

What Workers Want 2021: Employee Benefits Survey

Start-up Edition

October 2021

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Foreword

While many surveys explore the issue of employee benefits from an SME or big business perspective, it's rare to hear the experiences of those people working for newly formed companies. As such this is a fascinating insight into an employee perspective often overlooked.

We've defined start-ups as companies which have been in existence for five years or less. But it's worth remembering that start-ups come in all shapes and sizes. Some launch with the clout of venture capital backing, others from more humble beginnings. The one thing that unites them is the ambition for growth. And all smart business owners understand that hard-working, talented people are the key drivers.

But how do they attract the right people and keep them in the business?

There are several factors at play, included opportunities for career progression, a positive workplace culture and an attractive wage structure. But employee benefits can be a decisive element. This is reflected by our survey in which two-thirds of start-up employees said that perks were a "very important" factor in their choice of workplace.

Our report suggests that start-ups are getting the message. As an independent insurance broker for small businesses, we're also experiencing this trend - an increasing number are coming to us for advice on insurance and wider employee benefit schemes.

Finally, I'd like to thank all those who've contributed to the report, including Canada Life, Unmind, Thanks Ben and Xcede.

And of course, thank you to the hundreds of start-up employees who responded to our survey!

All the best,

Charlie Cousins

Founder, Hooray Health & Protection



Executive Summary

Hooray Health & Protection surveyed 641 UK start-up employees across 51 industries ranging from accountancy to farming. Our plan was simple: to discover whether the vibrant UK start-up community is delivering the employee benefits their workers wanted.

Here are some of the highlights:

1. Employee satisfaction

We began by gauging the satisfaction of levels of start-up employees.

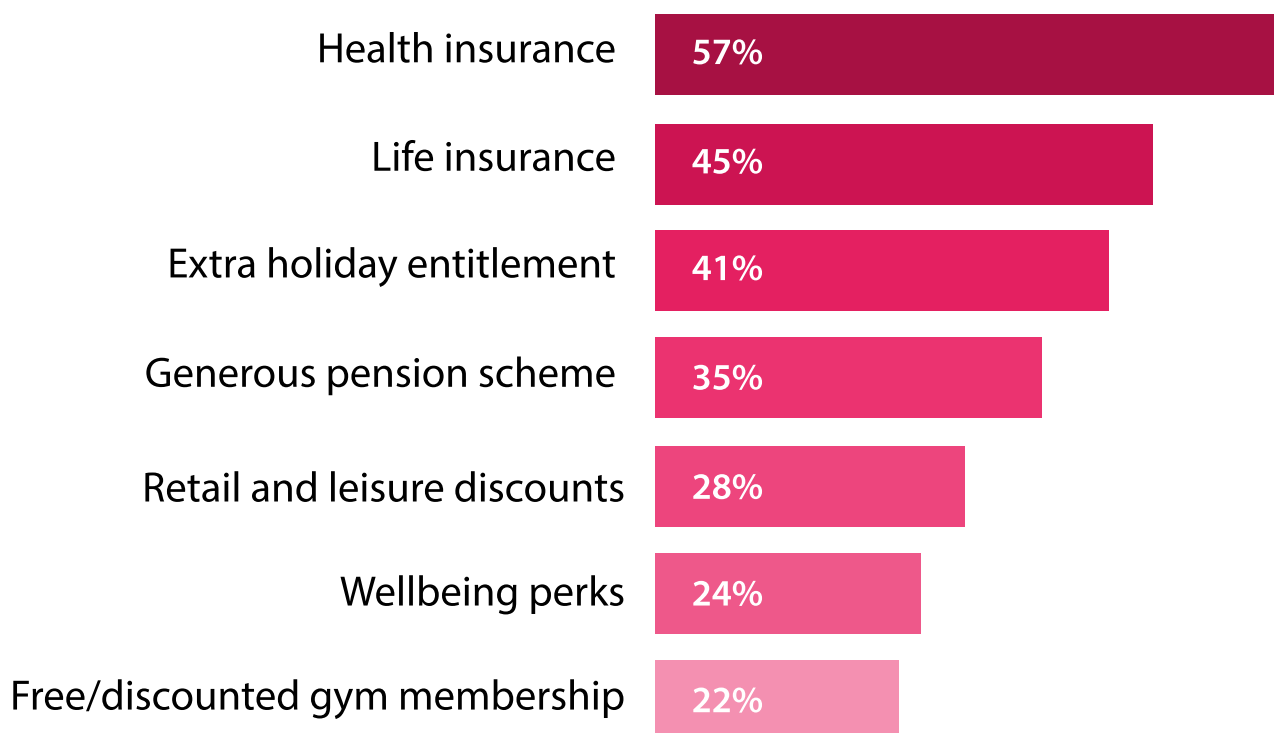
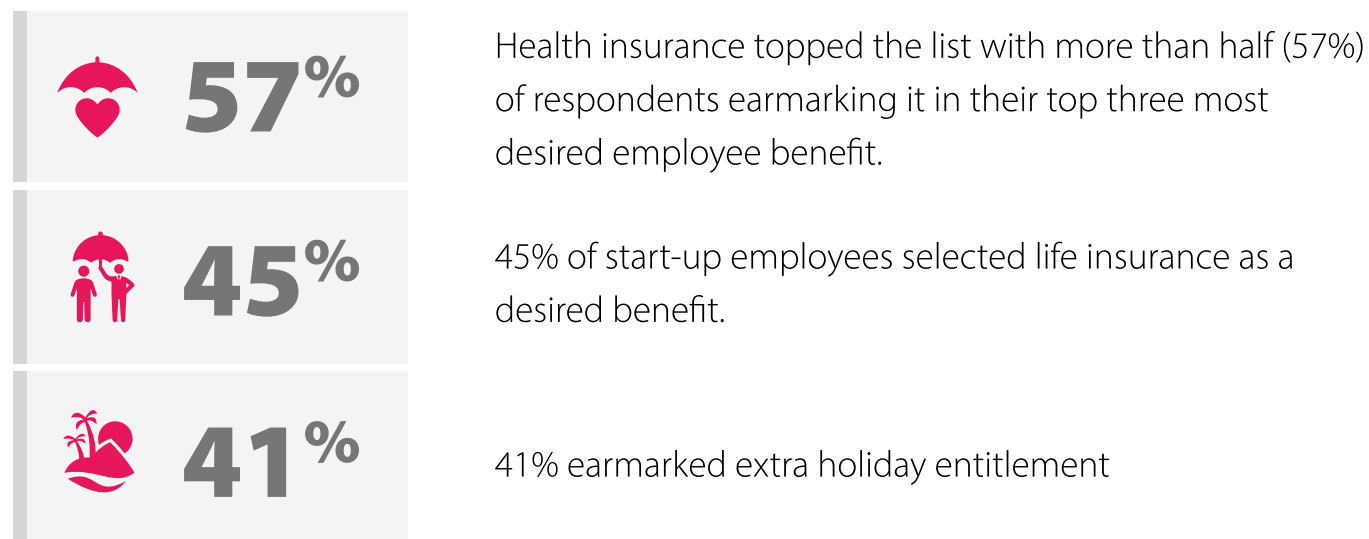
- An impressive 93% of start-up employees said they receive employee benefits.
- More than three-quarters (78%) of start-up employees reported being consulted about employee benefits
- An almost identical number (77%) said they were happy with their benefits, suggesting a correlation between satisfaction levels and garnered feedback.
- More than half (55%) of respondents believed the benefits they receive are better than the average persons. Almost a quarter (23%) feel it's about the same.
- Almost two-thirds (63%) of start-up employees say that benefits were a very important factor in their choice of workplace. Only 2% said they weren't important.

