

# **Hooray Health & Protection Employee Benefits Survey Covid-19 Edition**

July 2020

# Foreword

It is safe to say that 2020 has not gone the way that most of us would have hoped with the COVID19 pandemic causing some of the most challenging times for businesses since the great recession. Lockdown measures have meant many companies have had to shut their doors and sadly for many, this will be for the very last time.

Now, more than ever, we need to remember that even though business owners are having a rough time, our employees are in the exact same boat and we need to provide them with support to deal with the impact that the pandemic is having on their lives.

People are worrying about how their loved ones would survive if something happened to them. They are concerned about their finances with an impending recession and whether their job is secure during these troubling times.

If we are hit with a second wave of COVID-19, these worries are only going to grow stronger and negatively impact people's wellbeing. As such, it has never been more important for business owners to talk to their staff and simply listen to what support they need.

When I commissioned this survey, perhaps arrogantly, I assumed that with my experience in dealing with businesses employee benefits every day, that I would know what all of the answers would be...honestly, nearly every assumption that I made was incorrect.

I am not ashamed to admit this because it shows that employees' needs are forever changing and industry experts cannot just assume that because something has always been one way, it will stay that way forever.

Hooray Health & Protection is seeing some fantastic work by several businesses to help improve their employees' wellbeing and strengthen their engagement. However, this report highlights which areas employees feel more focus is needed.

We have asked industry leaders Yulife Insurance, HR Solutions UK and Hays Recruitment to provide their unique expert insights into the UK workforce for this survey and would like to thank them and all of the survey respondents for their help in making this possible.



**Charlie Cousins**  
Founder

# Executive Summary

The COVID-19 pandemic has turned the employee benefit market upside down as employers rush to understand which benefits they have in place to support their employees during this global pandemic. To understand how we can support people in these strange times, we commissioned this survey to understand the needs of the SME workforce and what support they would like from their employer.

- 47% of employers currently offer no employee benefits to their staff.
- All the respondents who confirmed their employer provides some form of employee benefits also receive more than just one type of benefit.
- Non-monetary perks are the most offered benefit with 16% of respondents receiving them, this is closely followed by Health Insurance with 15% receiving it as a benefit.
- 31% of participants are happy or very happy with their employer's current employee benefit offering.
- Income Protection is the most desired employee benefit at 24% in comparison to only 6% of the respondents currently receiving it.
- Health Insurance is desired by 22% of respondents which is twice the amount than those receiving it.
- Those wanting non-monetary perks decreased by 10%, with only 13% of respondents wanting this as an additional benefit.
- Nearly 75% of respondents believe flexible working will have some impact on their morale as lockdown restrictions relax.
- Half of respondents are likely to start looking for a new job post Covid-19.



# Participant Demographic



**1150**  
Responses

In total we received 1150 successful responses to our survey. We targeted SME employees from across the United Kingdom.



**250**  
Employees

We set the criteria for an SME employer to have under 250 employees.



The survey results contain respondents from four areas of the UK, with 86% residing in England, 12% Scotland, 2% Wales and 1% Northern Ireland.

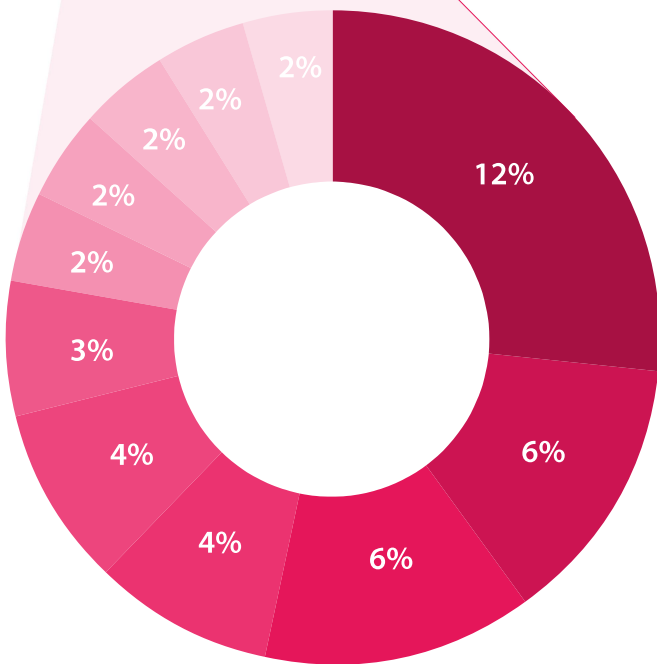


**50%**  
From 11 Industries

Of those participants 50% were from just eleven industries out of 112 completed.

