

# Thriving in the New Work-Life World EBTS Report 2019

MetLife Australia Employee  
Benefit Trends Study  
(EBTS) 2019



# A word from our CEO

In Australia we like to think we have a relaxed and laid-back work culture.



In reality though, one in four Australians are stressed and anxious<sup>1</sup> and our research shows more than half (55%) of employees feel stressed while working.

The reasons for this are varied, but in a tightening labour market, and in the context of continued technology advancement and disruption, Australian businesses must review their strategies in order to attract and retain talent.

While the nature of work and the skills we need are changing, one thing remains constant. For organisations to thrive, employees must thrive too. Happy employees are more engaged in their work, are more loyal to their employers, and contribute more meaningfully to their organisations' goals.

Employers traditionally have been focused on the success of their employees in the workplace but in today's battle for talent, expectations are changing. With the world of work and life having the potential to blend like never before — people are sometimes left feeling overwhelmed or like they are falling short in one or all areas.

Australian employees are working longer hours than our OECD counterparts<sup>2</sup>, and more often in part-time or casual work or on a freelance basis, where shifts and benefits can vary.

Our research findings show that flexibility in hours, location and role responsibilities, as well as the ability to customise benefits that suit their particular lifestyle is valued by an Australian workforce where employees, enabled by technology, increasingly want to work on their terms.

Employers are beginning to recognise this struggle. To better compete for and manage talent, employers need to value employees' whole selves and individuality. Employees are also craving work-life balance and need the flexibility and support to not only manage, but enrich their lives — to find greater stability, purpose, and growth both personally and professionally.

At MetLife, we're here to help people and businesses navigate and thrive in the new work-life world.

In this year's report, the fifth of its kind in Australia, we look at how employers can attract, engage, and retain the best talent by helping employees thrive in work and in life.

Richard Nunn  
CEO, MetLife Australia.

## About MetLife in Australia

MetLife is a leading provider of life insurance, partnering with employers, super funds and financial advisers to help more Australians protect the lifestyle they love.

Our 151-year history and global presence gives us the scale and experience to be a valued and trusted partner in business. We protect customers in more than 40 countries and lead the market in corporate insurance solutions in the US, Asia, Latin America, Europe and the Middle East.

MetLife is the third largest group insurer in Australia, protecting more than 2.6 million people. We support our claimants to get back on their feet financially, having paid out over \$420 million in claims in 2018. We provide an exceptional claims experience with access to ancillary support services to promote holistic health and wellbeing.

You can find out more at:

[metlife.com.au](https://metlife.com.au)

### Who will benefit from reading this report?

- Employers (those who have an influence over employee benefits at their company)
- Brokers
- Employee benefit consultants
- Senior leaders and professionals within the super industry
- Insurance industry professionals
- Media

### Methodology

- Two distinct employer and employee surveys conducted between 4–9 July 2019
- Questions based off latest 2019 MetLife U.S. Employee Benefit Trends Study, however localised for Australian market
- The employee survey included 1,016 respondents, including a mix of full-time and part-time employees, aged 18 and over, at Australian based companies with at least two employees, while the employer survey included 318 respondents with benefits decision makers and influencers at Australian based companies with at least two employees
- A full breakdown of responses is provided at the end of this report. Research conducted in collaboration with independent research partners, Little Triggers

1. <https://www.bhg.com.au/how-to-identify-workplace-burnout>  
2. <http://www.oecdbetterlifeindex.org/countries/australia/>

# Key findings

- 01** More than half (55%) of employees feel stressed at work. Personal finances tops the list as the main source of stress, followed by work and health (themselves / their family). Of the top five sources of financial stress, three relate to retirement.
- 02** Nearly three-quarters (71%) of employees see themselves as happy. The research revealed that happy employees are more productive, engaged, satisfied and demonstrate greater loyalty towards their employer. Having balance between work and home life identified as the main driver.
- 03** There is a disconnect between employers and employees when it comes to intangibles driving a sense of belonging in the workplace, such as the ability to speak out without fear of retribution and the role of diversity and inclusion programs, particularly for younger aged cohorts.
- 04** Nearly all (93%) employees consider purpose as a must have or nice to have, yet only two-thirds (68%) feel a strong sense of purpose when working. Employees who feel a sense of purpose are more likely to feel productive, engaged and successful.
- 05** Purpose for employees means different things according to demographics. For some it might be a sense of achieving their day-to-day tasks and employers can do more to help create this sense of achievement.
- 06** By acknowledging the value employees bring to organisations, employers can foster a deep sense of purpose. However, employers need to bridge a gap between what they think they are doing to make sure employees know they are appreciated, and how employees actually feel.
- 07** Flexible working arrangements (including hours, location, roles) identified as the key 'must have' employee benefit, followed by training and development, and additional paid time off / annual leave. Life insurances such as Total and Permanent Disability (TPD), Income Protection (IP) also rated as key benefits, however only 6 in 10 employees understand how they work.
- 08** Upskilling and staff retention tops the list of employer challenges, followed by the increased employee demand for work-life flexibility. While training and development is a must-have for employees, ensuring the workforce is adequately trained is the third highest challenge for employers and only 50% report offering relevant training today.
- 09** Support for financial wellness is rising in importance, particularly for younger aged cohorts, however many employers are not seeing how a few benefit strategies can make a big difference in an employees' life. 72% of employees want access to financial planning workshops or tools but only 31% of employers are currently offering this as a benefit.
- 10** The best way for employers to educate their employees would be to outline what benefits are available to them via one-on-one consultations (both when onboarded and ongoing), supported by an employee handbook.

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# 01

## Supporting employees' whole selves

Over the past 25 years, technology has been the major driver of workplace changes — redefining **where** and **how** we work. These trends were the first major step in blurring the boundaries between work and life.

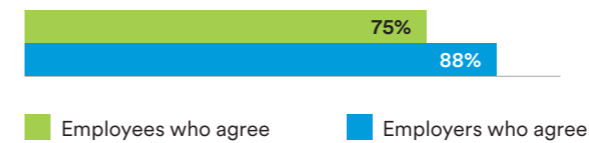
From the ability to work anytime, anywhere, to the emergence of on-demand and contract work through the gig economy, technology is continuing to reshape how we work.

But we are now seeing additional trends redefining why we work and what work means to people, and adapting to these trends is the key to attracting and retaining next generation staff. Younger generations are more likely to want to work for an employer who respects their out-of-work life. Gen Z (those aged 18–22 years), in particular, want to do work that has purpose for the greater community.

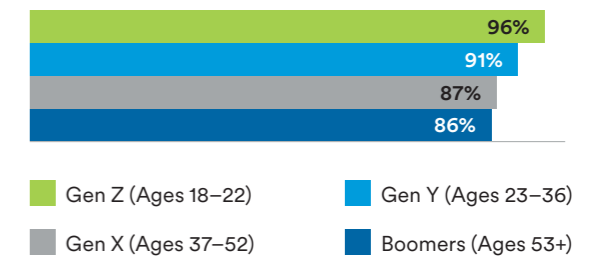
Employees need an ally, and employers can play this role by creating a workplace that *recognises* and *supports* employees holistically. One that provides experiences that enrich, a culture that accepts, and guidance that helps employees reach their individual goals.

From alleviating financial stresses to giving employees time to recharge, traditional and emerging benefits can offer relevant support to employees — and they can be key ingredients for the kind of caring, trusting culture in which employees thrive.

**When work and life blend and enrich each other, everybody wins:**



**Do employees want an employer known for respecting their out-of-work lives? (Those who agree, by generation)**



## New insights offer new solutions

In our current environment of low unemployment and heightened competition for in-demand talent across industries, as well as evolving employee expectations, it can be difficult for employers to determine what will break through the noise and make an impact. By understanding employees’ deeper motivations, employers can develop strategies that better engage their workforce — and new insights have emerged to help them do just that.

With these perspectives, we will identify how to shape workplace behaviour, cultivate meaningful experiences, and offer relevant solutions and benefits — and in doing so, drive increased engagement, higher productivity, and greater loyalty.

## This year's top insights:

- 1** When employees are supported as individuals, they are more engaged
- 2** Give employees a voice
- 3** Finding purpose at work is multifaceted
- 4** Technology is driving a new mandate for training
- 5** Flexible careers are reshaping the workplace

While the viability and appropriateness posed by each of these insights cannot be addressed overnight, there is one theme that runs throughout: **Employers need to think about employees' lives and needs holistically.**

Over the course of this report, we will discuss several benefits-related learnings, which employers can use to help them rethink their benefits packages. In the new landscape of benefit offerings, employers will have more tools than ever to impact the culture and experiences of their employees.



# 02

What employees want –  
and what employers can offer

While employers realise they need to play a role in helping their employees succeed **inside** and **outside of work**, they may struggle with finding the best ways to address — at scale — the fact that each employee has his or her own needs and challenges.

How do employers help individual employees on their personal life journeys, when for some, the number of employees can be in the hundreds or hundreds of thousands? How can they provide personalised, individual experiences at scale while striving to succeed in an increasingly competitive and disruptive marketplace?

Employees want to be successful in the workplace but they are balancing this with pressures from work with those outside of the workplace. More than half (55%) of employees feel stressed while at work, either half the time, or all the time.