Altogether, these findings show that start-ups are working hard to deliver the best range of employee benefits to their teams. It also suggests they are cognizant of the role benefits play in attracting and retaining the best talent – vital in helping them punch above their weight and achieve business growth.



2. Most-wanted benefits

We asked start-up employees to choose the three benefits they most desired.



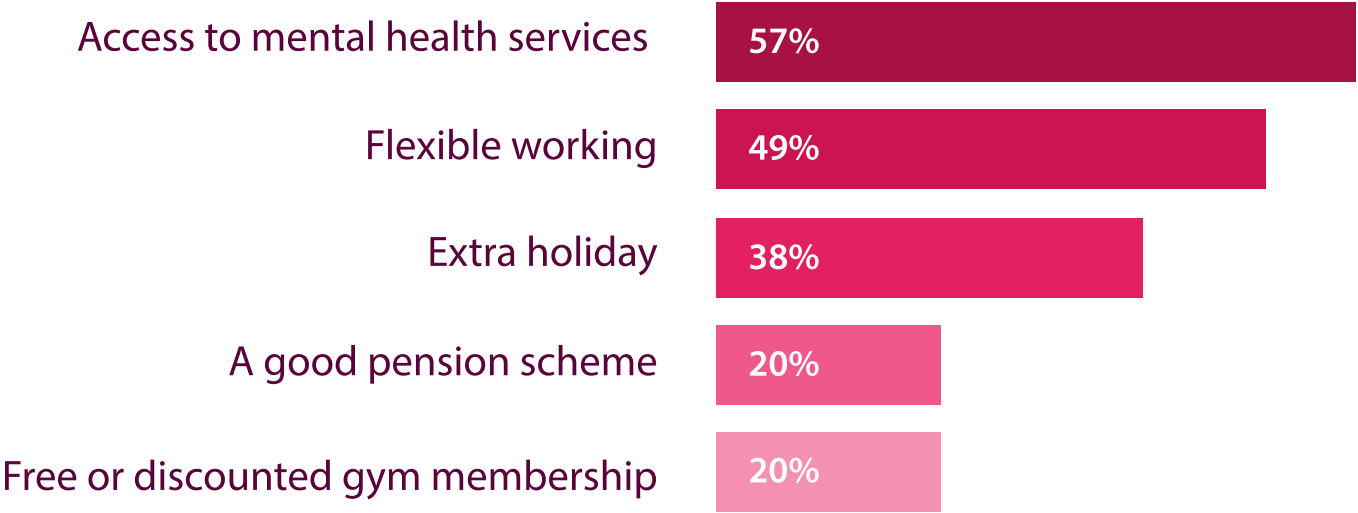
The prominence of health-related insurance is likely a reflection of current concerns related to the pandemic. Start-ups would do well to address these concerns when developing their employee benefit schemes.

It's worth noting how our survey reveals a wide range of desired perks, highlighting the need for businesses to consult their staff before implementing a new scheme.

3. Support for mental health

Physical health is not the only preoccupation for workers today. We wanted to find out what benefits start-up employees felt would bolster their mental wellbeing the most.

More than a half (57%) said **“access to mental health services”** would most effectively support their mental health.



While this may seem obvious at first glance, it in-fact reveals something very important. Start-up employees clearly feel that professional support is what’s needed above and beyond more holiday time and flexible working arrangements.

Almost nine out of ten start-up employees (88%) feel their benefits aid their sense of wellbeing. This suggests that start-ups are going some way to addressing the needs of their employees.



As is so often the case in the world of employee benefits, there is no one-size-fits-all solution. Our survey results show a wide spread in what start-up employees believe would most help with their mental wellbeing. This demonstrates that providing choice is paramount to keeping everyone happy and healthy.