The **11** most replied industries were:

- 12% Hospital & Health Care
- 6% Education Management
- 6% Retail
- 4% Health Wellness & Fitness
- 4% Accounting
- 3% Hospitality
- 2% Financial Services
- 2% IT & Services
- 2% Food & Beverage
- 2% Airline & Aviation
- 2% Primary/Secondary Education



All survey results were completed between the 9th June and 5th July 2020 during the COVID-19 pandemic.

## Current Benefits

The positive impacts of having employee benefits are, by now, common knowledge. Benefits build morale, boost productivity, increase retention and simply make everybody feel appreciated.

But, despite their undeniable value, employee benefits are not a staple in every business.

Whilst we firmly believe that a hiring manager should not focus solely on benefits when promoting a job opening, it cannot be disregarded that companies with great benefits attract great talent.

Unfortunately, with COVID-19 forcing many people to work from home, it is unlikely that free-fruit-Friday will be delivered to our doors!

Nevertheless, we conducted a study to understand which benefits Small to Medium Enterprises (SMEs) in different industries actually provide.

## So, which benefits do SMEs really provide?

Our survey found that almost half of SMEs did not offer any benefits at all! In a world where birthdays off, Health Insurance and cycle-to-work schemes are included in job descriptions, that does not seem very progressive.

It is not all doom and gloom, though. Those SMEs in the larger half of our survey's sample do provide at least one benefit.

Even better, companies that do offer benefits are likely to offer more than just one.

That means that those who receive

increased holiday are more likely to also have benefits such as Health Insurance and increased holiday.

## And which industries provide the most benefits?

Even more shockingly, those who worked in the healthcare industry were most likely to report having no benefits.

64% of the people currently praised for working on the frontline to help us fight the pandemic reported getting no employee benefits.

On the other hand, those in the accounting industry were more likely to have multiple perks AND they were most likely to have Life Insurance.

## But which benefits are most common?

Our results found an interesting trend on the types of benefits that SMEs provided.

Non-monetary perks (that's your fruit bowls, fizz Friday's, free lunches and team outings) are the most common benefit, with 16% of our sample's companies providing them.

The least common is Income Protection, with only 7% of companies getting this benefit. Now, as much as we love a free lunch (and here at Hooray, we love a free lunch), it seems like "benefits" could be a little more useful.

Whilst Fizz Friday might draw in the younger workforce, it is likely that parents and the older workforce would appreciate something a little more financially focussed.

With lockdown seemingly now able to ease (let's all keep our fingers crossed) it might be time for companies to start noticing the benefits of having benefits.

# Benefit Satisfaction

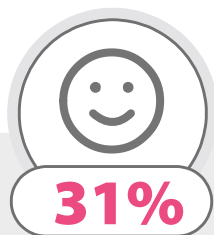
We all love to feel valued, and Hooray will always be the first to promote giving back to employees, especially at a time like this. Employee benefits mean employee happiness, and employee happiness means more than just a pleasant working day. Since the 90s, studies have proven that employee happiness increases motivation, which ultimately increases productivity. And this is not a new phenomenon. Born in 1835, technological entrepreneur Andrew Carnegie noted that employees must be happy to be productive.



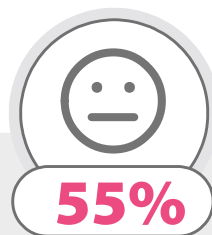
**"There is little success where there is little laughter."**  
Andrew Carnegie, Entrepreneur

Being such an important predictor of happiness, we conducted a study on the benefits provided by Small to Medium Enterprises (SMEs), and how satisfied they felt with them.

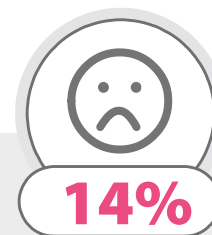
## So, are most people happy with the benefits their company provides?



31% of SMEs are happy with the current benefits



Nearly 70% of people not happy or just OK



14% are "not happy at all"

According to our study, 31% of SMEs are happy with the current benefits that they provide.

When you think about it, that is not a lot.

That leaves nearly 70% of people not happy or just OK, (which, in our eyes, is the same as not happy).

What's more, of the people who are not happy, 14% are "not happy at all", meaning there is definitely room for improvement.

How can we expect morale to be raised when not even a third of people are satisfied?

