



EMPLOYEE SURVEY:

What Workers Think About Today's Hottest HR Trends

Learn what full-time employees working in organizations with 1,000 workers or fewer across the United States have identified as workplace hot topics – benefits, retirement, pay equity, training, and more – and how these insights could enhance your recruiting, hiring, and retention efforts.

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Introduction

In many workplace surveys, employers often comment on what they see as trends and issues that employees deem most important – and how they might address those in their respective industries. And many times the issues are relevant to what employees want, but only in the broadest sense. The topics might be similar in name, but how to address them is only from the employers’ perspective.

Paychex wants to simplify the challenges businesses encounter, and knowing and understanding what current and prospective employees want is an important aspect of the process. Simply put: there is no one-size-fits-all approach.

To give employers real and meaningful insight into the employee point of view, Paychex conducted a survey* of 757 full-time employees across the United States who are working in organizations with 1,000 workers or fewer to discover what HR trends are impacting them most and how their workplace expectations are evolving.

The following details and data are meant as a snapshot for employers – from the tech startup in Rochester, New York and the coffee roasting chain in Bend, Oregon, to the hospital in Santa Ynez Valley, California – that highlight the prominent HR trends and how they’re impacting employees, ultimately helping employers recruit, hire, and retain top talent.

The specific trends outlined in this white paper include:

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*-The survey was conducted online via SurveyMonkey on Oct. 10-11, 2018, and had a margin of error of +/- 3.90 percent.

Open Enrollment Needs an Adjustment

More than one-third (37 percent) said that the biggest change to Open Enrollment would be the addition of an assessment tool to help employees identify the best plan options.

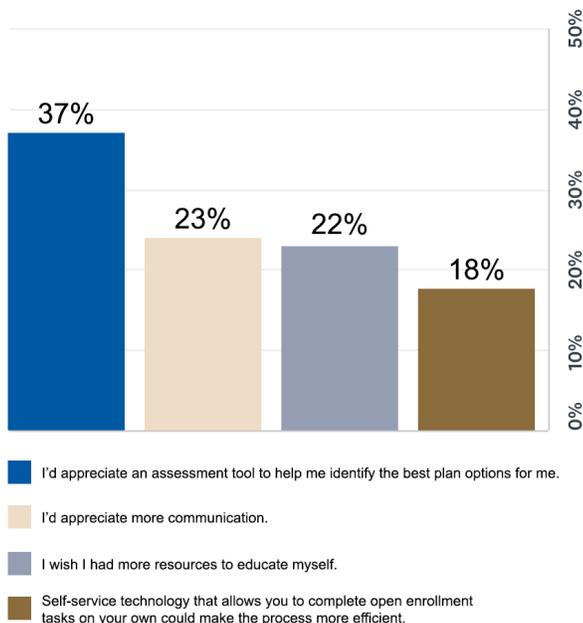
Ask any HR professional to describe the Open Enrollment period and you'll probably get a response such as, "Ever heard of April during tax season for a CPA?" During Open Enrollment, HR departments can receive dozens, hundreds, even thousands in some cases, of emails and calls from employees seeking answers to questions such as "what's new" and "is there a comparison chart." And sometimes employees are simply trying to move from one screen to the next to submit their elections.

Often, it's the technology that trips up employees, whether it not be intuitive enough or perhaps, as the survey showed, employees in a certain age range wanted additional technology to help smooth out the process.

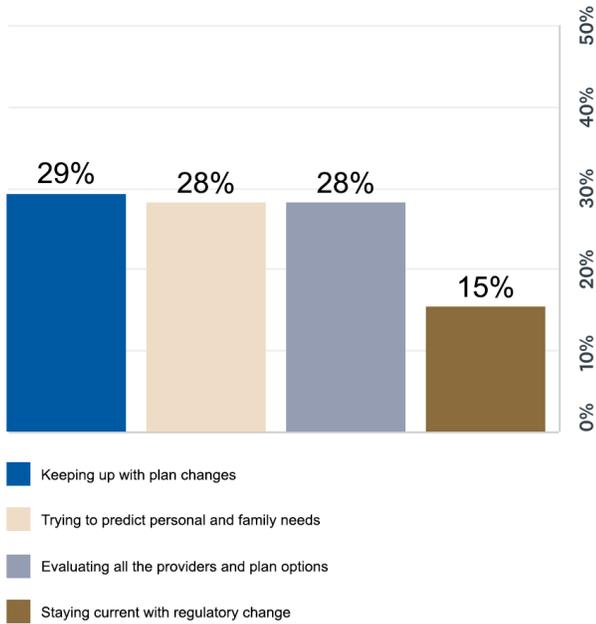
It was clear from the data – more than one-third (37 percent) – that the biggest change to Open Enrollment would be the addition of an assessment tool to help employees identify the best plan options. And among that group, 60 percent of those 50 to 65 years old chose that as their No. 1 item to change. Another 18 percent desired self-service technology that would enable them to complete the process more efficiently on their own, while more communication (23 percent) and additional resources to educate themselves (22 percent) were also listed among the choices for top changes to make.