4. The cost of health-related insurance for start-ups

Exclusive data from Canada Life shows the cost of employee health-related insurance for start-ups across three key categories. It's interesting to note that Group Life Insurance has the lowest premium and was the second most desired employee benefit (see Section 2) – suggesting it provides value for money for start-ups seeking to please their employees.

Average Group Life Insurance premium

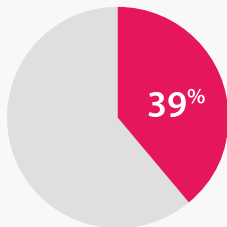
£1,316

Average Group Critical Illness premium

£2,020

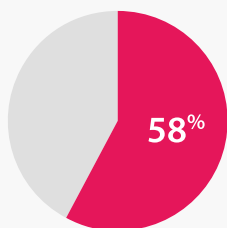
Average Group Income Protection premium

£3,042



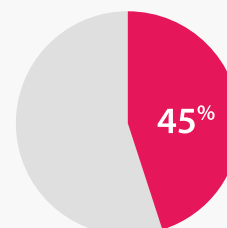
Group Life Insurance:

More than a third (39%) of generous start-ups are offering a pay-out of 4x the employee's salary in their Group Life Insurance policy should the worst happen. Meanwhile, a third (33%) are committed to paying an undisclosed fixed amount .



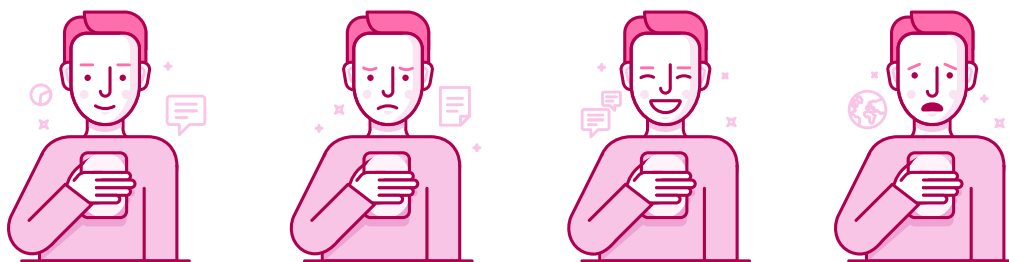
Group Income Protection:

Over a half (58%) of start-ups are offering a Group Income Protection policy which pays out 75% of an employee's salary once the statutory sick-pay period comes to an end. This reflects how start-ups are willing to go above and beyond to safeguard the financial wellbeing of their staff.



Group Critical Illness:

Almost half of start-ups (45%) opt to pay a flat amount rather than a multiple of an employee's salary.



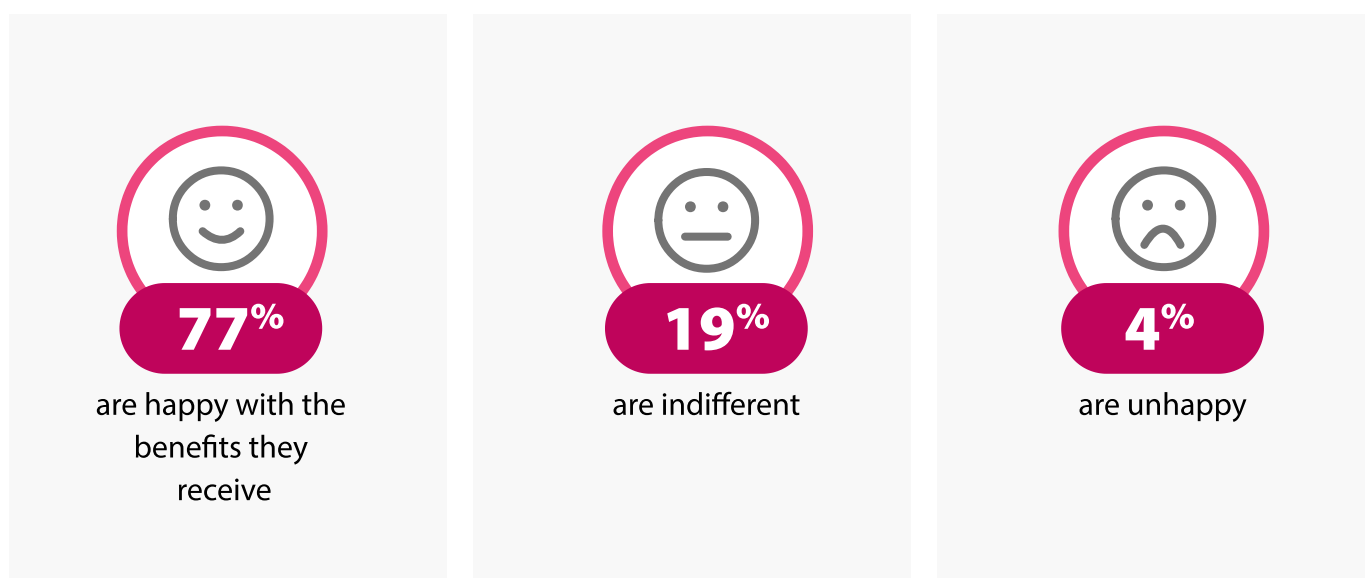
ANALYSIS 1:

**Are start-up employees happy
with their benefits?**

Start-ups are (mostly) meeting the needs of their workforce

The results of our survey challenge the perception that employee benefits are predominantly the domain of large or more established businesses. We were pleasantly surprised to learn that **93% of start-up employees reported receiving employee benefits.**

But it's one thing offering employee benefits, it's another giving workers what they want. We decided to find out if they were satisfied with what they were receiving. Once again, the results were positive with more than three quarters (77%) of start-up employees reporting being happy with their benefits provision.

