a new perspective on work-life balance** – The pandemic has elucidated the interconnectedness of work and life. For years, workers – primarily working mothers – were faced with the untenable choice between their children or their paycheck. But, as one [CEO commented](#), work-life balance has never been a realistic concept or something that is truly attainable because work and life are interconnected and one affects the other. “They are not independent entities struggling for 50/50 equilibrium.”

What previously was a culture focused on achievement is evolving into one focused on fulfillment. A “Future of Benefits” [report](#) revealed that employers are now forced to act on the realization that care benefits (such as child care and elder care) are essential to employees’ productivity and success at work.

[Fifty-seven percent](#) said their organizations are assigning a higher priority to care benefits to support their employees in work and life, and [63 percent](#) plan to increase their company’s existing child care benefits. In addition to child care, this includes flexibility around when and where work gets done, as well as other benefits such as mental health support.

In the aftermath of the pandemic’s worst days, a new workplace culture has surfaced, one that has evolved from a focus on achievement to a focus on fulfillment. To meet employees’ needs in this culture, employers would be wise to take a big-picture approach to supporting workers and embrace multiple benefits and strategies.

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## Strategies to meet the needs of a “new” workforce

In order for employers to assuage the effects of The Great Resignation, they must rethink the way they operate to better serve employees and help them feel heard and secure.

The pandemic has exposed problem areas that can arise without a comprehensive benefits strategy, including the need for improved benefits, processes and technology. Now, employers must make permanent improvements to their benefits programs, education efforts and technology stack to meet the evolving needs of their workforce.

### Where To Start?

Forrester found that employees struggle with preventing burnout (87 percent), remaining engaged (84 percent) and getting support for mental health issues (79 percent), which underlies the necessity to expand benefits offerings that address these areas.

The study also found that with shifting employee priorities and usage of benefits, a streamlined benefits administration solution would solve critical education relationship benefits and employee experience challenges. For example:

- Benefits are directly tied to employee experience. A streamlined tool could solve critical challenges that hinder an improved experience.

- Also, employees need more education and training around what benefits are available to them, as well as more empathetic and effective communications from employers.

By offering benefits that help workers feel seen, heard and appreciated, employers can better control rapidly increasing turnover rates. Beyond the standard offerings of 401(k)s, health coverage and life insurance, expanded benefits offerings and actions might include the following:

**Work flexibility, especially for workers with child- or elder-care responsibilities** – The future of work is flexible. According to one survey, 76 percent of workers say they'd be willing to stay with their current employer if they could work flexible hours. In another survey, a majority of respondents (39 percent) indicated that flexible hours was the one employer-provided benefit that would do the most to alleviate burnout.

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of workers say they'd be willing to stay with their current employer if they could work flexible hours.

Making work flexibility a benefit will most likely necessitate a two-pronged approach that includes:

- Convincing leaders to buy into the idea and,
- Engaging employees in helping create solutions that will work and strengthen the business.

The upside to engaging employees in this process is that, not only are business leaders not drafting plans in a bubble, but employees and employers are together, designing plans that keep executives satisfied while also making employees feel included, empowered and cared for.

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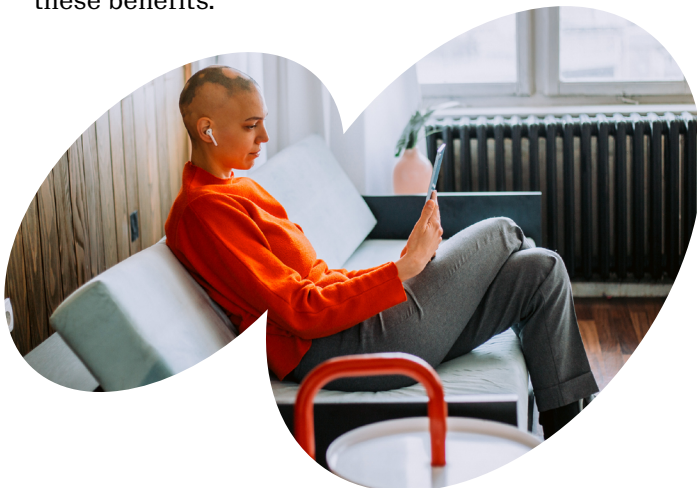
A component of work flexibility includes hybrid work models, which have proliferated during 2021 and are likely to become the norm. While some employees plan to work remotely exclusively, fewer are prepared to relinquish the office entirely.

Flexible work is not a new phenomenon, but the trend toward increased flexibility and remote working has, in the past, largely been driven by employees who are caregivers. But the fact is, many Fortune 500 CEOs have found that working from home actually works. And, while forecasts differ, it's clear the number of remote workers will increase, whether through individual choice or a change in company policy or strategy.

From a benefits perspective, increased flexibility and a greater focus on work/life balance also means:

- Providing reimbursement for a better work-from-home set-up and,
- Providing virtual health offerings that include programs such as online fitness classes, online mindfulness exercises, virtual gym memberships and access to online medical services, including telehealth engagements.

While relatively few companies offered telehealth benefits pre-pandemic, substantial enrollment rates have strengthened the demand and preference for these benefits.