Not one aspect emerged as the clear-cut most-complicated aspect of Open Enrollment, though, with "keeping up with plan changes" (29 percent) ranking slightly higher than "evaluating all providers and plan options" (28 percent) and "trying to predict personal and family needs" (28 percent). A gender disparity was apparent with the latter, as 33 percent of women ranked predicting personal and family needs as their

If you could change one thing about your organization's open enrollment process, what would it be?



What do you feel is the most complicated aspect of making benefit elections each year?

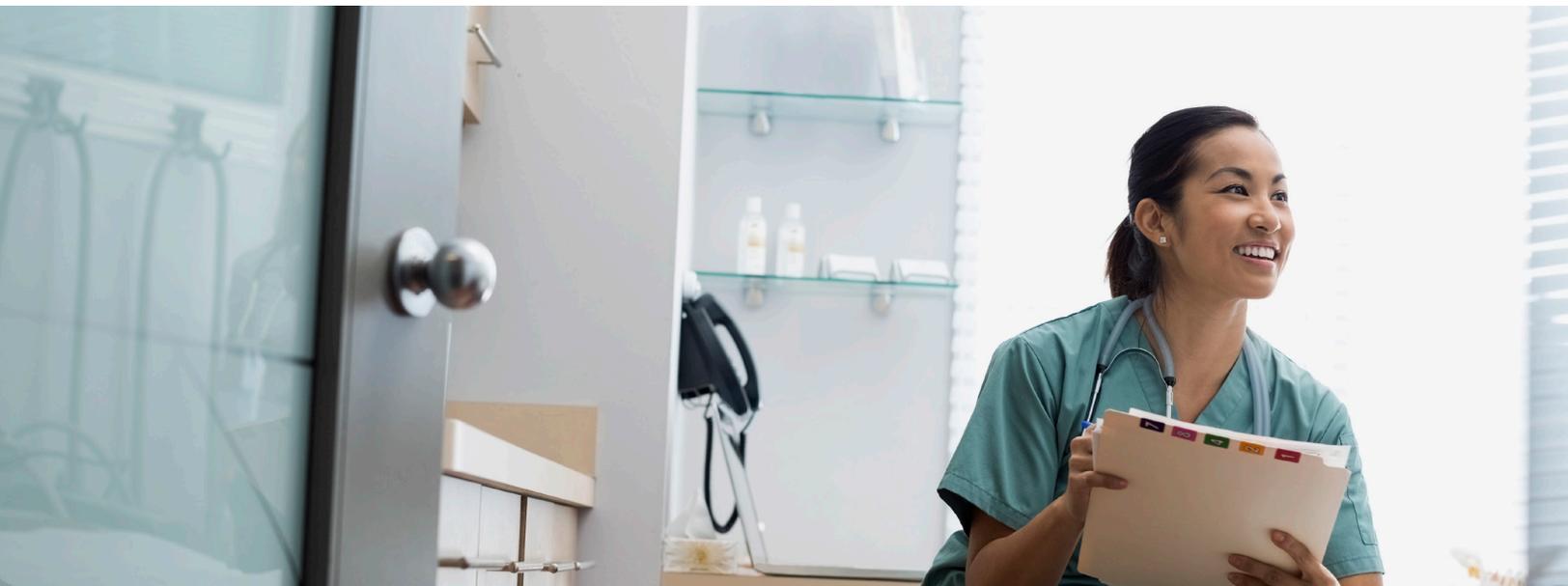


No. 1 most-complicated aspect, while 24 percent of men ranked it third.

However, what was apparent is that communication and educational resources came into play when employees ranked the most-complicated aspect of making benefit elections. As HR professionals prepare for Open Enrollment, discussions with their employers about adding a layer of employee communication – email, postings in common areas, or otherwise – in advance of Open Enrollment that explains any changes to the plans would be beneficial.