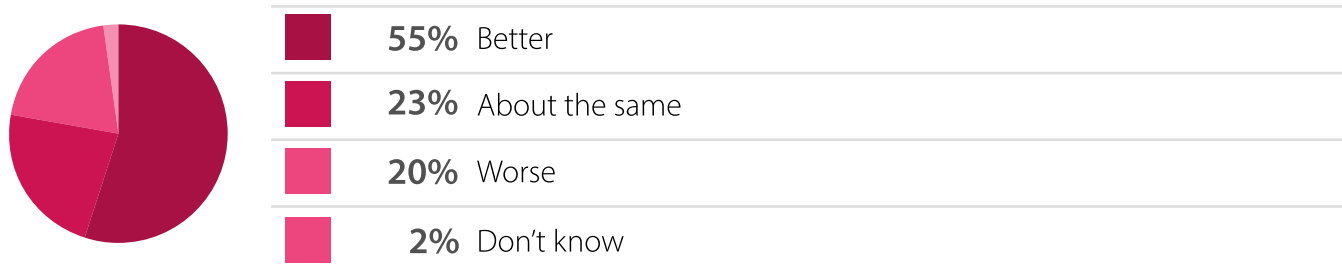


It's interesting to note how this contrasts with our survey of 1150 small business employees last year.

The results of our start-up survey challenge the perception that employee benefits are predominantly the domain of large or more established businesses.

The positive narrative of our start-up survey is reinforced by the fact that more than half (55%) of respondents believe their benefits package is better than the average persons.

How do you feel your employee benefits compare to the average persons?



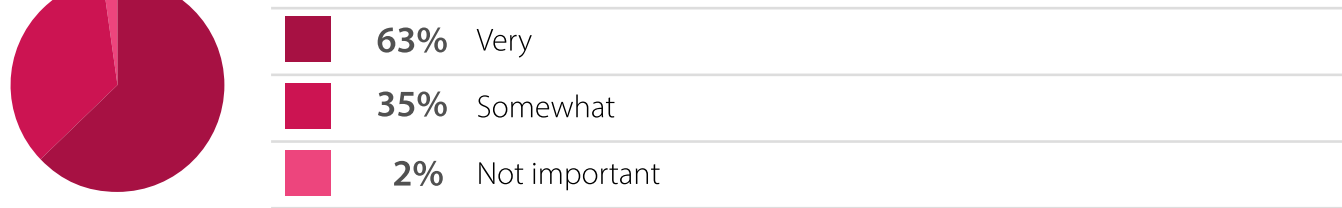
How is it that start-ups are doing such a good job? It seems like they're actively listening to their workers. According to our survey, 78% of workers say their employer has sought their feedback.

Has your employer sought your feedback about employee benefits?



And well they should. In our survey, almost two-thirds (63%) of start-up employees said that benefits were a very important factor in their choice of workplace.

How important are benefits for your choice of workplace?



4 reasons why start-ups are confounding expectations

Hooray Health & Protection has helped countless start-ups get the employee insurance packages they need most. In working with this ambitious forward-thinking community, we've learnt a lot about what makes them tick. We believe there are four key driving factors behind their surprising success in providing for their employees.

1. Competitive pressures

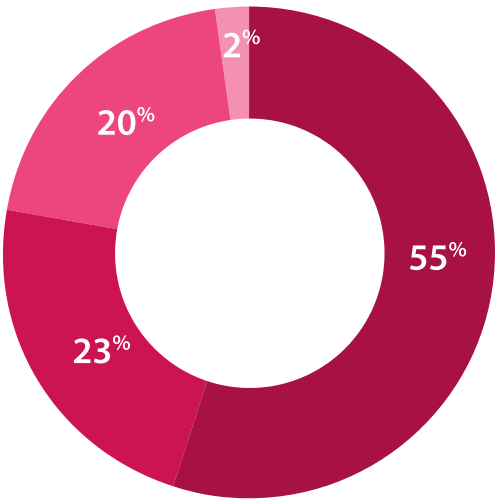
Start-ups often face the challenge of having to attract and retain talented employees in the absence of large salaries or long-established reputation. They are acutely aware of this challenge and are likely striving to compensate by providing an attractive selection of affordable perks to their employees.

2. People power

Ambitious start-ups can only grow if they have the right people in place to drive it. Every department must help drive business performance.

This means that start-ups have a more tangible understanding of people's worth. An attractive range of employee perks goes some way to addressing the challenge of enticing the best people and keeping them in the business.

The positive narrative is reinforced by the fact that more than half (55%) of respondents believed their benefits package was better than the average persons.



How do you feel your employee benefits compare to the average persons?

55%	Better
23%	About the same
20%	Worse
2%	Don't know

3. Pandemic pressures

The pandemic has forced companies of all sizes to become more mindful of their employees' physical and mental wellbeing. However, there's also an element of cold-hard pragmatism...

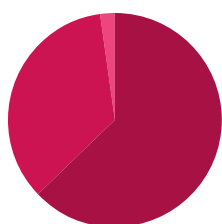
Home-working arrangements have been forced upon most businesses – a benefit already in high demand pre-pandemic. In a 2019 survey by Wild Goose, nearly 8 out of 10 said that the ability to work flexibly would be very significant for them.

Yet, reduced face-to-face contact makes it harder to gauge employee wellbeing and provide the informal one-to-one support which is available in a shared office. Therefore, it's likely more formal support arrangements have had to be considered.

4. Employee demand

Employees are attracted by a good benefits scheme. Today's workers have a strong desire for support beyond the pay packet– and this may be a decisive consideration for their workplace choices.

This is reflected by our survey result above which showed almost two-thirds of employees identifying benefits as “very important” in their choice of workplace.



How important are benefits for your choice of workplace?