To help solve for both employee and employer goals, we first have to take a closer look at what is causing strain on employees and better understand what will both motivate them and minimise their stress.

## Employees' stress spans short- and long-term concerns

Everyday stressors can pose barriers to employees' happiness and productivity. And while some of these relate to employees' personal lives, work can play a significant role in adding to or reducing stress.

Regardless of age or life-stage, a focus on personal finances tops the list as the biggest concerns employees have day to day.

Some of employees' stress about finances stems from short-term concerns, like staying on top of bills or paying for urgent health needs. Others stem from long-term goals — in fact, 3 of employees' top 5 financial concerns directly relate to retirement, even among those who are relatively confident in their finances.

And this concern about finances and retirement is on the rise, as more employees realise their financial challenges may extend long into the future.

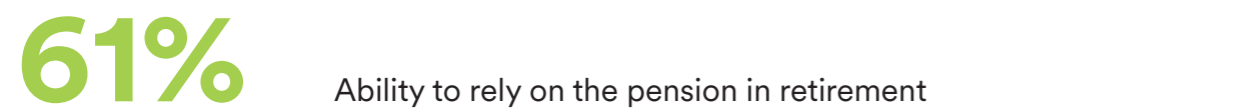
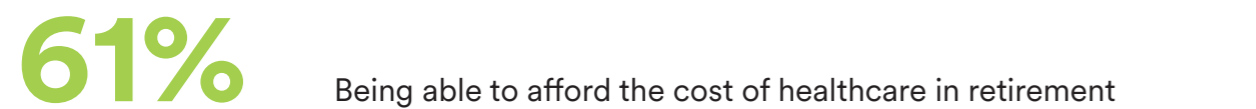
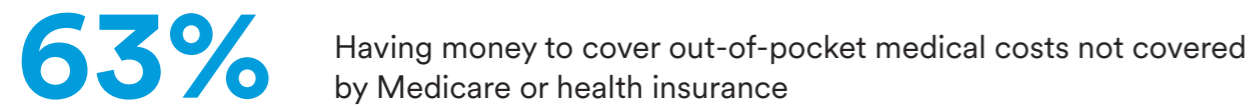
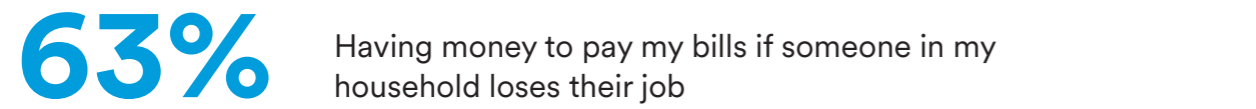
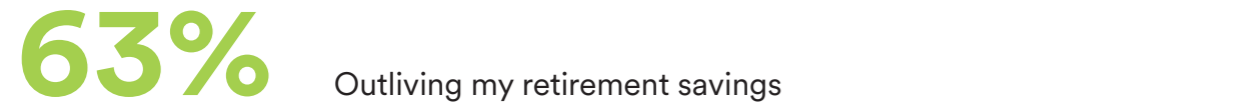
**39%** **"I expect to postpone my retirement due to my financial situation"**

Employees say that solutions that help address financial stress are what they need to thrive in the workplace and at home. Over 4 in 10 employees say an appropriate salary is one of the most important elements to successfully navigating and thriving in the workplace.

Yet, a salary increase can only incentivise staff so much — a positive work environment, training and benefits all come into play when it comes to thriving in the workplace. That is why a broad set of benefits can play such a crucial role in helping employees manage the unexpected and plan for the future. And employees realise this too — almost one in three employees say better benefits are key to thriving.

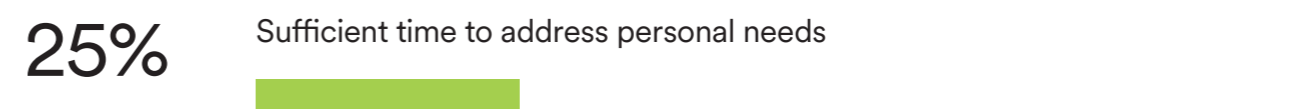
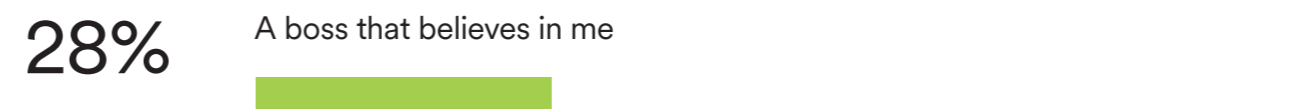
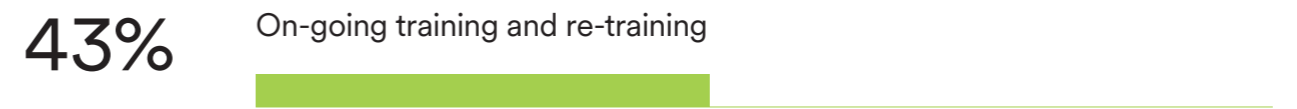
Stress is not exclusively about finances, however — and employers are well positioned to help mitigate many of employees' other pressures. There are a range of factors contributing to employees stress. Whether it is easing the stress of work itself, tending to personal or family health, or managing personal commitments, employers can play a substantial role in transforming the employee experience. The right combination of benefits and experiences can help employees feel more engaged and more cared for — and build the trust that enables them to thrive.

**What are employees' top 5 sources of financial stress?**



● short-term financial concern      ● long-term financial concern

**What would employees like their employer to offer to help them navigate and thrive in the workplace**  
(employees could select up to 5 options)





# Balance a key driver to happiness at work

While it is helpful for employers to better understand their employees' sources of stress, it is equally helpful to understand their sources of happiness. Nearly three-quarters (71%) of employees see themselves as happy, with 17% neither happy nor unhappy, and 12% unhappy. Happy employees are driven to show up and do their best work, experience less burnout, and have more confidence in their overall ability to succeed.

While our research revealed that trust in employers was the top driver for happiness at work for U.S. employees, it doesn't appear in the top five drivers for Australian employees. Balance, connection and purpose featured highly with an established delineation between work and home life identified as the most significant driver of employee happiness at work.

By fostering a culture that delivers on these drivers, employers can cultivate a happier workforce and meet the individual needs of their employees, both in and out of the workplace, at scale. To do that, employers should commit to caring about and investing in an employee's life outside of their organisation — and ensure they are clearly broadcasting these initiatives out to employees.

Additionally, offering a thoughtful mix of benefits and communicating their value effectively can also help mitigate employees' stress — in and out of work. We'll explore the specific benefits employers can use in Chapter 3. But first, armed with a better understanding of what makes employees anxious and what drives their happiness, let's look at how the workplace continues to change.

	Employees who are happy at work	Employees who are not happy at work
<b>Satisfied with their job</b>	<b>85%</b>	<b>12%</b>
<b>Productive</b>	<b>85%</b>	<b>26%</b>
<b>Loyal</b>	<b>83%</b>	<b>20%</b>
<b>Engaged</b>	<b>82%</b>	<b>13%</b>
<b>Impactful</b>	<b>77%</b>	<b>17%</b>
<b>Successful</b>	<b>77%</b>	<b>15%</b>

## Top 5 drivers of happiness at work for employee

- 1** Having work-life balance

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- 2** A workplace where co-workers feel like family or friends

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- 3** Being satisfied with the job and committed to the organisation's goals

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- 4** A workplace where employees can voice their opinion without fear of retribution

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- 5** Being able to achieve personal and professional goals

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# The realities of why we work

Understanding the changing perspectives of what employees want from work can help employers create meaningful solutions.



 INSIGHT 1

## When employees are supported as individuals, they are more engaged

Employees increasingly want work that enriches who they are in their personal lives and want their unique identities to enrich their work life. This is particularly true for younger workers in Australia with the Deloitte 2019 Millennial Survey showing that loyalty to employers is waning and nearly half (49%) — would, if they had a choice, quit their current job in the next two years.<sup>3</sup>

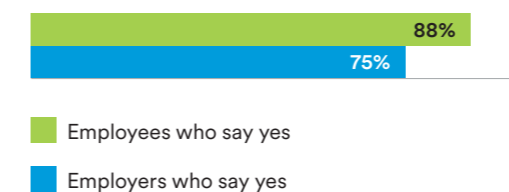
And recognising the whole person means engaging with different employees in different ways. It is not enough for employers to look at employees through the lens of demographics like age and gender. Employers need to understand their workforce on a deeper level by evolving employee surveys to cover attitudes, motivators, values, and goals to provide valuable insights into the most impactful ways to engage their people. Using this approach, companies can develop employee profiles that can be used for program development, benefit offerings, and personalised communications that reflect the diverse needs of the workforce — at scale.

**59%** of employees say 'work defines who I am.'

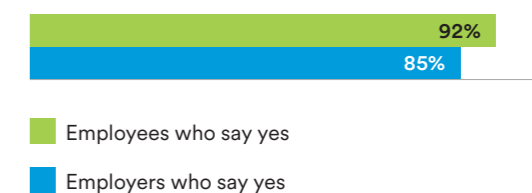
Employees are expecting their companies to recognise their “whole selves” — from their unique values, backgrounds, and talents, to their perspectives on the workplace. This can inform employees’ big decisions, such as staying at their current organisations or accepting new positions.