Additionally, the HR department could provide online tutorials (videos, webinars) that outline the company's options, as well as takeaway literature that lists each plan side-by-side to allow for easy comparison.

Finally, investing in an assessment tool might seem like a lot of front-end work for the business with the research, investment, and implementation, but the fact is that the investment pays great dividends – to employees and to the company. **Benefit offerings serve as a differentiator when recruiting and retaining talent. They may also help build employee engagement and foster workplace culture.**



Support advancement equally



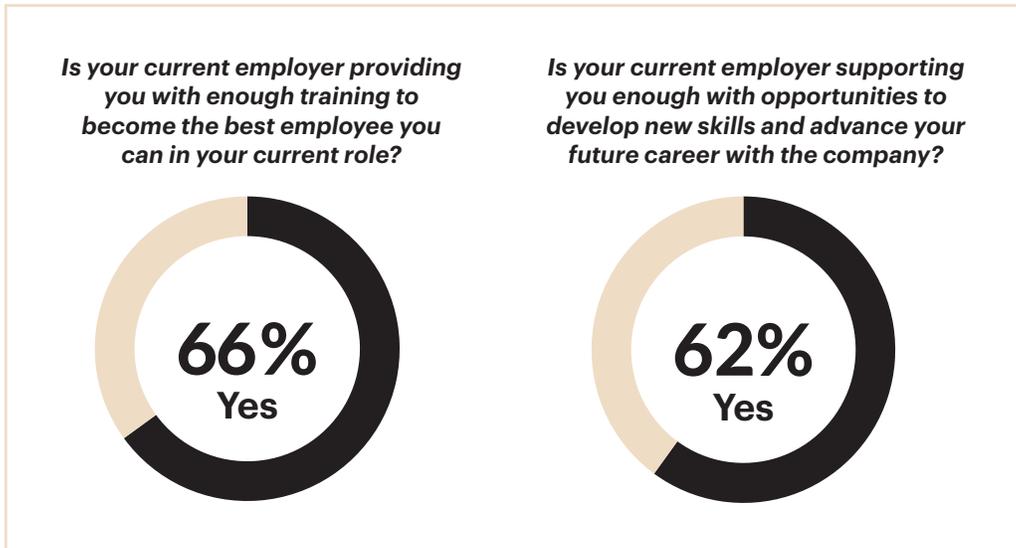
Training and development can lead to career advancement, and for employees that can equate to the potential for higher pay. For employers and their businesses, the survey data shows that supporting training and development equates to loyalty.

When it comes to gender differences and training and development, 65 percent of men expressed that their employer supported their career growth compared with 58 percent of women. However, 97 percent of women surveyed said that they'd stay with an employer who supported their career development, while 96 percent of men said the same.

96% of survey respondents said they would likely stay in a job that offered them opportunity to develop.

What employers should note is that two-thirds to one-third (66 percent “yes” to 34 percent “no”) and similarly 61 percent “yes” and 39 percent “no”, respectively, felt that they were receiving enough training to become the best employee in their current role

and their employer was providing enough support and skill development to advance their career with the company. Those are both significant differences and present a retention opportunity for employers.



How training is delivered appears to be an area where employers can make the most inroads in developing employees' skills, and ultimately employee loyalty. Employees want training that is accessible and efficient, and perhaps more flexible with their work schedules. This lends itself to an online Learning Management System (LMS) that features e-learning courses that can be accessed easily from a library by onsite and remote employees anytime and from anywhere. An LMS is also conducive to different learning styles. Some employees are visual learners (videos and webinars that use charts and graphics), others learn by listening (outside experts speaking to a group), and still others absorb information best by reading at their own speed.

However, 44 percent of employees surveyed said their employer did not provide training opportunities through an LMS, compared with 36 percent who did and 20 percent who answered they were not sure.

The type of training* provided ranged from internal training on company processes (67 percent) to bringing in outside experts to train in key areas (48 percent), and providing funding for employees to seek outside training (40 percent). Nine percent indicated no training was offered at all.

There are opportunities for employers to meet and even exceed employee and perhaps prospective employee expectations by enhancing their training and skill development opportunities, as well as offsetting some of the disparities (perceived or otherwise) about advancement that exist among different generations. The result, as the survey data demonstrate, is firming up loyalty toward the company and enhancing your employer brand – benefits to building a positive culture within the workplace.