63%	Very
35%	Somewhat
2%	Not important

According to a Gallup poll, the UK and western Europe have the lowest levels of employee engagement. Clearly, one way to address this issue is through implementing a helpful benefits scheme .



Imogen Weller, Xcede Recruitment

Senior Recruitment Consultant

As both a recruiter and employer in the tech industry, we've noticed a major shift in employees' expectations post-pandemic. While it's obvious to point out the increased requirement - and expectation – for homeworking, its impact needs to be fully understood.

The improved work-life balance many employees have experienced during the pandemic has been an eye opener. Some are reluctant to return to the daily commute and the rigid work structures of old. Consequently, employers with unnecessarily rigid rules around where their people work are likely to make prospective candidates reconsider their options.

We've observed for a long time that candidates consider factors beyond salary and opportunity for career progression - although these two things always have been, and always will be, important. But what we seem to be witnessing post-Covid is that flexi-working arrangements have gone from a "would like to have" to an "expect to have".

Forward-thinking start-ups would do well to heed the momentum of this trend. Yet, employee satisfaction is not guaranteed by a single perk. This makes it essential to organise fact-finding missions with your team. Employers need to find out what they want and then work out the practical means of providing it which benefits both the team and the business.

It's been heartening to discover that many start-up companies are actively listening to their teams which, no doubt, has equipped them with the knowledge required to fulfil their needs. While the job is never done – and no doubt there will always be room for progress - it looks like the UK's vibrant start-up culture is embracing the challenge of giving their employees a great workplace experience.

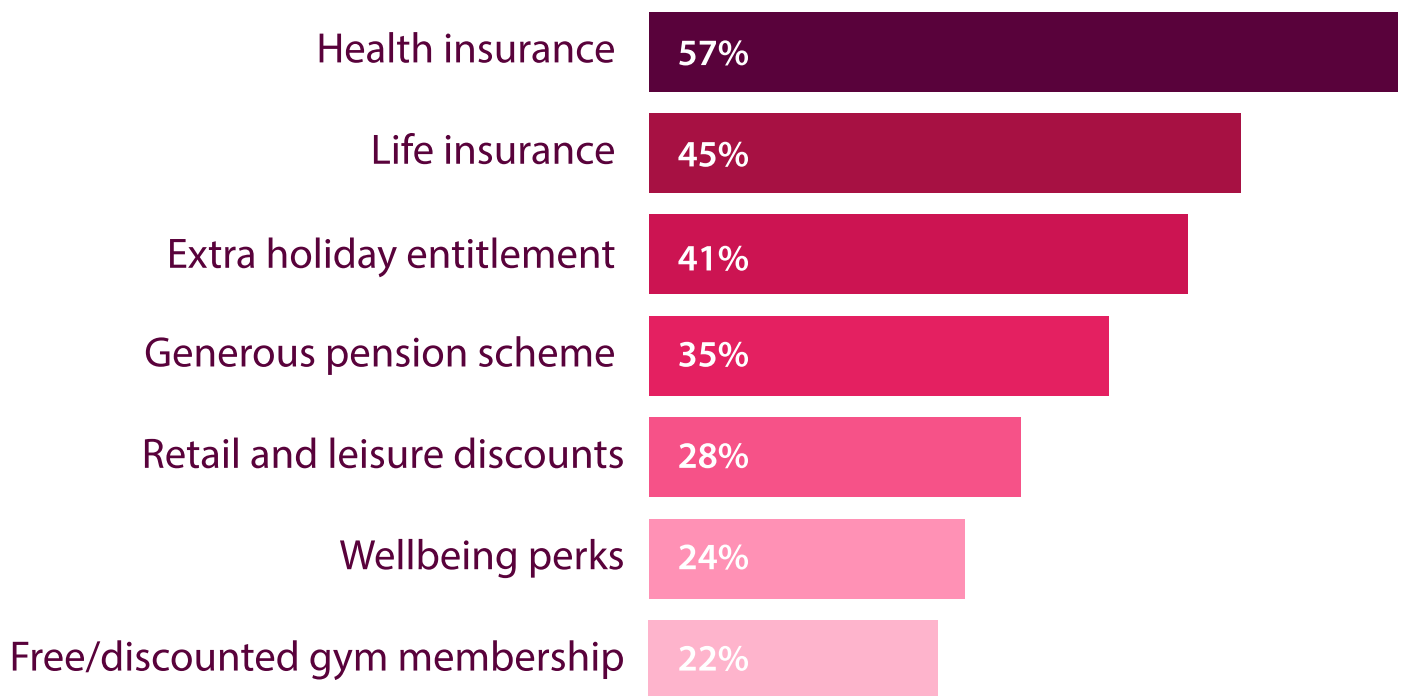


ANALYSIS 2:

What benefits do start-up employees most desire?

The most wanted employee benefits are health related

We asked start-up employees to choose their top 3 most desired benefits. Here are the results:



Health insurance is the most popular employee benefit

Health insurance topped the list with more than half (57%) of respondents earmarking it in their top three most desired employee benefit. The reason why has likely been staring us in the face for the last 18 months.

People are likely worried about the consequences of needing hospital treatment during these uncertain times, so it's no surprise that access to private healthcare is foremost in their minds.

The number of patients in England waiting over a year for routine hospital care is now 100 times higher than before the pandemic, **according to data from NHS England.**

Life insurance is also highly sought after

45% of start-up employees selected life insurance as a desired benefit - which caught us a little by surprise. In our survey of small businesses last year, only 16% earmarked life insurance as their most coveted benefit.

The best explanation is that it likely reflects the depth of worry that exists at a time when the issue of mortality is ever-present across our various screens, newspapers and audio devices.

It's worth noting that life insurance comes in at a lower cost than other forms of insurance, as data from Canada Life reveals in section 4 of this report.