One way to do this is to focus more heavily on workplace culture and related programs. Employers underestimate the value of these intangible factors to employees and, as a result, could be missing opportunities to more deeply engage their workforce.

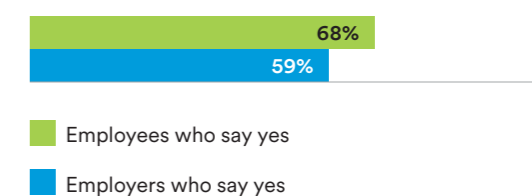
**Do employees want an employer known for respecting their out-of-work lives?**



**Is workplace culture important to employees?**



**Are diversity programs and affinity groups important to employees?**



<sup>3</sup>. <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>

Many Australian workplaces have developed diversity and inclusion policies to support the attraction and retention of talent from minority backgrounds, e.g. lesbian, gay, bisexual, transgender, gender diverse, intersex and queer (LGBTIQ+), indigenous, and culturally and linguistically diverse (CALD) communities. However more can be done to create experiences to celebrate diversity in the workforce. Affinity groups are one way employees can have meaningful opportunities to connect with each other, and feel a sense of belonging within their organisation — supporting one of the top drivers of happiness at work: having coworkers who are like family or friends.

The Deloitte 2019 Millennial Survey shows diversity is particularly crucial when young people are looking

for work. When considering whether to work for an organisation, the majority of millennials cited giving a “great deal” or “fair amount” of importance to the gender, ethnicity, age, and general range of backgrounds of employers’ workforces.<sup>4</sup>

Our research found that more than two thirds (68%) of employees think diversity and inclusion (D&I) programs are important. Furthermore, our research revealed that meaningful work, a sense of purpose, workplace culture, and diversity and inclusion programs were all important ‘must haves’ when deciding to stay in a job or accept a new job. For diversity and inclusion programs, this was particularly true for Gen Z’s and Gen Y’s in terms of ‘must haves’ compared with older generations.

**INSIGHT 2**

## Giving employees a voice

Australian employees do not want to feel like a cog in a machine or a line item in a spreadsheet — they want meaningful opportunities to contribute. Employees place great value on the ability to speak up — to share their opinions or feedback — without fear of retribution. This is another primary driver of happiness at work.

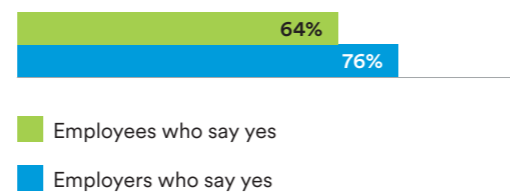
To facilitate this, employers should focus on building a culture that celebrates transparency, shared goals, and open dialogue. This must go beyond simple policies that proclaim a culture of feedback — employers have to live it by actively engaging the workforce in conversation and then acting on what they learn.

While many employers believe they are fostering this culture, there is a gap between how employers think they are doing and how comfortable employees actually feel speaking up. Younger employees, particularly, do not always feel like they can speak freely. This is actually the fourth overall driver of employee happiness.

When employees feel that their individuality is being respected, and they have opportunities to share their opinions, they feel more purpose in what they do every day.

But what does purpose mean to employees of different backgrounds and age groups? This is the focus of our next insight.

### Can employees speak up without fear of retribution?



**INSIGHT 3**

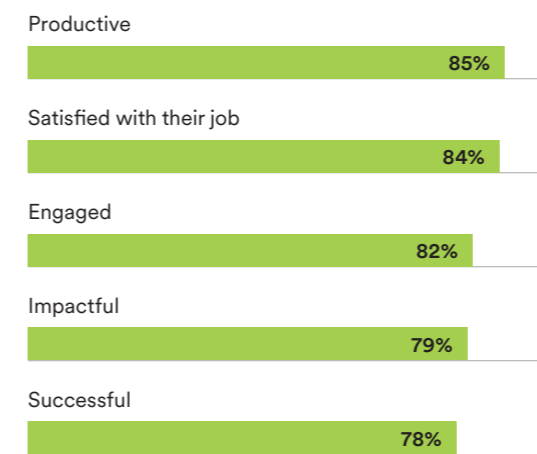
## Finding purpose at work is multifaceted

As employees define themselves more holistically through their work and life, the ability to find meaning in their work lives is a vital ingredient to their overall happiness.

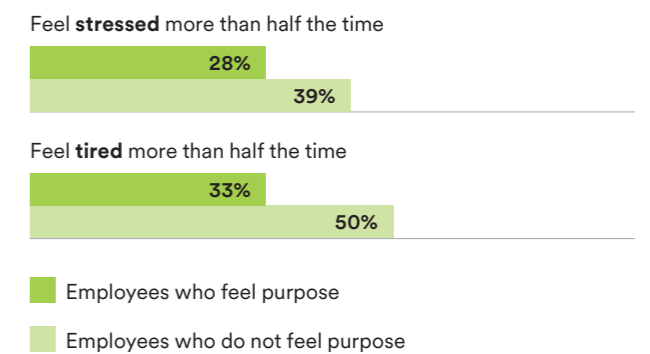
In fact, a sense of purpose is critical in driving job performance and satisfaction. Meaningful work / a sense of purpose tops the list of ‘must have’ elements for employees when deciding to stay at or accept a new job.

Nearly all (93%) of employees consider purpose a must-have or a nice to have in the workplace, yet only two-thirds (68%) feel a strong sense of purpose when working.

### Employees who feel a strong sense of purpose when working are more...



### And employees who feel a sense of purpose feel less stress and fatigue.



4. <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>

However, what purpose means is much more multifaceted than many would imagine. A common belief is that for a company to attract purpose-motivated employees, they must have an altruistic mission driving their organisation. While the data shows this is important, the way employees define what purpose means to them is actually broader and more varied across all generations.

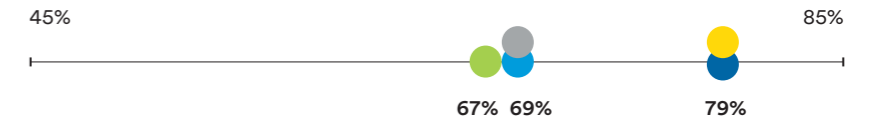
All generations place a heavy focus on accomplishing their daily tasks but the younger generation — Gen Z — are more likely to want to ensure their work has a positive impact on the community while the older generation — Boomers — are more likely to want to create value for their company. Even within each generation, purpose can be multi-dimensional — it can mean many things.

If employers only think purpose stems from work that has a positive impact on society, they may struggle to connect it to their employees' day-to-day experience, and may miss an opportunity to leverage purpose as a motivator. By simply acknowledging the value employees bring their organisations through effectively and efficiently completing their daily work, employers can help foster a deep sense of purpose and accomplishment in the workforce.

Employers across the board, but especially those employers of small or medium sized businesses, tend to overstate the importance elements of purpose have to employees, as shown on the next two pages.

### How do different generations define purpose?

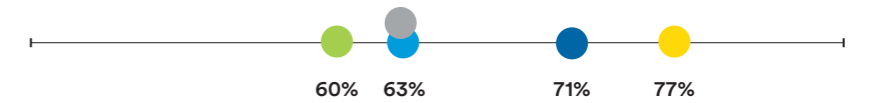
Regularly accomplishing your daily work tasks



Doing work that contributes meaning to your life



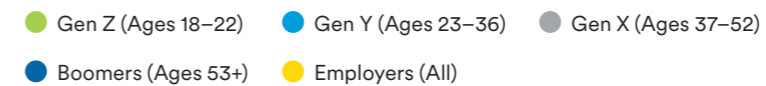
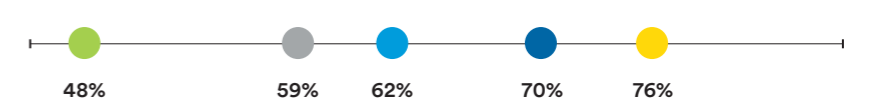
Working on / for something that you are passionate about