*-The question asked for "select all that apply", which explains the percentages adding up to more than 100.

Invest in a plan, invest in the future

Nobody works forever, so everyone needs a plan for when they stop working. However, only slightly more than a quarter of the employees surveyed (26 percent) feel confident in their retirement savings and projected savings, while 25 percent express similar confidence if Social Security remains intact.

According to the survey, the reasons for saving or not saving vary, with 14 percent paying down debt before saving, 10 percent saying they plan to start soon, 8 percent are saving the minimum amount based on an employer match, and another 8 percent expressing they don't have enough money to save because they are living paycheck to paycheck.

The remaining nine percent are split into two camps – four percent are not saving and don't plan to and four percent aren't saving because their employer doesn't offer a retirement plan.

Which of the following statements aligns most closely with your current retirement outlook?

I feel very confident in my retirement savings to date and projected future savings.	26%
I am only confident in my retirement savings to date and projected future savings if Social Security remains intact.	25%
I am prioritizing paying down debt (student loans, credit cards, etc.) ahead of saving for retirement.	14%
I am not currently saving for retirement, but plan to start very soon.	10%
I'm only saving the minimum amount for retirement based on the match provided by my employer.	8%
I am living paycheck to paycheck and simply don't have enough money to save for retirement.	8%
My job doesn't offer a retirement plan and, therefore, I'm not saving.	4%
I am not currently saving for retirement and don't plan to.	4%

Employees surveyed also indicated that 68 percent of their employers offered a retirement savings benefit, and of the 32 percent who said “no,” 87 percent indicated they would establish a plan if their employer added that benefit.



In a separate report by Paychex relating to “Trends in Small Business Retirement and Healthcare Benefits”, the percentage of employees actively saving in their employer-sponsored retirement plans has increased to about 47 percent after remaining steady between 2013-16, and the percentage of businesses with 50 or fewer employees that offer retirement plans is also up nearly four percentage points (31.3 percent) from 2013.

What has sparked this change? There is a looming retirement crisis in the United States, in which 62 percent of households age 55-64 say they have less than a year’s worth of income saved.¹ In response, several states including Illinois, California, and Oregon have begun piloting state-sponsored retirement plans that employers

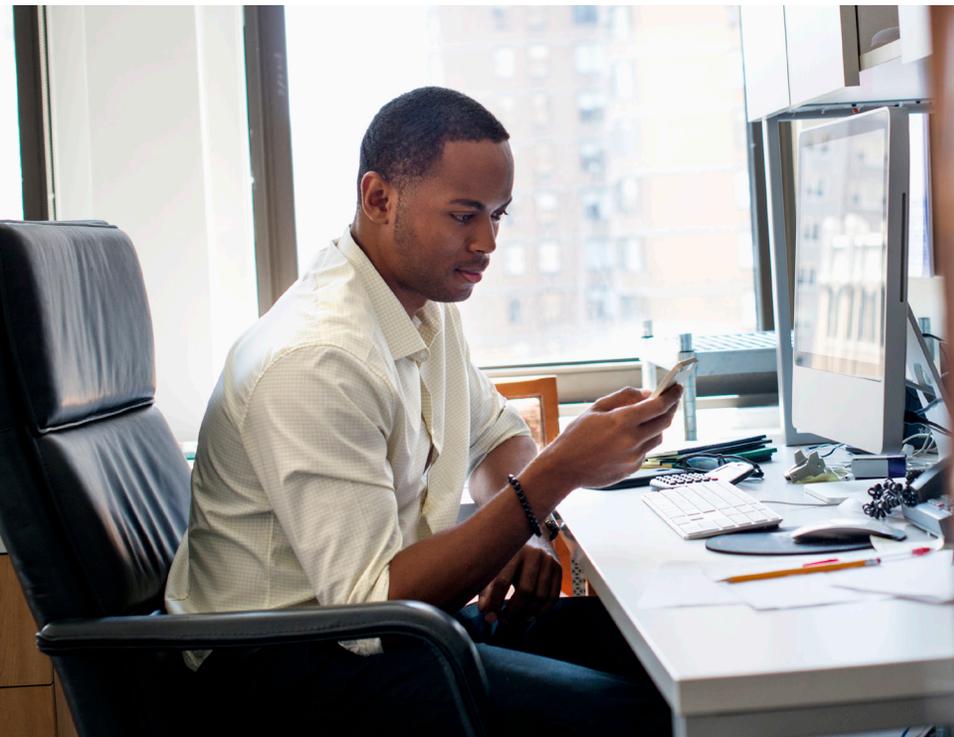
must comply with or, as a compliant alternative, the employer must establish an employee retirement plan such as a 401(k) or SIMPLE IRA. Other states, including Connecticut, Maryland, Massachusetts, New York, New Jersey, and Washington have approved the formation of state-sponsored retirement plans.