But wait... People want different things!

Taken together we can see there is a wide range of desired employee perks. Clearly, start-ups are rarely able to offer everything to everyone. This highlights the need to get to the bottom of what your employees really want and need.

There are two key actions recommended for business owners looking to keep their teams happy:

OPTION 1:

Consult your employees

Arrange a workplace survey which puts all the possible choices in front of your employees and leaves space for them to add their own unique suggestions.

OPTION 2:

Offer a "pick n' mix"

Provide a flexible range of benefits – allowing employees to select from a choice of benefits rather than providing a "static" benefits package in which employees are auto-enrolled. This is perhaps the shrewdest way of ensuring that workers get what they truly want.



Moynul Hoque, ThanksBen

Business Development & Partnerships

The importance of choice and how to deliver it

The one-size-fits-all approach to benefits is unfortunately the standard at the moment and this can lead to an uneven experience for employees. Some may be delighted with their perks, others left disappointed – or, worse, neglected.

One employee may be a fitness fanatic who would love the opportunity of getting a discounted gym membership, another may hate the idea of going to the gym but jump at the chance of discounted cinema tickets.

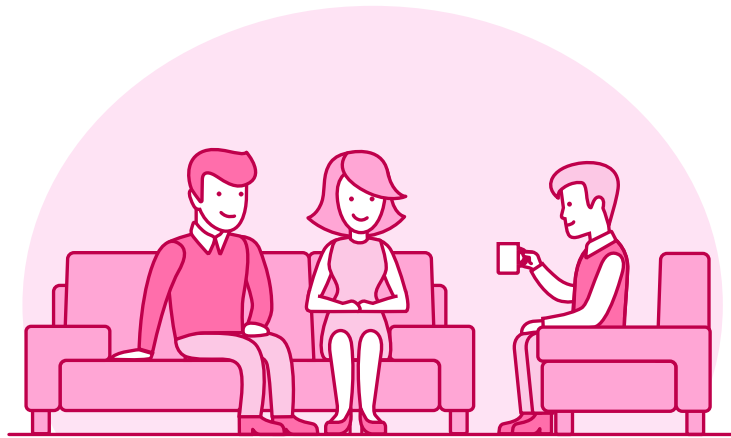
Workplaces are also increasingly diverse – in terms of age, gender and cultural background. This is a great thing for company performance, but it does further complicate the challenge of providing benefits that everybody wants. The more diverse the team, the more likely it is that they'll want different things.

So, what's the solution? In short: offering choice.

Offering choice is the only way of guaranteeing that every team member receives the perks they want. Digital platforms can now allow employees to essentially provide a menu of benefits to their workers from which they can opt-in to whatever perk they value most.

The world of employee benefits has evolved. There are increasing numbers of perks being made available by innovative providers. The potential for choice is huge. In the last five years we've seen new players enter the market, from mental wellbeing support to fitness apps.

The flexible benefits marketplace is becoming ever more affordable and easier to implement. With competition for talent at an all-time high, now's the time to start thinking about offering your team the benefits they want.

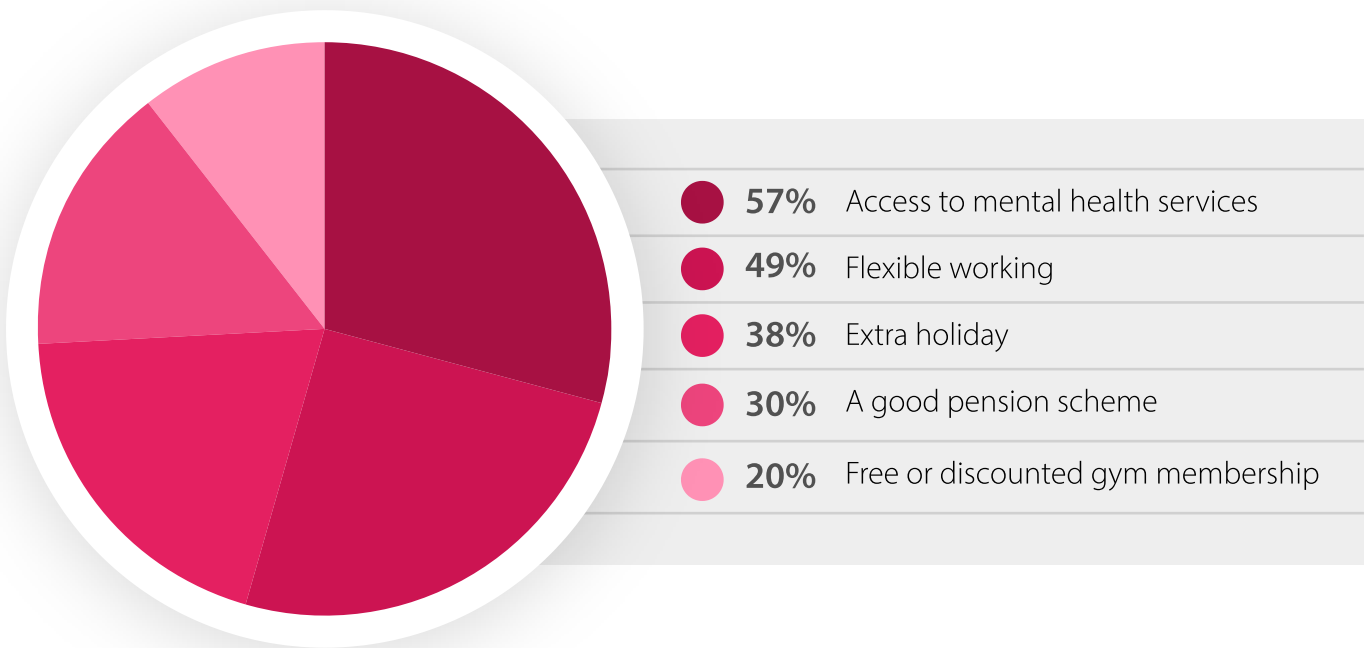


ANALYSIS 3:

How can start-ups bolster their team's mental health?

