

ENHANCING EMPLOYEE PERKS WITHOUT BREAKING THE BANK

Each year, we survey hundreds of employers about their approach to light industrial hiring—position requirements, entry-level wages, benefits, perks, career progression, and more. And while we have kept the survey’s core set of questions constant over the past 15 years, we make small additions or deletions to the list as necessary. In the July 2020 survey, we added a few specific questions about employer responses to COVID-19 and one general question asking about trends in per-employee spend on perks. Not only is this information interesting and useful in a “normal” economic environment, but it’s especially useful now as companies try to contain costs, retain seasoned workers, and recruit from a talent pool that’s restricted by health concerns and competing government benefits.

IT’S BEEN FIVE YEARS FULL OF HIGH-5s (AND OTHER PERKS!)

So what did the data say? Across the country and across sectors, 92% of all companies have kept per-employee costs steady or increased spend. (See chart to the right.) While we don’t want to negate the impact that rising purchase prices have on a company’s total spend for perks, we don’t think rising costs are responsible for all increased spend, nor

do we think rising prices are forcing companies to reduce programming in order to maintain steady costs. This means employees know only a job market where attractive perks are the norm—or, dare we say it—*expected!* And this is an important consideration if your no. 1 goal is to attract and retain talent. (Whose isn’t?)

FIVE YEAR CHANGE IN PER-EMPLOYEE SPEND ON PERKS

	MANUFACTURING	DISTRIBUTION	ALL
Our expenditure has stayed about the same (per employee)	52%	52%	51%
We’ve decreased our expenditure (per employee)	7%	7%	8%
We’ve increased our expenditure (per employee)	41%	41%	41%

A LOT HAS CHANGED IN 2020, BUT IT’S STILL A WORKERS’ MARKET

By the time we surveyed in July, about **one-fifth** of our respondents said they had already started cutting benefits or perks, and **50% of those** put items like discretionary bonuses and annual awards/corporate gift programs on the chopping block. If you found yourself in a similar position and have not yet added some perks back into the fold due to cost concerns, consider replacing your discontinued programs with *different* offerings. Given historical expenditures, it’s safe to say workers have been conditioned to expect a little *extra* at work, and the tight labor market demands you have a competitive advantage.

Consider these low- and no-cost replacement ideas to make you stand out from the crowd:

· **To replace attendance, safety, or other bonuses**

- **DJ for a day:** Let an employee choose the facility’s music for a day, or—if safety protocol permits—let each team member bring headphones and listen to his or her own music.
- **Reserved parking:** Not only does a special parking spot make the walk into work much more enjoyable in bad weather, but it also alleviates all of the stress that comes with searching frantically for a space before work or after the lunch hour.
- **A week of extra breaks:** Though probably not feasible to implement across an entire department, letting

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one person take an extra break each day for a week likely won't disrupt operations too much.

- To replace a company picnic

- **Company sports team:** Our survey shows that less than 5% of companies have organized sports teams these days. Many cities are successfully running outdoor, adult sports leagues, and interest has skyrocketed as a result of the pandemic—making the competitions all that much more engaging. A sports team involves smaller groups and is less costly than a company picnic, but it can accomplish all the same goals: build camaraderie, introduce family members to one another, and supply good food, great drinks, and lasting memories.

- To support work-life balance

- **UPTO pass, shift swap, or a flexible schedule:** We suggest offering some level of flexibility to your entire workforce, because after all, everyone needs it. (You know you do!) Only 54% of our surveyed light industrial employers offer unpaid time off (UPTO), and fewer (between 9-17%) offer shift swaps or flexible scheduling, making these perks that will set you apart. If administered thoughtfully, this program shouldn't cost you any money (in overtime or lost productivity).

- **Part-time schedules:** Part-time schedules are desired by many, and they open new pools of otherwise unavailable workers to you:

current employees who are caregivers and now have competing priorities at home (think: homeschool!), former job seekers who gave up and left the labor market, and unemployed workers who could continue to collect partial unemployment checks while employed part time.

CASE STUDY

We recently surveyed over 300 displaced workers in Pennsylvania about part-time work, and nearly 90% were interested—indicating this is an offering that might help fill vacant positions. Though a small sample set, we truly believe the results highlight a larger trend: willingness to accept part-time employment and continue to collect partial unemployment payments under state-specific guidelines

WORKING FULL DAYS		WORKING HALF DAYS	
ANSWERS	RESPONSES	ANSWERS	RESPONSES
Weekends only	16.6%	1-2 days a week	22.8%
Weekdays only	37.4%	3-4 days a week	54.8%
1 day a week	9.8%	More than 4 days a week	22.4%
2 days a week	18.4%	Weekends only	18.7%
3 days a week	40.5%	Weekdays only	25.6%
4 days a week	14.1%	Mornings only	25.1%
Other	11.7%	Mid-day only	17.4%
		Evenings only	19.2%
		Other	8.2%

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· Other

- **Affinity groups:** There's not much you need to do except offer a meeting space and give employees a way to advertise gatherings.
- **Relaxed dress code:** This can be an especially meaningful change for office workers if you are one of the few remaining businesses that does not have an informal dress policy.
- **Seminars and professional development:** Chances are good that you and your co-workers are incredibly well-connected in your city, so tap a few friends who are subject matter experts on various topics and ask them to speak to your workforce for free. (Offer to return the favor in-kind!)

To view more data from our annual employer survey, check out the *2020-2021 Dollars and Sense Report* on www.ElwoodThinks.com.

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