Although these just-forming state-sponsored plans did not influence Paychex’s employee survey, they very well could change some of the numbers down the road. In the 18-34 age group, 48 percent said they are confident in their retirement savings, with a little less than half of those saying their confidence is based upon Social Security being there for them when they retire. In the 35-49 age group, the numbers are similar – 51 percent confident with 23 percent of those banking on Social Security as a big reason for their confidence. At the upper age group (50-65), 58 percent are confident in retirement savings (24 percent if SSI exists), but they also have a good number living paycheck to paycheck (14 percent).

Employers seeking to attract and retain top talent could immediately provide a differentiator to the 32 percent of employers who do not currently offer a retirement benefit. And contrary to some perceptions held by employers, offering a retirement plan as a benefit is not as cost-prohibitive as one might think. **In fact, there are many tax incentives available to employers who add a retirement plan option.**

¹National Institute on Retirement Security report, 2015.

Self-service tools should mirror consumer app experience



If employers who have not been swayed by the importance of HR technology in the workplace need that “lightning strike” moment, consider this: the 50- to 65-year-old group – the least likely group to “expect HR technology from their employer” and who overall were 36 percent neutral on the topic – overwhelmingly agreed (96 percent) that applications should be simple and mirror the experience of consumer apps.

Nearly three-quarters (71 percent) of those surveyed agreed they want employers to provide a high level of employee self-service (ESS) that enables them to conduct multiple HR tasks, including updating an address, reporting hours, and managing retirement.

The HR tasks employees said they would like to do themselves via desktop or mobile device included, in order, from most wanted to least wanted:

1. Download/view payroll information
2. Update personal information
3. Manage work schedule such as request time off, swap shifts, etc.
4. Record hours/clock in and clock out
5. Manage own retirement plan
6. Complete tax forms
7. Apply for another job within company
8. Review employment history
9. Engage in performance review process
10. Complete work-related training exercises
11. Communicate with work peers via social collaboration tool

Of the 85 percent who agreed, 46 percent said they strongly agree the experience should be simple and provide an intuitive user experience similar to that of consumer apps.

Employees are basically saying that using any technology, in particular HR tech, should not be burdensome. It should be easy and not feel like more work.