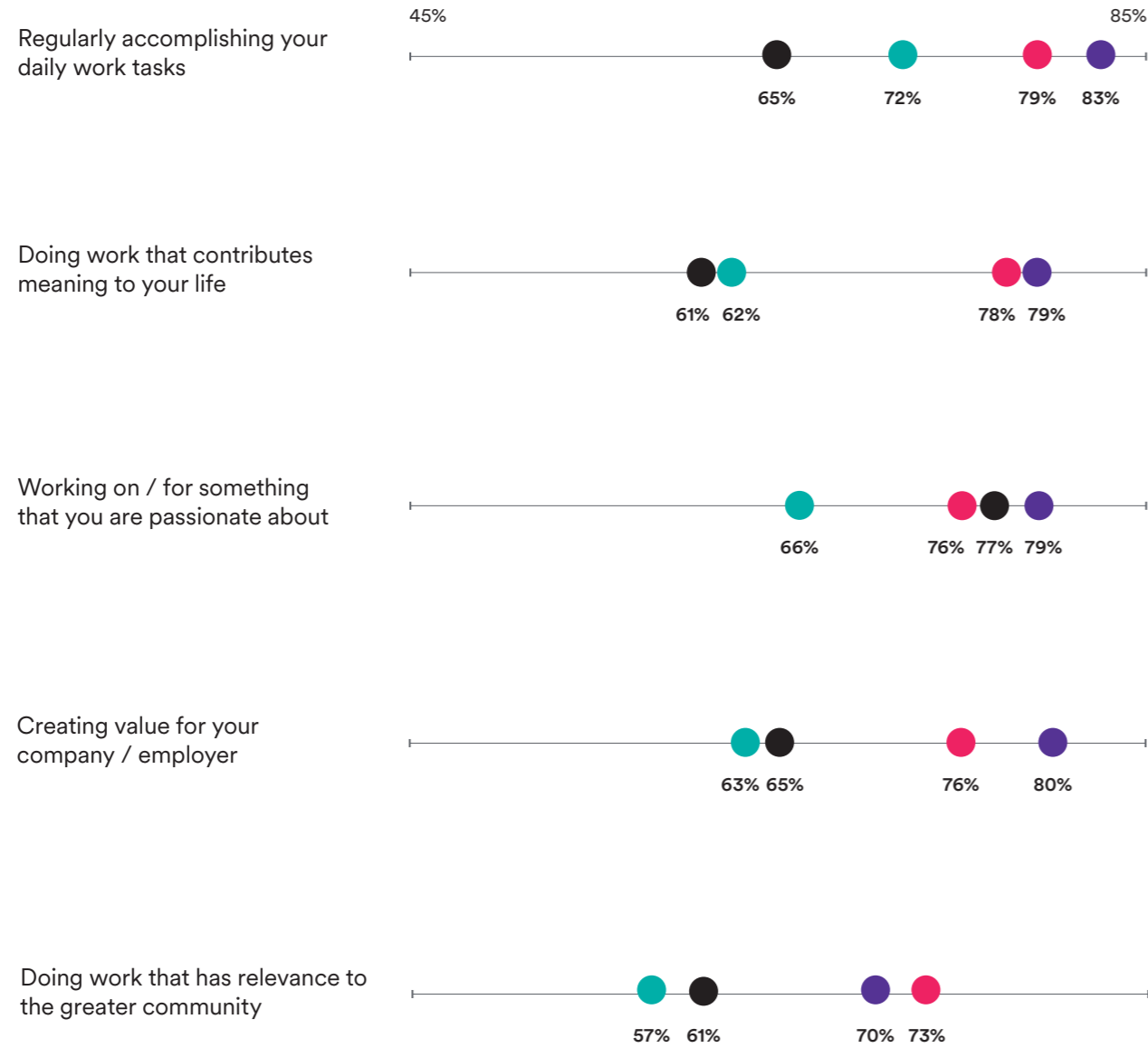
Doing work that has relevance to the greater community



Creating value for your company / employer



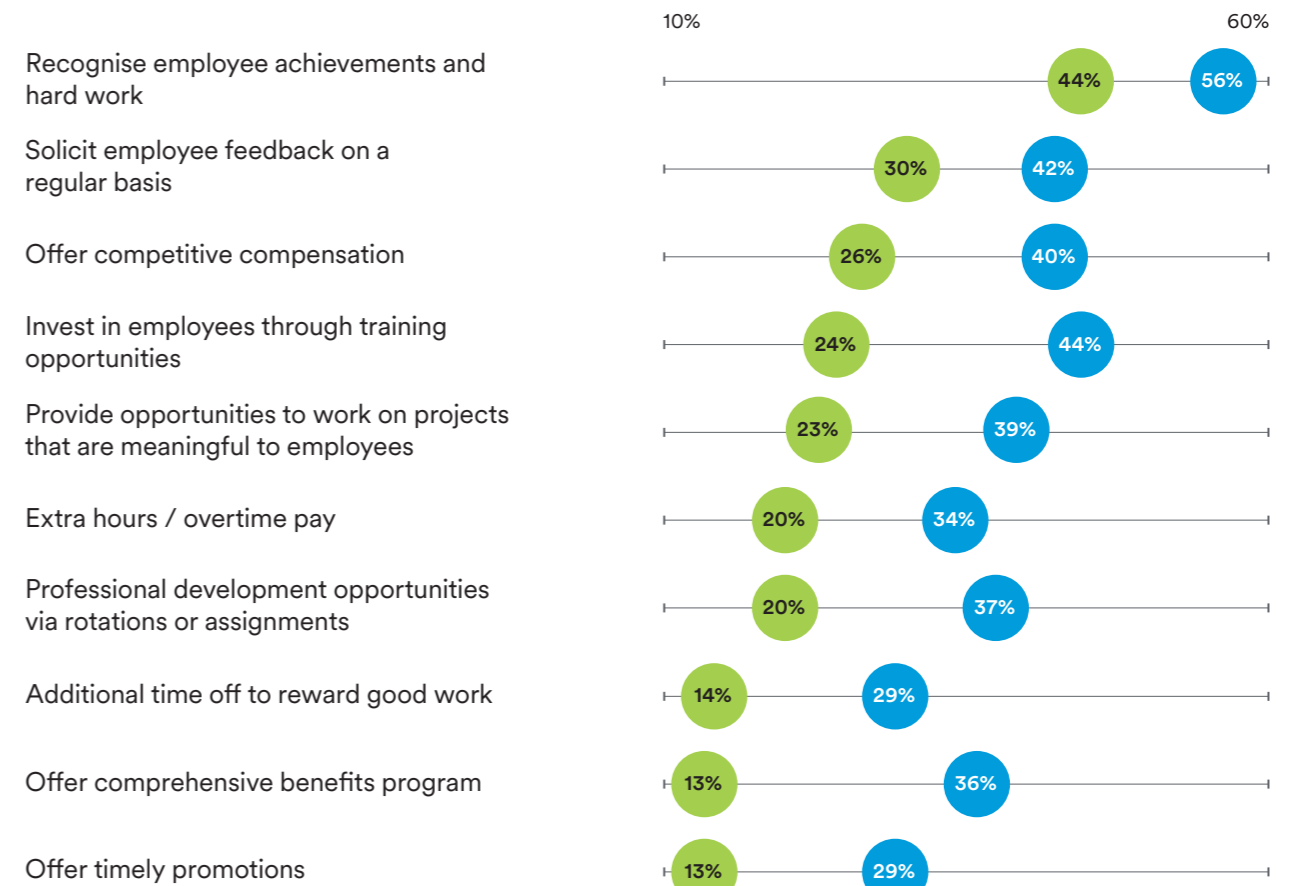
## How do different employers define purpose?



● Small (1-99 employees)     ● Midsize (100-4,999 employees)  
● Large (5,000+ employees)     ● Employees (All)

However, while acknowledging employees' work fosters a sense of purpose, employers could do even more to bridge the gap between what they *think* they are doing to make sure employees know they are appreciated, and how employees actually feel.