Employees want professional help to aid their mental wellbeing

Our survey of 641 start-up employees revealed which three benefits they felt would most help with mental wellbeing. Here's what they chose:



Stating the obvious? Perhaps not...

At first glance it may seem glaringly obvious that access to mental health services is considered the most sought after means of addressing mental wellbeing. In fact, this finding is more revealing than it first appears. It suggests that above and beyond more holiday time and flexible working arrangements, employees would most benefit from the formal assistance of mental health professionals.

The rise of mental health issues has been much covered in the media and its prevalence is reflected by a Public Health England survey in January which found that almost half (49%) felt that the pandemic had impacted negatively on their mental health and wellbeing.

The dangers of prescriptive homeworking

Most studies have shown that increased homeworking has been a double-edged sword. In our 2020 survey, nearly 75% said homeworking would have some impact on their morale as lockdown restrictions relaxed. A recent survey by the Royal Society for Public Health (RSPH) found that 67% of people felt less connected to colleagues and 56% finding it harder to switch off as a result of remote working.

It illustrates that start-ups should consult their teams before instigating any new homeworking policies. Offering choice and flexibility is likely the best way to keep employees happy and safeguard their wellbeing.

Start-ups are generally doing a good job

The good news is that most start-up employees (88%) feel their benefits aid their sense of wellbeing. Clearly, start-ups are working hard to address the issue.



Do your benefits aid your sense of wellbeing?

■	88%	Yes
■	12%	No

But the solution is not simple. Our survey results show an even spread in what start-up employees believe would most help with their mental wellbeing. As is so often the case in the world of employee benefits, there is no silver bullet solution.

To address the needs of workers, it's best – wherever possible – to offer choice. Business owners need to survey their employees and seriously consider implementing a flexible benefits scheme where employees can opt-in to the services which will best provide for their mental health needs.



Oliver Matejka, Unmind

Brand & Communications Lead

Creating a flexible workplace culture for happy and healthy minds

The last 18 months have been tough, to say the least. Not for a generation has our psychological, mental, social and physical wellbeing been challenged so much for so long. On top of that, we've been busy.

Hours fly by as we field instant messenger notifications, video calls and check-ins – only then can we start to tackle our ever-growing personal and professional to-do lists. Add to the mix a bunch of restrictions around how we live our lives – the result? Increased stress, burnout and fatigue across the country. But there's a silver lining.

Practically overnight, mental health was realised for what it really is: something we all have, all the time. And just like physical health, it's something that needs to be understood, nurtured and celebrated. And startups are taking note.

Using tech to nurture mental health at work

Even before the pandemic, 1 in 6 employees experienced a mental health condition in any given week. And most employers catered for that person – with EAPs and occupational health. But these reactive solutions don't get to the root of the problem. While these resources are critical to the few, we should use our wellbeing programmes to help the entire workforce to thrive. In other words, HR and business leaders need to step back and proactively support the 6 in 6.

One-to-one therapy and coaching sessions generally aren't practical for whole companies. Not just because they're expensive, but also because they don't appeal to everyone. Technology on the other hand can enable employers to offer scalable and affordable, clinically validated and engaging support for each employee.

Mental health apps and platforms – available on smart devices and computers – can provide a huge variety of resources to respond to the unique needs of diverse workforces in work and life. From sleep-nourishing soundscapes to expert L&D courses for becoming a better parent, communicator, or ally, the right tech can cater to every employee – no matter what stage of life they're in or where they sit on mental health spectrums. The accessibility of mental health technology is also vital for our next big transition: hybrid working.

Rolling out a happy hybrid working strategy

More than a short-lived sticking plaster, a hybrid system – that blends in-office and remote work – is popular with employers and staff alike. More than a third (37%) of companies say they'll adopt a hybrid approach for good (up from 18%, pre-pandemic), with three-quarters of employees in favour.

Yet that's not to say shredding decades of workplace rules is easy or straightforward. Making hybrid work – in a way that empowers staff and builds a happy and healthy culture, while also improving business performance – requires a whole lot of thought, planning and, well, work. Here are some quick tips for getting started.

Step 1

Before you do anything, ask: does hybrid work for us?

Remote work's not for everyone. What might be lost, or gained, if colleagues spend half the week (or more) sharing ideas on Slack and Zoom, not in an in-person meeting room?

Step 2

Engage your employees

Don't tell your staff what comes next, with zero consultation. Have meetings (one-to-one, departmental, company-wide), request feedback, and send out anonymous surveys.

Step 3

Make a clear, informed plan

Assemble a team (ideally, one that crosses departments and seniority) to pore over what you've learned from staff, and – together – embark on the complex task that is the hybrid middle-ground.

Step 4

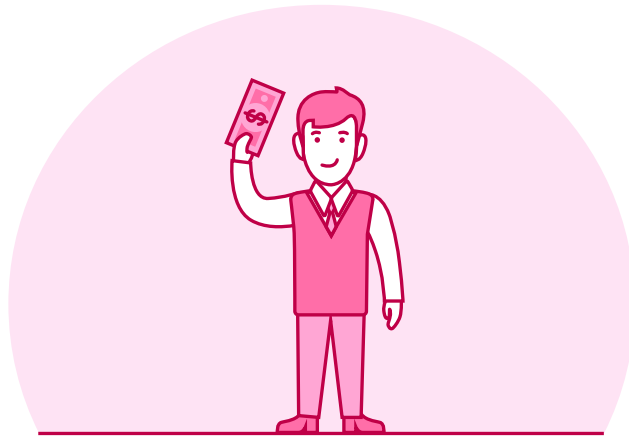
Trust your staff

In case it's not obvious, a company culture built on surveillance doesn't breed trust. Or job satisfaction. There's a hefty line between accountability and outright snooping.