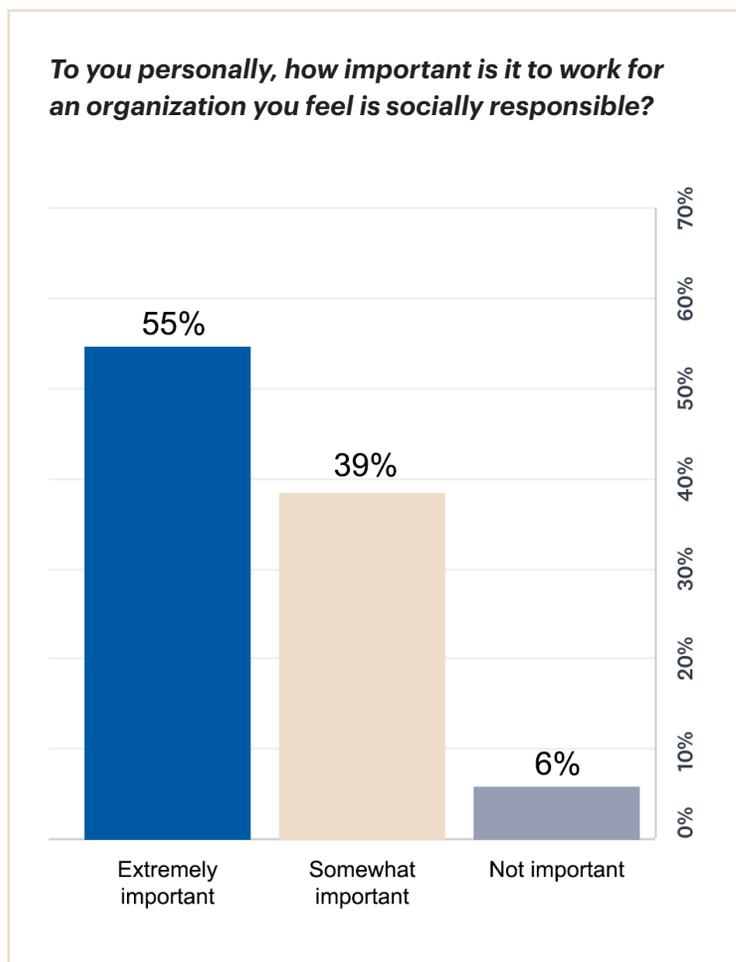


“Advances in technology, combined with this demonstrated shift in employee expectations, present a real opportunity for employers operating in the small and mid-sized markets,” said **Tom Hammond, Paychex vice president of corporate strategy and product management**. “Enhancing the employee experience through technology that empowers workers to be self-reliant will reduce the overwhelming HR workload many employers face and help enable such businesses to attract and retain top talent, boost employee engagement, and ultimately grow their business.”

It's increasingly important for all ages

A majority of employees – regardless of age – want to work for an organization that cares about more than just the business. They want to know that their place of work is making a difference in the local community and contributing to its well-being, socially and economically. Employees also want the company to support their passion projects and the things they value, whether that be protecting the environment, supporting reading in schools, or raising money for medical research.

The data also put a dent in the myth that only younger employees care about whether their employers demonstrate corporate social responsibility (CSR). Among the 34 to 49 group, 94 percent indicated the importance of working for a socially responsible employer, while even the 50 to 65 group overwhelmingly agreed (90 percent) on the importance of employer social responsibility.





“CSR is an important driver in attracting and retaining talent for companies today,” said **Laurie Zaucha, Paychex vice president of HR and organizational development.** “More than ever before, candidates research prospective employers before applying and are looking for organizations whose values align with theirs.”

The margin was also very narrow between genders, with 97 percent of women and 92 percent of men agreeing that corporate social responsibility is important.

Ranked in order of importance, there wasn't much variance in what employees thought indicated corporate social responsibility:

- 1. Volunteer hours as a company benefit**
- 2. Ability to delegate payroll funds to a charity/non-profit of choice**
- 3. Company-wide support of non-profit fundraising campaign**
- 4. Company-wide sponsorship of non-profit fundraising events**
- 5. Existing charitable foundation**

In addition to affirming the important role social responsibility plays in the eyes of the employees, the data provide employers with several low-cost benefit options that could be differentiators when recruiting talent – as well as opportunities to build or enhance culture with current employees.

“Candidates today are more likely to seek out companies that are committed to the communities in which they operate and support active employee involvement in those efforts,” Zaucha said. “CSR also drives employee engagement and retention, ultimately delivering stronger business results.”

Employees feeling age and gender gaps

National studies have shown a gender pay gap exists, with women making 80 cents for every dollar a man makes. An April 2018 *Forbes* article cites a study that in small- to medium-sized businesses the gap might be greater; 66 cents to every dollar.

In this survey, Paychex asked about the level of confidence employees had that their current employer is regularly auditing employee pay to ensure pay equity, and the most startling “gap” existed among the age groups and then to a lesser degree between genders.

Overall, 76 percent of employees surveyed said they were either very confident or somewhat confident that audits of pay were occurring, with an equal 38 percent falling in one or the other category.

Of those employees ages 50 to 65, not only did 33 percent express a lack of confidence that such audits were happening, but of the 67 percent who were confident, only 28 percent felt strongly. This same age group also is most likely never to have expressed (verbally or written) concern to their employer about their current rate of pay with more than half (57 percent) indicating as such. The entire pool of responses included 52 percent answering “never” while a combined 48 percent listing their answer as once (16 percent), two to three times (23 percent), and more than three times (9 percent) in expressing concern (to a manager, owner, or HR) that their pay rate was not equitable to another employee with a similar role and responsibilities.