## And which industries are happiest?

- Our survey found that, of the 6 industries with the most respondents, only the accounting industry were more satisfied than the survey's average!
- SMEs in the health, wellness and fitness industry were about as happy as the average, but education management, retail, hospital & healthcare and hospitality were all less satisfied with their benefits than the average for all respondents.

## Can benefits really improve employee happiness?

- At Hooray, we see employee benefits as a little way of saying "Thank You". So, whilst a free lunch every month might seem menial, it actually goes a long way in making people feel valued.
- Providing Health Insurance encourages employees to feel that, should they get sick, their employer has got their back.
- And benefits also have a more critical function.
- Great talent might be attracted to a job they otherwise couldn't commit to, just because of a certain benefit.
- For example, if parents are able to work from home once a week, they will inherently feel more satisfied. They will feel like their employer actually cares about their individual situation, rather than just the output that they provide.
- Employee benefits have been proven time and time again to increase employee happiness, boost productivity and enhance wellbeing.
- With COVID-19 keeping many of us at home, the benefits do not have to stop.
- Mental health support, Life Insurance and 1-1 development programmes are just a few of the benefits that can easily continue (or begin!) during lockdown.
- In this new world order of looking after ourselves and the others around us, the positive impact of giving back to your workforce with employee benefits should not be overlooked.

## Most Desired Benefits

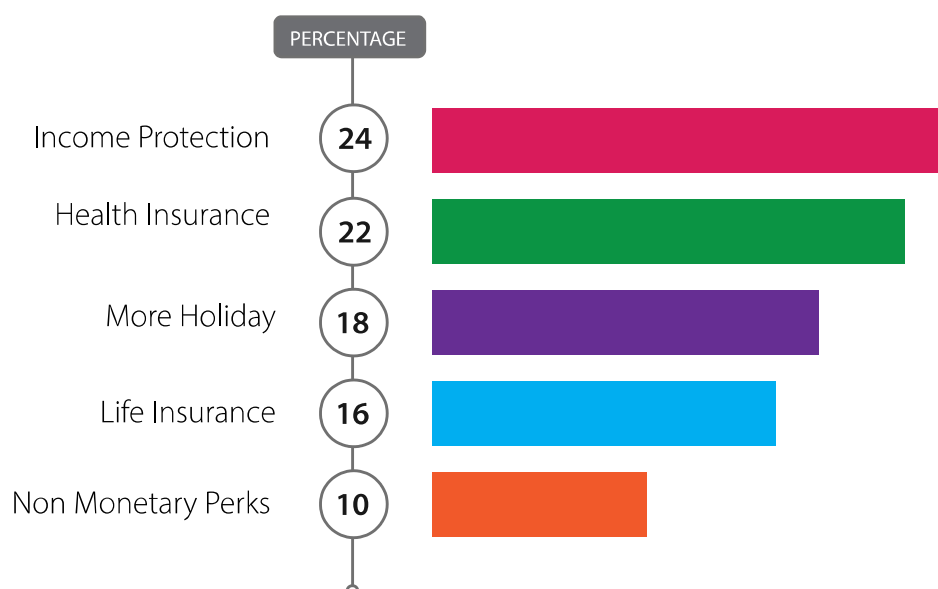
During these uncertain times most businesses are conducting a comprehensive review into all aspects of their expenses. With a significant shift in working practices, and the necessity of working from home, businesses are also wondering how they can demonstrate care for their employees, boost morale and maintain high levels of productivity. With Hooray finding that 50% of employees are likely to be looking for a new job post Covid19, employers also have a serious retention issue lurking just around the corner. This situation puts the effectiveness of employee benefits under the microscope. Employers are naturally asking: What steps can I take to boost employee morale? Which benefits are actually valued by my employees? Which benefits have the longest-lasting impact? And crucially, which benefits demonstrate the highest degree of care and support?

The findings from Hooray's survey are revealing as they show that tangible benefits offering financial security and safeguard employees long term wellbeing are far more desired than transient perks. Of those surveyed, Income Protection was the most coveted employee benefit, with 24% of respondents identifying it as the benefit they would want most post Covid-19. This is telling as only 6% are currently receiving Income Protection from their employers. Moverover, Hooray found that 16% of employees want Life Insurance, up 40% compared to current levels. The number of respondents preferring non-monetary perks has fallen by 10%, with only 13% of respondents wanting this as an additional benefit. The difference between what employees truly want and what they are currently receiving explains why only 31% of employees are pleased with the benefits they are offered, while a whopping 69% are only content or unhappy with their current benefits scheme.