## What are employers doing to make employees feel valued and appreciated?

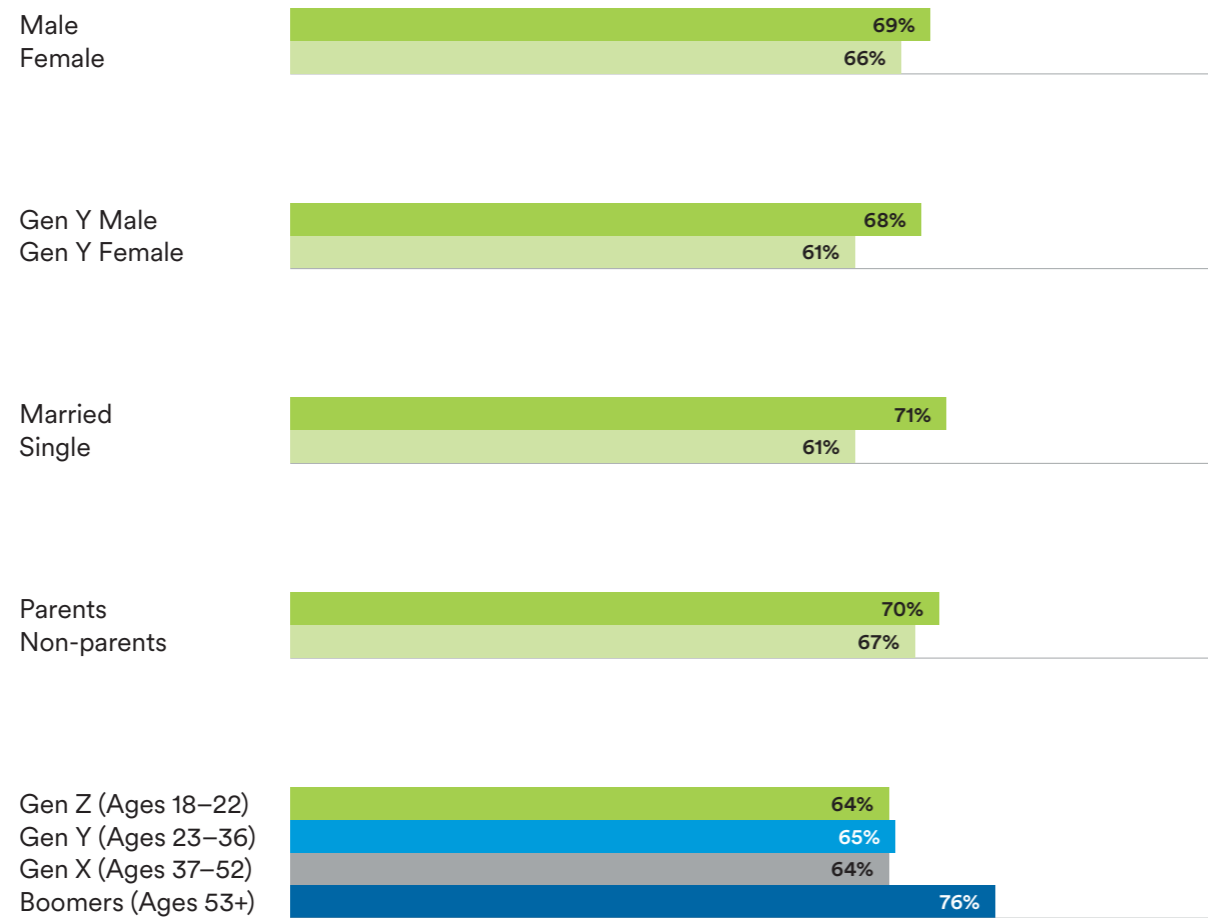


● What employees think  
● What employers think

From recognising employee achievements to timely promotions, the actions that help employees feel valued are important for all. However, some employees are less likely to feel the sense of purpose they crave — and it is good for employers to pay extra attention to these employees as they design programs and experiences that help create a sense of purpose.

Building a caring culture that fosters a sense of purpose across a range of definitions can help employers take significant steps towards meeting employees' changing expectations.

**Percentage of employees who feel a sense of purpose at work.**



# The realities of how we work

Not only are employees' motivations for working changing, but the realities of how work gets done today presents both challenges and opportunities for workplaces. Each workplace faces its unique challenges but there are some shared experiences between businesses of similar sizes. Large businesses are more likely to find it difficult to gather and act on employee feedback quickly, while small businesses (those with 99 employees or fewer) tend to suffer from employee burnout and demand for more flexibility. Whatever the size of the business though, upskilling and training workers to keep up with new technology is always front-of-mind.



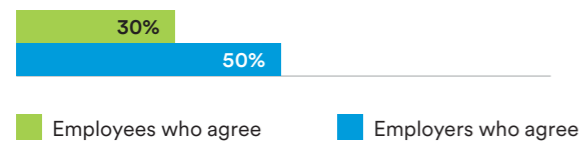
 **INSIGHT 4**

# Technology is driving a new mandate for training

From social media to artificial intelligence (AI), new and maturing technologies are revolutionising jobs across industries and roles — from automating repetitive tasks to eliminating the needs for certain jobs entirely. To adapt, employers must prepare their workforce, hiring for new skillsets — often in short supply — and reskilling employees that will be most affected.

Employers understand just how disruptive these technologies will continue to be in the workplace, and while many employees are seeing the impact, they may not fully realise the coming implications.

**“I have seen jobs taken away from my company in the past year because of automation”**



**62%** of employers believe the profile of the ideal job candidate is changing as technology advances

Technology plays a part in upskilling and retaining staff — the key challenges for employers. Employers must take a two-pronged approach. Upskilling current employees is necessary to ensure the workforce stays ready to adopt changing technologies, and keeping existing staff interested and investing in their development are crucial to overcoming these challenges.

When it comes to retraining for the workforce of the future, there is a disconnect as to who is responsible. Overall employees see it as their own responsibility to undertake this training, however younger employees are more likely to put the onus on employers with expectations shifting as they get older. Meanwhile, employers see the onus on them to provide training.

Although AI will feature strongly in the workplace of the future, employers must also stay focused on training for soft skills. While AI delivers efficiencies that are hard to replicate with a human workforce, what it can't do (yet) is bring creativity, leadership, and interpersonal skills to solve problems or push organisational thinking forward. And with the time and resource savings from introducing AI, employers can dedicate more of their employees' time to those value-adding activities.

**67%** of employers think that as AI is introduced, they will value their workforce for their creativity even more as a way to drive the business forward

Employers say their third highest challenge this year is ensuring that their workforce is adequately trained on more creative soft skills, including leadership, conflict resolution, curiosity, and communication.

Yet, only 50% of employers report they are actually offering relevant training today. As they evaluate their learning and development programs, employers should develop curricula designed to build these soft skills — with techniques like interactive scenario-based activities and coaching — and provide a clear expectation, along with a roadmap, on how to get there.

In fact, training is a key driver of job acceptance for this very reason. Providing these resources can help attract and retain employees, which is especially important in a competitive market.

**65%** of employees say work skills make them a better person in their personal life

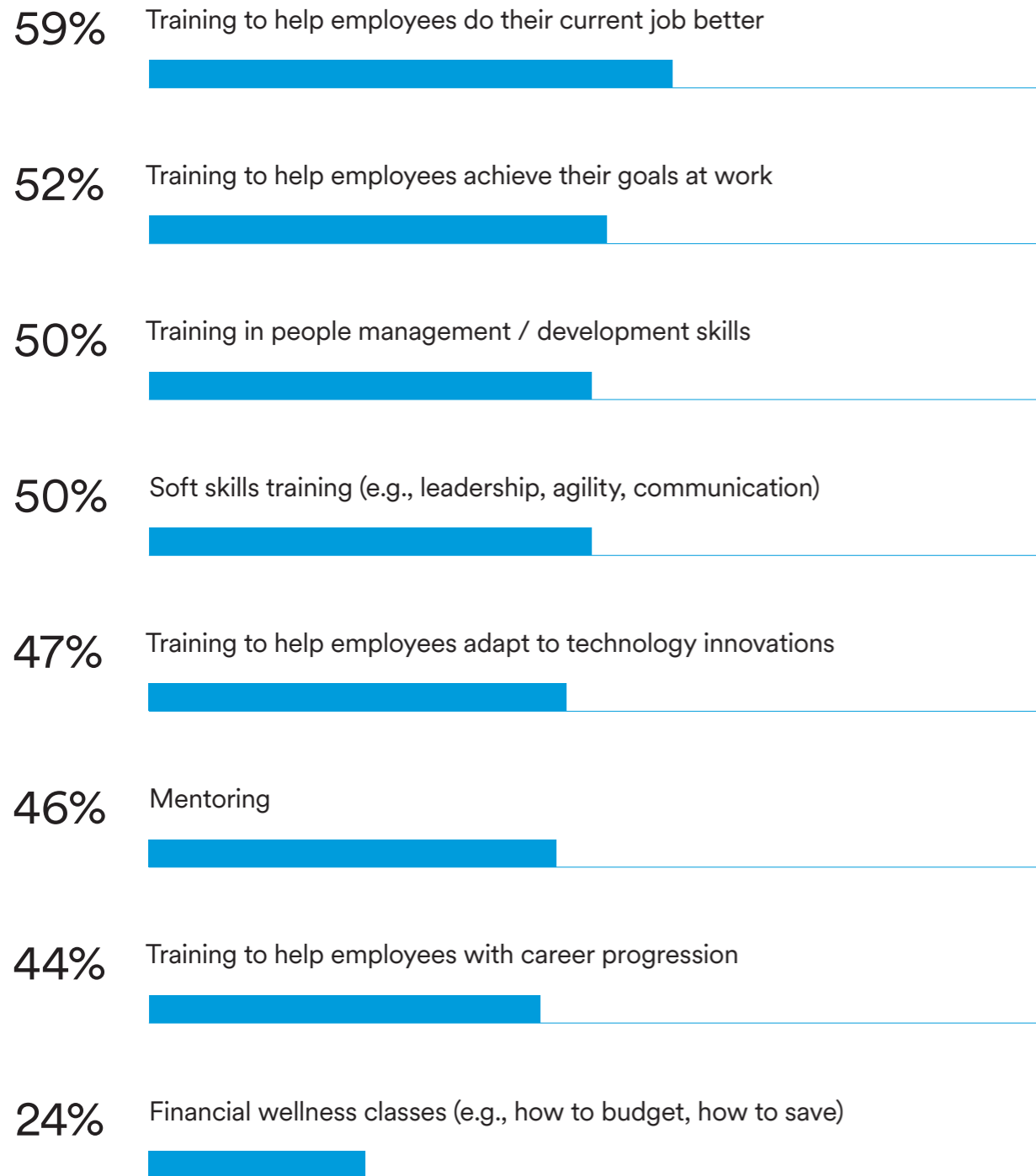
Through pragmatic training programs and an emphasis on continuous and on-the-job learning, employers and employees can reap the full benefit of new technologies and complementary human soft skills. Not only will it help employers enhance productivity, but training will also help employees see their employer as an ally in their quest to thrive both inside and outside of work.

**89%** of employees say career development, training, and advancement opportunities are must have / nice to have when considering whether to accept or stay at a job

So, what can employers do to stay competitive with training?