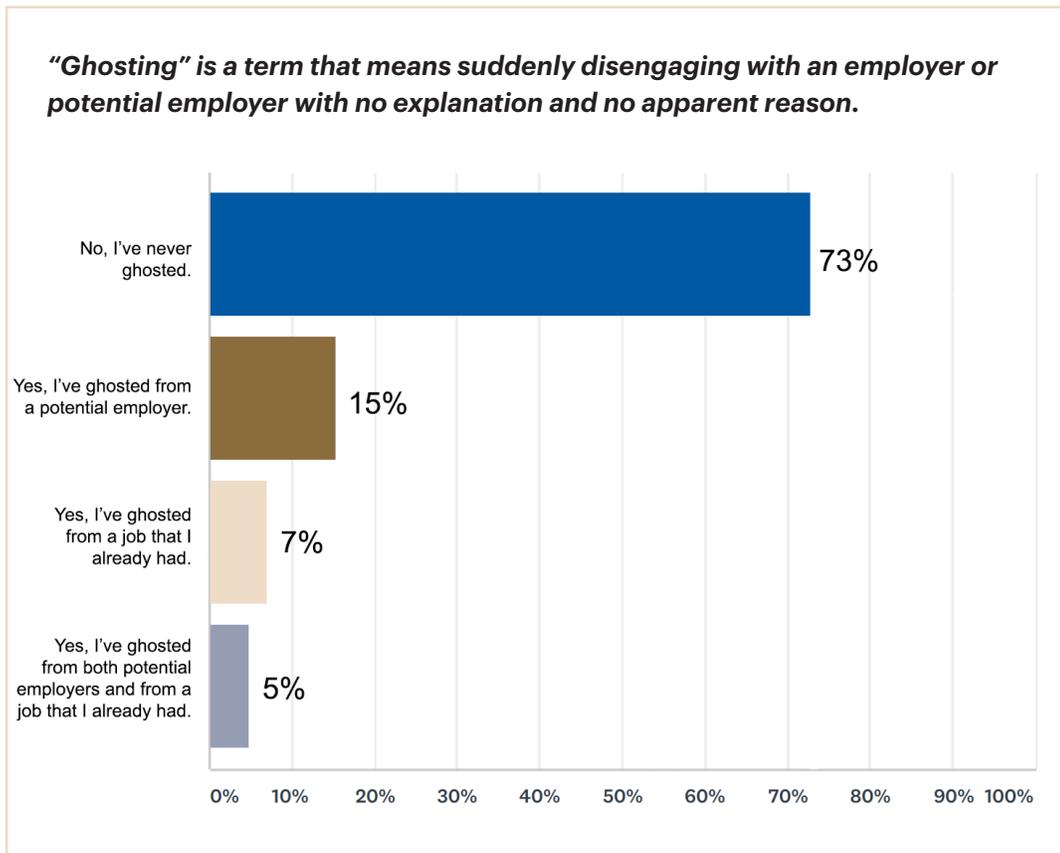
More men than women said they were confident audits for gender equity in pay were being conducted, but just slightly more with a 77 percent to 74 percent split, respectively. Even those indicating they were “very confident” varied little between men (40 percent) and women (36 percent).

Similarly, just a hint more than half (51 percent) of men surveyed answered to having expressed written or verbal concern about an equitable rate of pay as compared to an employee with a similar role, while 48 percent of women did the same. When the rate went to expressing concern 2 to 3 times, the gap was larger between men (26 percent) and women (21 percent). Surprisingly, when an employee flagged it more than three times, it was women (11 percent) who did that more than men (8 percent).



A modern phenomenon, a growing problem

With a strong economy, the trend toward “ghosting” from a job has seemingly become more prevalent. Ghosting is an act employees make that includes not showing up for job interviews, jobs, or “going silent” by not engaging in any form of communication with a company before or after a hire. The data from this Paychex survey provide insight on ghosting and indicate it is happening at a much higher rate than employers may think. Likewise, the telling of “ghosting stories” is also on the rise.



A search through the internet reveals hundreds of stories from across the country on this phenomenon. And those stories are then shared through social media, showing up on Facebook, LinkedIn, and Twitter feeds all over the globe. Next thing you know, everyone is telling a “ghosting” story, but it might just be the same story being retold again and again.