**Sammy Rubin**

Yulife Founder & CEO





# Job Satisfaction

Before COVID-19, the market was incredibly buoyant at the start of 2020; businesses and workers alike were encouraged by the stability that came from last year's general election results. Now, halfway through the year, COVID-19 has changed the job market beyond recognition. What started as a health crisis has morphed into a savage economic crash.

The unemployment rate saw record lows at the start of the year. But as the furlough scheme comes to a close, we're starting to see the real impact. Hospitality, Retail and Aviation have all been hit particularly hard, but every sector has been affected in some way by the crisis. We won't know the full scale of job losses for a while yet, but it's not farfetched to expect COVID-19 to dwarf the 2008 recession.

Hooray's survey states that half of respondents plan to look for a new job when this crisis is over, but what if you need to hire someone sooner than that? If you're lacking a particular skill set in your business now, chances are that others will be too.

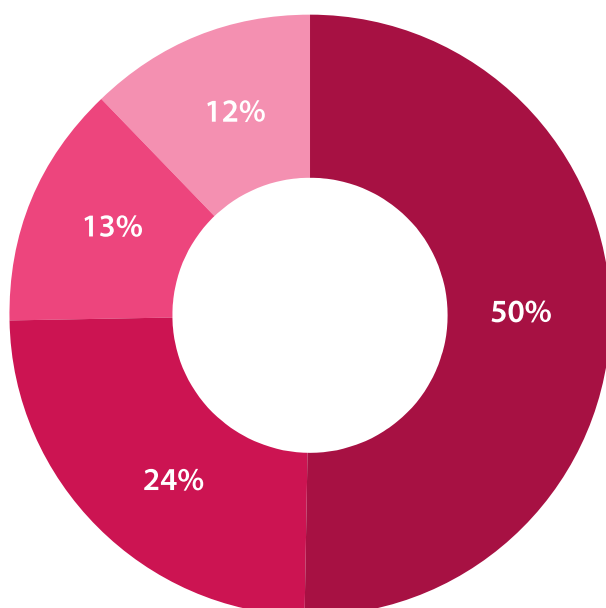
Keep this in mind when shaping your reward and culture offering - it can't stay the same as it was pre-COVID-19 because forward-thinking companies have already changed. If someone has in-demand skills and they're open to changing jobs, they'll know their worth and will be very selective with their choices.

But the 'new normal' does have its benefits. If you can offer a compelling and up-to-date proposition to both new and existing employees, you'll be far more likely to attract and retain the talent you'll need to flourish during these challenging times.



**Luke Thompson**

Digital Lead & Manager, Hays Plc



How likely are you to look for a new job once the Covid-19 pandemic is over?

50% Not at all likely

24% Somewhat likely

13% Very likely

12% Extremely likely

# Employee Morale

These findings come as no surprise, given the psychological impact that Covid-19 has had and continues to have on people and their lives. This unprecedented and very challenging period has perhaps reminded people of the importance and need to safeguard their future and finances for themselves and their family; but also, realising the importance of taking the time away from work to spend time with family.

We are seeing many organisations, large and small, make staff redundancies and we know that nearly 9 million people are furloughed (as at June 2020, source HMRC CJRS and PAYE Real Time Information data), and so undoubtedly for those who are furloughed, they will also be feeling anxious about their future and whether they will continue have employment. Interestingly, overall, 44% of respondents who are not satisfied with their current benefits said that having Income Protection, Life Insurance or Health Insurance would have a very high impact on their morale with the company. In fact, the most desired benefit reported is Income Protection.

From a HR perspective, we will see businesses reinventing themselves as they try to re-build following Covid-19. As the recruitment market picks up alongside high unemployment levels resulting from the pandemic, many businesses will need consider their employee value proposition (EVP). EVP is a unique set of benefits that an employee receives in return for their skills, capabilities, and experiences.

Defining EVP effectively will be a selling point for any business, and where there is a competitive labour market, businesses will want to do as much as they can to stand out. Having a rewards package that is competitive is just one element of EVP as the data from the survey shows; looking to offer benefits such as Income Protection, Life Insurance and Health Insurance may just make the difference to make a business stand out from the crowd.



**Victoria Templeton**

HR Knowledge Manager, HR Solutions

As lockdown restrictions relax, what impact does flexible working have on your morale?

40% High Impact

34% Little Impact

26% No Impact

## A special thanks to our contributors



Yulife



Hays Recruitment



HR Solutions



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