**What types of training are employers offering today (according to employers)?**



**INSIGHT 5**

## Flexible careers are reshaping the workplace

Technology's impacts mean more than just the need to reskill employees. With the ability to work anywhere, anytime, technology has also enabled a sense of autonomy for many workers today. A growing and aging population, population growth and automation technologies are factors that will have a large impact on the workplace in the next five years. It is crucial for employers to provide greater flexibility (hours and location) to staff in an effort to retain those with greater experience, and help younger generations grow.

69% of employees aged 50 and over say they would consider staying in the workforce longer and delaying retirement if they had the ability to work from home. Younger employees, who have grown up with cutting edge, mobile technology also expect this flexibility. This ability to work on their terms is a great way for employers to help meet their employees' individual needs and keep valuable experience in the workforce.

Of course, the appetite for and access to flexibility will vary for each industry and occupation. Those in senior management positions and working in office locations believe they can work remotely while those in labouring jobs or customer service roles in hospitality or retail see being onsite as almost a necessity.

Employees expect their employers to offer flexible work policies around when and where they work. However, this expectation of flexibility is the second highest challenge for employers, particularly small and mid-sized companies. For many employers, simply paying lip service to a flexible work policy is not enough; senior management must adopt a top-down approach and lead by example, setting clear expectations of what is or is not allowed.

**92%** of employees think flexible work is a must have or nice-to-have

**76%** of employees agree that being able to work from home makes me feel my employer trusts me

Now, employers must go further to enable not just flexibility in their schedule, but flexibility in their careers.

More and more, employees are building nontraditional, nonlinear, and more malleable careers over the long term. Older generations are exiting and re-entering workforce, while many in younger generations are seeking a variety of skill-building roles to align to their passions and ambitions.

These shifts create a significant opportunity for employers to position themselves as allies in their employees' happiness.



Offering longer-term flexibility through structured programs like paid sabbaticals cannot only help employees take the time to follow passions or recharge, but also give employees a sense of pride. These steps help employees know their companies value them and are investing in opportunities for them to have different and unique experiences.

These kinds of programs can help support employers' goals, too. By providing ways for younger generations to grow — and not leave — employers can cultivate more engaged and productive employees and retain them over time. By offering older employees more options for how they retire, employers retain employees with greater experience, and enable them to pass along that knowledge before it is lost.

## Transforming insights to action

This blended work-life world is the new norm, and it requires employers to take action to adapt to an evolving landscape.

These insights bring up key questions for employers to ponder about what they can do to meet these changes head on:

- What benefit offerings meet employees' changing expectations?
- How can employee benefits meet a diverse workforce's wide range of needs?
- How can employers help employees better understand their options?



# 03

Reimagining benefits to engage more holistically

**Employee benefits and incentives to increase superannuation have always played a key role in helping support employees' lives outside of the workplace** — minimising expenses, providing a financial safety net, and enabling people to enjoy their retirement.

The vast majority of employers — 81% — say that benefits play an important role in building and sustaining workplace culture, which we know is critical in driving a sense of balance.

As employees are bringing more of themselves to work, they are expecting more from their employers. They see their employers as responsible for supporting their overall well-being — inside and outside of work. Much of that support can come in the form of benefits.

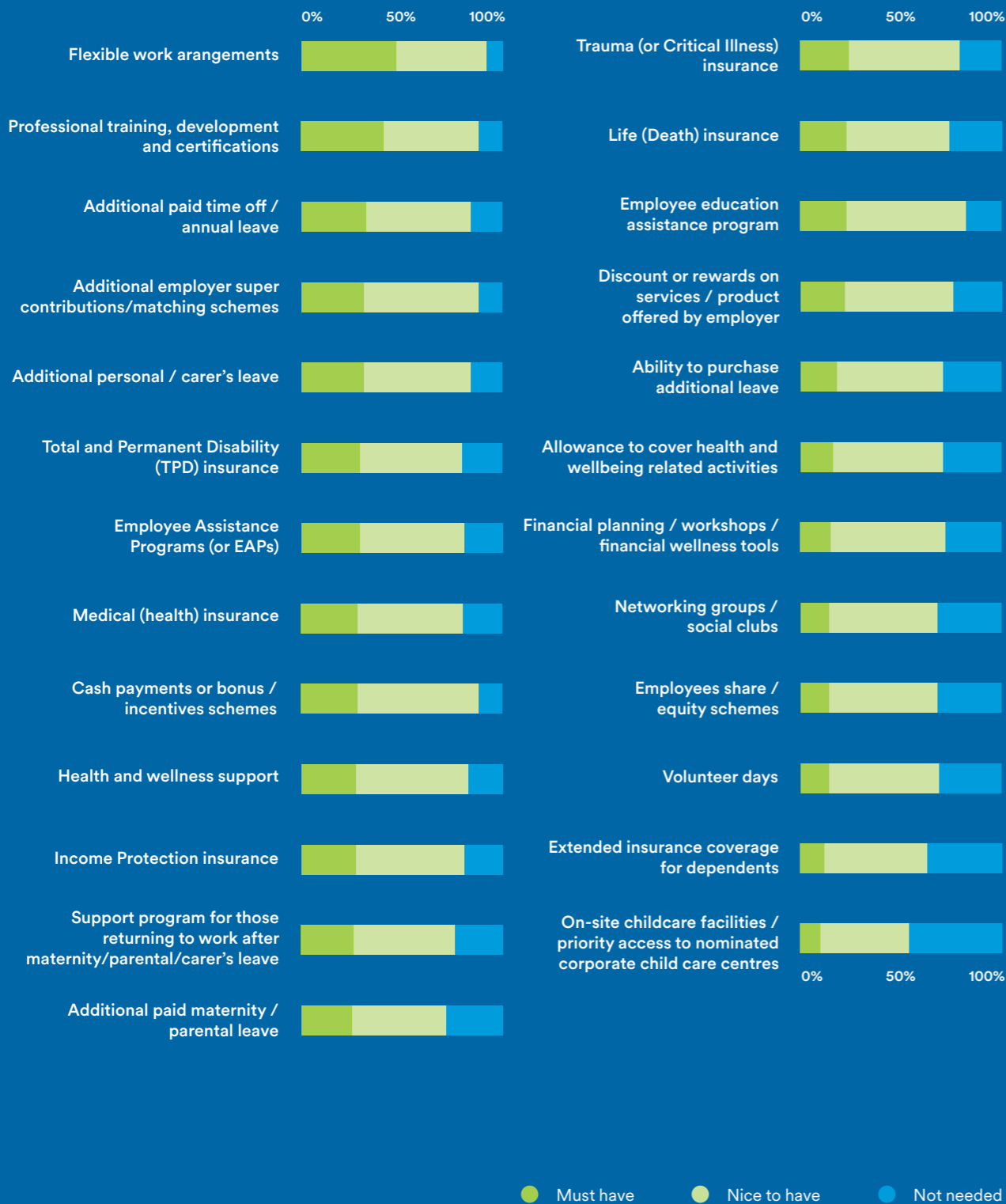
**71%** of employees agree that employers have a responsibility for the health and well-being of their employees

The 'must have' benefits that Australian employees expect to receive are flexible work arrangements (47%), training and development (41%) and additional annual leave (32%). The additional or improved benefits in highest demand among Australian employees are salary (44%), positive work environment (44%), and ongoing training (43%).

To meet the changing expectations of today's workforce, employers need to build benefits plans that meet wide ranging needs and ensure that employees fully understand the value of their benefit options. As well as thinking about what benefits to offer, employers need to be mindful of how employees are informed of the benefits, and the preferred communication delivery of their employees. Our research found that nearly two thirds of employees (65%) prefer to learn about benefits through one-on-one consultations with their employer. By contrast, the most common way employers communicated benefits was through an employee handbook.



## What do employees consider must-have benefits?



## Meeting employees' changing needs with a holistic approach to benefits

The most important benefits to employees have two things in common:

1. **they play a central role in helping them achieve their personal and work-related goals, and**
2. **they address their main stressors, particularly around personal finances, retirement, and their family's health — which overlap considerably.**

These benefits are often treated as individual products and communicated in a way that focuses primarily on plan details and payouts — which misses an opportunity to effectively demonstrate both how benefits can work together as a whole package and the role they play in employees' lives. Additionally, we found that the personal view of many employers is that the company offer benefits that err on the side of being cost-effective for the business rather than offering what is best for their staff. If we look at benefits more holistically, we can start to see benefit packages as suites of products that employees can choose from to meet their individual needs.

Traditional benefits — such as additional superannuation contributions, health insurance and additional paid parental leave — are highly valued by employees, and help manage common needs and expenses. They — along with supplemental benefits, such as life (death) insurance, and Total and Permanent Disability (TPD) insurance — provide a financial safety net that can support employees' diverse needs. However, some employees do not realise they need it.

Many employees believe their private health insurance alone will cover all health-related situations and do not plan for out-of-pocket costs (such as an insurance excess or unexpected accidents and disabilities) or the impact those costs can have on daily life. Our qualitative research reveals that younger generations, in particular, believe that they will be looked after by family or covered financially via government bodies should the unthinkable occur. Offering a range of traditional and supplemental benefits — and providing education on how they complement each other — can provide employees a solid foundation of protection.