## **An investment in mental health benefits to support employees holistically –**

One of the pandemic's silver linings has been an increased focus on emotional and mental well-being. Benefits that support employees' mental health and substance use issues can be administered through Employee Assistance Programs (EAPs), including counseling, therapy and addiction support services.

While EAPs have provided beneficial resources for employees, utilization rates still average only about 6.5 percent. These rates can improve by:

- Teaching your employees how to access and use your EAP and encouraging managers to promote its services to their teams.
- Initiating healthy conversations between employees and managers, can help workers feel supported and promote positive changes in the workplace.

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Virtual health options also can support workers with:

- Access to online wellness programs
- Interactive sessions with health and wellness experts, including addiction specialists
- Co-pay waivers for telehealth consultations to provide employees with unrestricted access to treatment and other health services.

## **Supporting workers with substance use disorders –**

While drug and alcohol addiction reached nearly epidemic proportions prior to COVID-19, the pandemic may have worsened work issues related to substance use.

Nearly half of all workers surveyed reported dealing with a substance use issue. Of those, the number reporting lower productivity or missed work nearly doubled since 2019. And, one-third of those reporting addiction issues said it affected their work since the pandemic began. In addition, nearly half of the employees surveyed reported problematic use of alcohol, drugs and prescription medications.

These alarming rates of alcohol and other substance misuse among workers span a variety of industries and generations. Research can provide a path for employers to initiate conversations with employees about these issues in addition to empowering workers to seek the help and support they need. And, while employer benefits are one avenue to care post-pandemic, organizations are starting to reexamine their offerings in this area to ensure better value to their employees.



By employing technology, employers can offer to their workers substance misuse and prevention treatment.

For example, working through employers, digital addiction programs can provide tailored, comprehensive medication-assisted treatment programs for multiple addictions that are 100 percent virtual. By employing technology, employers can offer to their workers substance misuse and prevention treatment that is cost-effective and delivers the same results as science-based programs delivered by highly-trained clinicians.



**Professional development, career growth and skill attainment.** These areas also should be part of employers' benefit offerings to ALL employees, whether in-office or remote. Before the pandemic, activities such as coordinating with your team, socializing, networking

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and career progression all happened naturally around the office. Now, employees must expend extra effort and hours to make them happen.

**In addition to benefit offerings, employers need to:**

**Enhance/upgrade technology** – Technology can play an important role in providing increased access to care for those who are not insured, may live in rural areas or may be stigmatized and don't want to visit a designated mental health professional. By creating virtual visits, remote platforms and various innovative ways in which people can seek help, existing barriers to care can be reduced or eliminated.

**Reinforce benefits communication and education** – Although it is vital for employers to communicate to and educate their employees on the benefits they provide, this does not always happen.

While 2020 heightened employee awareness of and appreciation for employer-provided benefits programs, a lack of communication concerning these programs prevented 34 percent of employees from accessing, managing or acquiring information about their benefits. Unfortunately, these roadblocks have a profound negative effect on employee experience.

More than 36 percent of employees surveyed said they don't feel heard concerning their organization's benefits, compounding existing negative employee experiences. And, eight in 10 (79 percent) of employees felt it is very or extremely important for their organization to improve benefits education.



## Conclusion

After more than a year of COVID-19, unprecedented changes have been occurring in the workplace, including a significant transformation in employee benefits.

Benefits plans need to look different from those of the past in order to attract and retain the best talent. As the pandemic fades and the economy continues to recover, employee recruitment and retention will become even more important than it has been as



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organizations strive to remain competitive and rebound from a devastating social crisis. Today's top employees will have expansive employment options and expanding benefits will be necessary for keeping them happy and engaged.

While offering new benefits comes with added costs, the upside includes increased employee well-being, greater productivity, fewer absences and lower turnover – a real win-win for both employer and employee.

## Pelago is the leading virtual clinic for substance use management.

We have helped over 750,000 members manage their substance use and improve their lives. Our management program has four core components that create a complete—and completely tailored—ecosystem of care for each Pelago member.

### **Compassionate Care Team**

Every member gets unlimited access to a rich network of physicians, nurses, coaches, counselors, and peer-support tools that enables them to get the most from their journey.

### **Personalized Technology and Support**

Goals are often hardest to achieve when we are “off the clock.” Pelago’s state-of-the-art technology provides all-day, every day virtual support, through between-sessions digital CBT, tracking, and other content. This all helps members build “muscle memory” and confidence in the skills and strategies they learn during their 1:1 sessions with our experts.

### **Remote Monitoring**

We measure program adherence and outcomes with devices that, depending on the substances involved, may include “connected” breathalyzers and urinary test kits. Our data suggests that such measuring is self-motivating for members. For payers, meanwhile, we can measure program success and provide valuable insights—aggregated and anonymized—about workforce behavior and program efficacy.

### **PelagoRx**

This members' hub for medicated-assisted treatment (MAT) offers discreet prescription fulfillment (sent directly to the member's home) and seamless integration with an employer's pharmacy benefit manager. PelagoRx goes beyond prescription and fulfillment, though. It is a unique, fully integrated in-app adherence tracking system.

Visit [pelagohealth.com](https://pelagohealth.com) today to speak with a substance use solution expert.