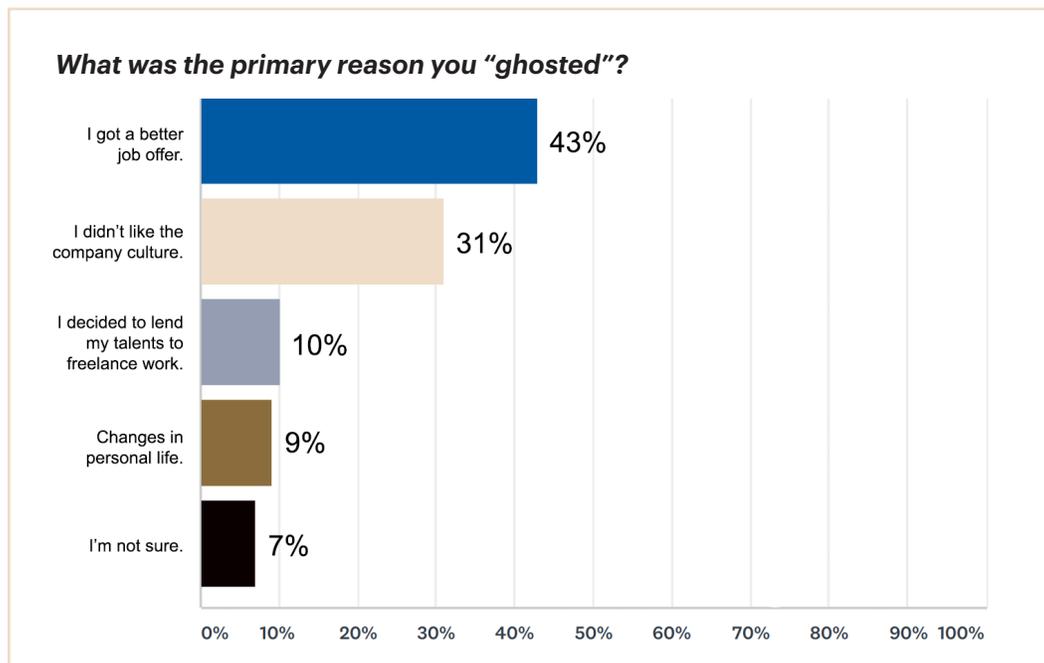
Proof: Of the more than 750 employees surveyed, 27 percent confessed they had ghosted – and of those, seven percent had done so from a job they already had and another 15 percent did so from a potential employer. That leaves nearly three-quarters – 73 percent – who said they never have ghosted. Keep in mind, though, that 27 percent translates to a lot of wasted time for employers to invest in someone who isn't showing up and a lot of wasted money, especially since the average cost per hire is \$4,425.²

So, who is ghosting? A third of younger workers (33 percent) – ages 18 to 34 – who responded to this survey said they have ghosted, and 30 percent of those 35 to 49 also answered in the affirmative. Veterans of the workforce – those ages 50 to 65 with at least 25 years in the employment marketplace – were the least likely group to ghost with 91 percent saying they never have.

There isn't much of a difference among genders, with 28 percent of males and 25 percent of females answering that they have ghosted before.

Even though every group in this survey has ghosted – including 9 percent of those ages 50 to 65 – the tendency lies with the younger, i-generations. Comments in published reports by company officers from several national staffing and recruiting firms indicate that a younger workforce is used to more casual or informal communication such as texting, with many perfectly content with not communicating at all. They also said that a younger workforce feels it has more options.

The two main reasons given in the survey support the more options notion, with 43 percent saying they ghosted because they got a better job offer and 31 percent answering that they didn't like the company culture. Other reasons included changes in personal life (10 percent), decided to freelance (7 percent), and not sure (9 percent).



² Society for Human Resource Management, Talent Acquisition Benchmarking Report, 2017

About Paychex

Paychex, Inc. is a leading provider of integrated human capital management solutions for payroll, human resources, retirement, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 45 years of industry expertise, Paychex serves over 650,000 payroll clients as of May 31, 2018, across more than 100 locations in the U.S. and Europe, and pays one out of every 12 American private sector employees. Learn more about Paychex by visiting www.paychex.com, and stay connected on Twitter and LinkedIn.

800-319-1335

To learn about how Paychex Flex® could be the right HR tech for your business, visit www.paychex.com.



Conclusion

This information offers employers valuable insight that could help with the development or enhancement of their company's strategic approach to recruitment and retention of employees. HR directors and managers can utilize "the voice of the employee" as a roadmap to incorporate new ideas into engagement opportunities and benefit offerings.

There are any number of ways to keep a competitive edge on the competition for top talent, as well as foster a workplace culture that enhances employee loyalty.

If you decide you could benefit by having a third-party provider to support your HR administration and help drive engagement and company culture, call 800-319-1335 to see what Paychex has to offer. Paychex has nearly five decades of experience helping businesses with their payroll, benefits, human resources, and insurance services, and we'd like the opportunity to help your business next.

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