**Life insurances such as TPD, Trauma or income protection (IP) are highly desirable for employees, but only around 60% of employees understand how the benefit works; meaning there is an opportunity for employers to better communicate, if they do offer such benefits.**

When the lines between work and life were more distinct, these benefits provided most of the support employees needed. Now there is a need for an expanded and holistic approach that augments traditional support with emerging benefits — supporting employees physically, emotionally, and financially.

Employers have begun offering benefits like wellness programs or on-site services that can help address stressors around work, health, family commitments, and social commitments — and in the process, they are continuing to bridge the divide between work and out-of-work life, yet further communication or regular iteration of these benefits would be beneficial for those employees who might not be aware they can access these benefits.

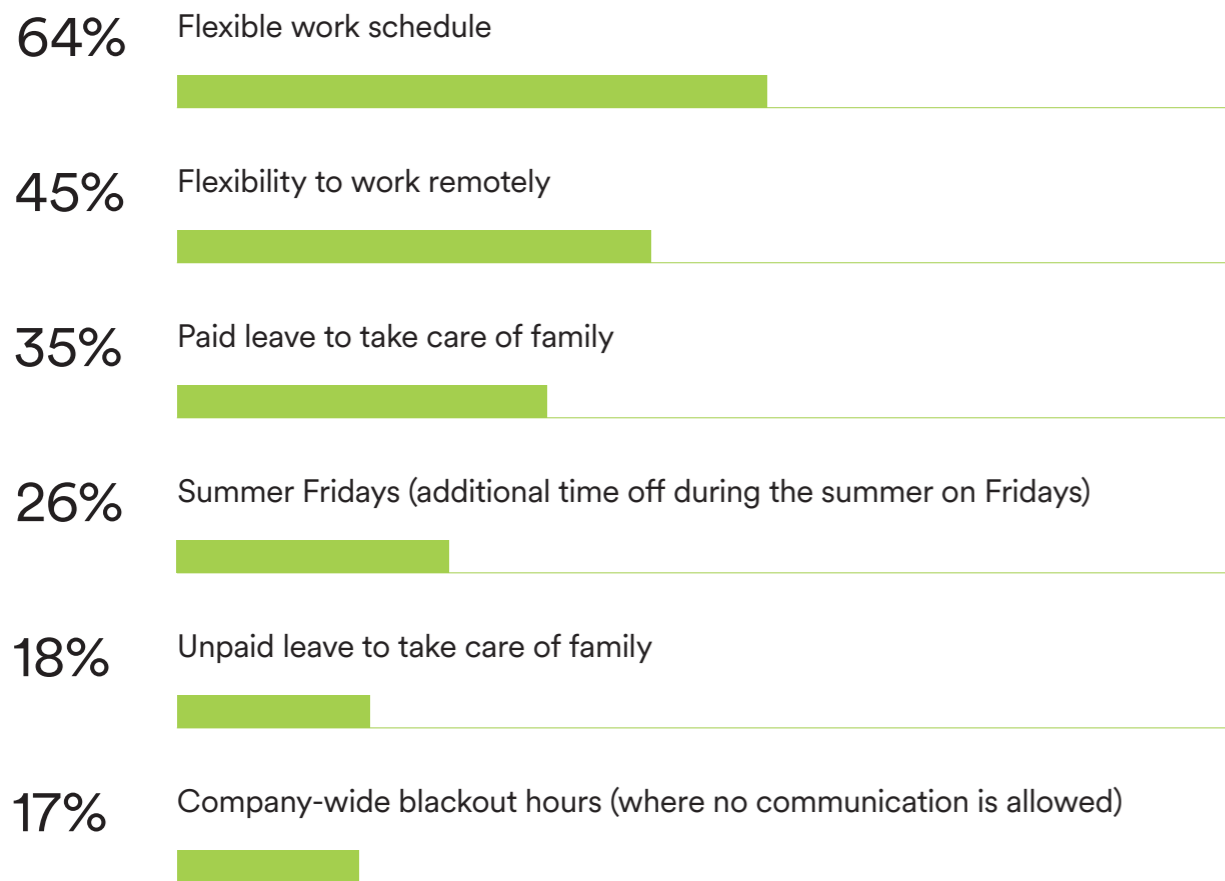
These emerging benefits also reflect changing norms. As younger generations delay major life changes, such as having children, and have higher expectations on what work should look like in terms of work-life balance, hours and location worked as well as personal wellness goals, employers are in a position to support these life choices.

And because everyone's needs and lives are different, the ability to choose offerings and customise a holistic benefits package is increasingly important — in fact, 87% of employees say that the ability to customise their benefits is a must-have or nice-to-have option. But employers may be underestimating the extent to which employees are looking for benefits that suit their unique situations and answer their personal needs, with only 73% seeing this as important to their employees.

Emerging benefits help employers create the kind of culture that demonstrates a deeper level of care for employees, communicating that their needs are valued and their employer is committed to their success outside the workplace as well as in it.

Emerging benefits are a way employers can support employees whole selves through flexible work practices that allow them to take care of themselves and their loved ones when they need to in the form of flexible work schedules, additional paid and unpaid leave, as well as company-wide communication blackout periods for mental health.

### What emerging benefits interest employees most?



## Support for financial wellness is rising in importance

Numerous studies have shown Australians are increasingly anxious about their finances or facing financial stress. While many of the benefits we have discussed help employees manage expensive, unexpected life events, there is more that employers can do to assist their employees with overall financial acumen to alleviate the day-to-day stressors. Because personal finances is employees' top concern, helping them better manage short-term and long-term financial situations will help prevent burnout and enhance work-life enrichment.

**2 in 5 employees say their benefits package helps reduce their financial stress**

And while today's employees feel confident in their finances, the data actually shows that the reality of their situations is not aligned to this confidence. Nearly two thirds (63%) of people say they are confident in their finances, but more than half (55%) of employees feel stressed at work, with finances being the number 1 cause of stress and retirement being the main driver of that stress. Therefore some people's confidence is ill-founded.

Employers are overwhelmingly interested in reducing the stress of their employees (96% of employers listed it as an important objective), but many employers are not seeing how a few simple benefit strategies can make a big difference in an employee's life. For example, 72% of employees want access to financial planning workshops or tools but only 31% of employers offer this as a benefit.

This is where employers can step in with more support that helps employees proactively build savings and also improve employee satisfaction, productivity and loyalty. A third (3 in 10) of Gen Y and Z consider financial wellness tools to be 'must have' benefits offered by their employer.

Not only is the reality of employee financial stress a barrier to long-term financial security, but it is also a hindrance to day-to-day productivity.

**1 in 5 employees admit to being less productive at work because of financial stress**

Employers can help increase productivity and reduce employee stress by offering programs that bridge the gap between financial perceptions and financial realities. However, financial wellness initiatives do not top the list of benefits strategies employers are putting in place.

Employees are looking to their employers for this assistance.

**37% say employers have a responsibility for their financial well-being**

**35% say employers have a responsibility to help them save for retirement.**

Financial wellness programs can help employees improve their situations. But for financial wellness programs to work, they need to be personalised to the employee's individual goals. A woman in her late twenties paying off her university debt, while trying to save for her first house for her young family, is going to have very different needs to a couple entering retirement who are behind on their retirement savings.

If employees gain more confidence about how to meet their current and future financial needs, it enhances their ability to pursue their personal and professional goals — a win for everyone.

## Communication is key

But even when an employer has put together a benefits package that addresses the needs of most employees, if employees do not understand the role that benefits can play in their lives, they will not appreciate their full impact. As mentioned above, employees prefer to receive tailored information, one-on-one.

One way to help communicate effectively to employees is to make communications personalised. By using attitudinal information about employees and employee profiles, communications can be tailored to address different needs of different groups. That could mean that someone who is worried about finances gets communications about how to manage unexpected expenses, while another employee focused on the best protection for their family gets communications on ways to increase or expand their coverage options.

Employers should focus on communicating the relevance of the benefits packages they offer, including how benefits work together to play an important and useful role in employees' lives.

Employers must speak to “the benefit of benefits” rather than to the individual products. Salary is, of course, critical, but represents an increasingly smaller proportion of overall compensation. Employers have a responsibility to communicate the full value of an employees benefits package beyond the traditional benefits, through to emerging benefits and purpose.

Employers can ensure employees understand what is being offered through confirmation of benefits being sent out, one-on-one consultations with their employees and an employee benefit handbook, which our research shows are the three most preferred ways employees want to hear about benefits.



# 04

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Tangible tools employers can  
use today

From our extensive research as well as **17 years of global studies** into employee benefits and what employees and employers want, we have established some steps employers can take in order to **bridge the communications gap** between them and their employees.

To attract, engage, and retain employees, employers must prioritise and focus on what will effectively help them create the most trusted, caring culture and thriving workforce. After all, unemployment is low and employees have many options — and they are less likely to stay with an employer that does not meet their needs. Employers must create programs, experiences, and benefits packages that meet the needs that are important to employees.



## Employers can take action today

There are tangible ways to address the most common shifts in this evolved landscape, many of which we have discussed.

## To truly understand what motivates employees

- ✓ **Learn more about employees**  
by adding questions to employee surveys that can provide deeper insights into the attitudes, motivators, goals, concerns, and values of employees — both in and out of work — going beyond typical demographic information
- ✓ **Prioritise investment in programs**  
that will be most impactful for different groups of employees
- ✓ **Personalise communications**  
to be meaningful for various employee groups in order to drive greater program awareness, usage, and, ultimately, impact

## To build a trusting, caring culture

- ✓ **Regularly communicate**  
to employees about issues affecting the company, as well as the greater culture
- ✓ **Provide exposure to senior leadership**  
through small group discussions, town hall (or “all hands” events, and roadshow visits to different offices)
- ✓ **Solicit continuous employee feedback**  
on workplace perspectives, and most importantly, ensure that feedback is meaningfully acted upon in a visible way
- ✓ **Look for ways to continuously recognise employee achievements**  
outside of annual performance reviews — consider implementing things like peer-to-peer recognition program, allowing colleagues to acknowledge each other with points that can be redeemed for prizes
- ✓ **Ensure employees understand how their role contributes**  
to the organisation’s mission, so they fully understand how they help achieve success
- ✓ **Support employee-led identity or affinity groups,**  
where employees can engage with others with similar backgrounds or interests — and encourage people who are interested in learning more about certain identity groups to join, in order to weave an appreciation for diversity into the fabric of the organisation



## To implement employee-centric policies

- ✓ **Offer policies around flexibility**  
that are accessible to employees across all life-stages — adaptable work schedules, additional paid leave to take care of family, and permission to work remotely are among the most requested
- ✓ **Offer clear rules around workplace flexibility programs**  
from the top down, and hold managers accountable for implementing them consistently across the organisation; this can help alleviate employee stress around leveraging the organisation’s flexibility offering
- ✓ **Offer benefits and integrate policies that support employees’ lives outside of work**  
emerging benefits such as additional paid time off, programs that reward healthy behaviour, professional development, and flexibility are among those employees say they want most
- ✓ **Help managers better understand what to do during an employee’s short- or long-term leave of absence**  
provide guidance around who is now responsible for that employee’s work, how the extra workload will be managed by coworkers, and how that employee is going to reintegrate once they are back

## To encourage personal and professional development

- ✓ **Foster a culture of continuous learning**  
looking for ways to integrate training into everyday experiences, so employees do not think that such programs are distracting them from accomplishing their daily tasks
- ✓ **Encourage peer-to-peer mentoring**  
within the business, across disciplines so that employees can learn from each other and learn about the business as a whole
- ✓ **Encourage self-directed learning**  
outside the workplace, through resources like podcasts or documentaries
- ✓ **Leverage the variety of established and start-up companies**  
that provide unique technology-enabled workforce education platforms to keep employees' knowledge and skills up to date in an personalised, agile, and easy way
- ✓ **Position managers as role models**  
and encourage them to transparently and actively share the steps they personally are taking to advance their professional development
- ✓ **Create trainings that develop employees' soft skills**  
such as creativity, leadership, or communication — skills AI cannot yet replace
- ✓ **Offer timely promotions**  
with clear criteria and timing to help employees know where they are on their trajectory, and give them career coaches who can help guide them (similar to programs in place to help many CEOs)
- ✓ **Offer professional development opportunities**  
that are not based on promotion — such as work rotations or stretch and step-up assignments (where, under the right guidance, employees take on responsibilities typically reserved for more senior employees)



## To create a holistic benefit program

- ✓ **Offer a wide range of benefits**  
both employer- and employee-paid, so employees have the ability to build packages that are personalised to their individual needs and that can be changed as their needs evolve
- Complement traditional benefits**  
with employee assistance and well-being programs, which support an array of work-life challenges — such as mental health counselling, on-site yoga classes, health checks, life coaching, and nutrition health consultations — partnering with third-party vendors when necessary
- ✓ **Offer a variety of experiences and tools to help employees better understand their benefits**  
such as videos, guided learning experiences and real-life stories about employees' experiences using their benefits
- ✓ **Use financial wellness programs**  
leveraging tools and resources that are shown to drive real impact — such as personalised advice, one-on-one guidance, and goal-orientated short- and long-term planning
- ✓ **Enhance retirement savings programs —**  
offering ways to generate income as well as strategies to help them manage their savings so that they do not outlive them



## To better communicate benefits

- ✓ **Engage employees as if they were customers**  
alter the way benefits are communicated instead of focusing on individual products, help employees understand how benefits work together to add value to their lives
- ✓ **Using a combination of the channels employees find most effective**  
the top three most preferred channels are a confirmation of benefits issued by the employer, one-on-one consultation with an employer, and an employee benefits handbook
- ✓ **Look to communicate**  
the value of benefits throughout the year



The **blended work-life** world is here to stay. Employers who support employees as individuals in and out of the workplace will **thrive in this evolving environment.**

It starts with understanding where employees are today and their drive to find purpose — however big or small. Once employers understand that employees simply want to have meaningful experiences inside and outside of the workplace, they can begin to shape work experiences to keep their workforce engaged. From structured work flexibility to increased training, employers have several levers to pull when it comes to enabling a better atmosphere for employees.

Yet, perhaps the biggest tool at their disposal is delivering a compelling mix of holistic benefits.

Benefits can be reframed as a significant part of compensation, working with employees' salary to contribute meaningful to their quality of life. Offering the right mix of benefits — whether traditional or emerging — gives employees the sense of empowerment they seek, helping them manage their finances, care for their well-being, and plan for the future.

Communicated in the right way, benefits can go a long way towards helping employees and employers thrive in today's workplace.

# EBTS Australia 2019

## Employee breakdown

Gender	
Male	54%
Female	46%
Marital status	
Single, not living with partner	25%
Single, living with partner	14%
Married	53%
Widowed	2%
Divorced / Separated	7%
Education	
Year 11 or below	6%
Year 12	13%
Certificate I/II/III/IV	14%
Associate degree / diploma	13%
Bachelor's degree	30%
Postgraduate degree	15%
Professional (e.g. MBA, CPA) / Doctorate degree	10%
Employer size (staff size)	
2-9	25%
10-49	19%
50-199	15%
200-999	15%
1,000-4,999	12%
5,000+	14%
Geography	
New South Wales	31%
Victoria	26%
Queensland	20%
South Australia	8%
Western Australia	10%
Tasmania	2%
Northern Territory	1%
ACT	1%
Employment status	
Employed full-time	68%
Employed part-time	28%
Other	5%

Age	
18-24	9%
25-34	20%
35-44	21%
45-54	20%
55-64	17%
65+	15%
Personal income	
Under \$30,000	9%
\$30,000-\$49,000	18%
\$50,000-\$74,000	18%
\$75,000-\$99,000	16%
\$100,000-\$149,000	16%
\$150,000 and over	14%
Prefer not to answer	9%
Family status	
Parent of children < 18 years	31%
Not a parent of children < 18 years	69%
Industry	
Agriculture, Forestry and Fishing	2%
Mining	2%
Manufacturing	5%
Electricity, Gas, Water and Waste Services	1%
Construction	5%
Wholesale trade	5%
Retail trade	10%
Accommodation and Food Services	4%
Transport, Postal and Warehousing	4%
Information Media and Telecommunications	5%
Financial and Insurance Services	7%
Rental, Hiring and Real Estate Services	2%
Professional, Scientific and Technical Services	12%
Administrative and Support Services	4%
Education and Training	10%
Health Care and Social Assistance	11%
Arts and Recreation Services	
Other / Don't know	11%

# EBTS Australia 2019

## Employer breakdown

Employer size (staff size)	
9	14%
10-49	16%
50-199	23%
200-999	24%
1,000-4,999	14%
5,000+	10%
Geography	
New South Wales	34%
Victoria	30%
Queensland	17%
South Australia	7%
Western Australia	8%
Tasmania	2%
Northern Territory	1%
ACT	1%
Industry	
Agriculture, Forestry and Fishing	2%
Mining	2%
Manufacturing	9%
Electricity, Gas, Water and Waste Services	2%
Construction	9%
Wholesale trade	3%
Retail trade	8%
Accommodation and Food Services	4%
Transport, Postal and Warehousing	3%
Information Media and Telecommunications	4%
Financial and Insurance Services	8%
Rental, Hiring and Real Estate Services	3%
Professional, Scientific and Technical Services	12%
Administrative and Support Services	3%
Education and Training	13%
Health Care and Social Assistance	8%
Arts and Recreation Services	1%
Other / Don't know	5%

Department	
Procurement	4%
Finance / Accounting	13%
Executive / Senior Management (CEO / CFO)	37%
IT	0%
Payroll	4%
Human Resources / People & Culture	24%
Administration	18%
Role in benefits offering	
Final decision maker	36%
A lot of influence	45%
Moderate influencer	19%
Employment status: Full-time	
All	71%
Some	29%
Moderate influencer	0%
Employment status: Part-time	
All	43%
Some	41%
None	8%
N/A - no part-time employees	7%
Employment status: Fixed-time	
All	37%
Some	35%
None	13%
N/A - no fixed-time employees	15%

# To find out more about the research, please contact your Relationship Manager or email [auserVICES@metlife.com](mailto:auserVICES@metlife.com)

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