Step 5

Learn and adapt as you go

Don't forget, this is year zero of the hybrid experiment. Never stop talking to staff.



ANALYSIS 4:

**How much are start-ups paying for Group Life,
Group Income & Group Critical
Illness cover?**

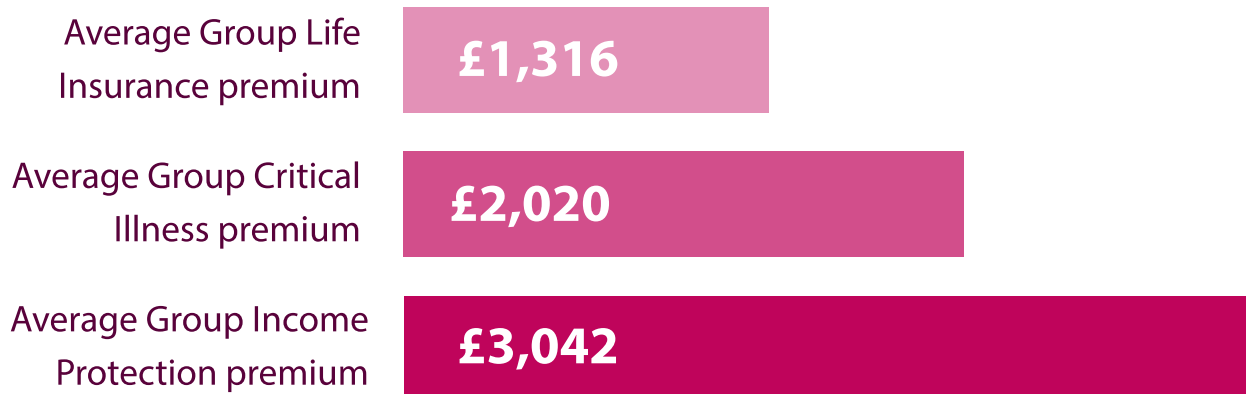
The cost of health-related insurance for start-ups

Workplace insurance provider, Canada Life, has kindly released data which reveals trends from its start-up customer base. The data focuses on three types of popular health-related insurance:

- Group Life Insurance
- Group Income Protection
- Group Critical Illness Insurance

Comparing premiums

How much are start-up companies paying for insurance coverage? Here's the answer:

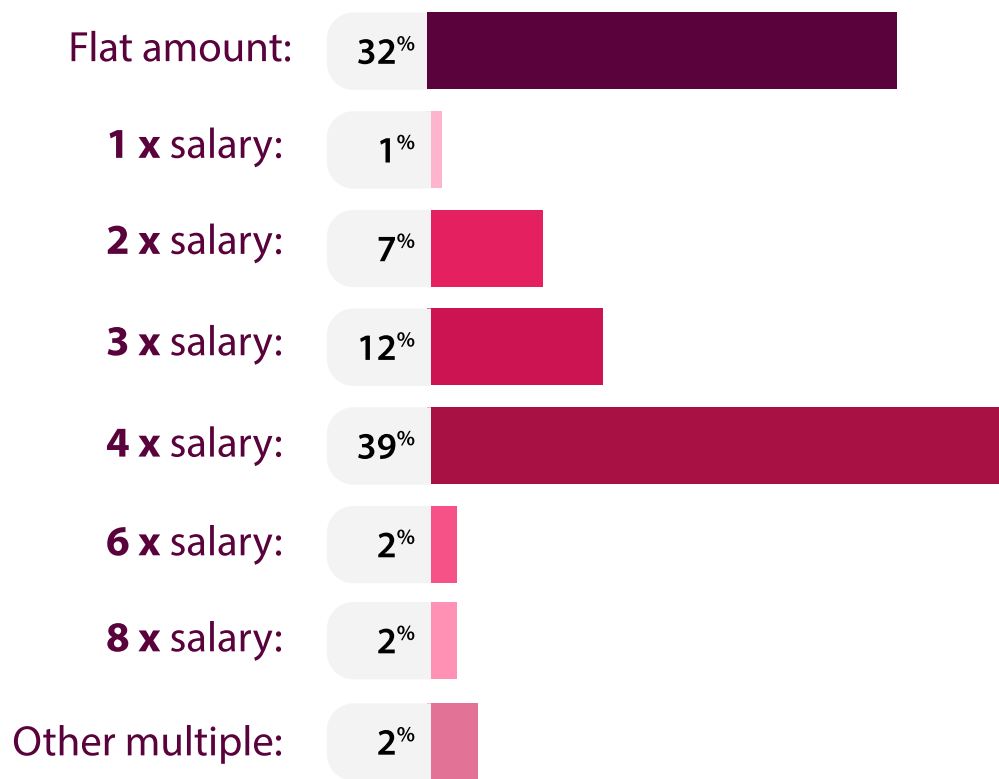


Group Life Insurance

Jargon-free definition: Group Life provides a lump-sum payment to an employee's loved ones, should the worst-case scenario become a reality. It's available to businesses with two or more employees.

- Average start-up premium for Group Life Insurance = £1,316
- Percentage of new-to-market business (first-time purchasers of Group Life) won each year by Canada Life = 7.4%
- Average amount of coverage purchased by start-ups

The graph below shows that more than a third (39%) of generous start-ups are offering a pay-out of 4x the employee’s salary should they sadly pass away. Meanwhile, a third (33%) are committed to paying an undisclosed fixed amount.

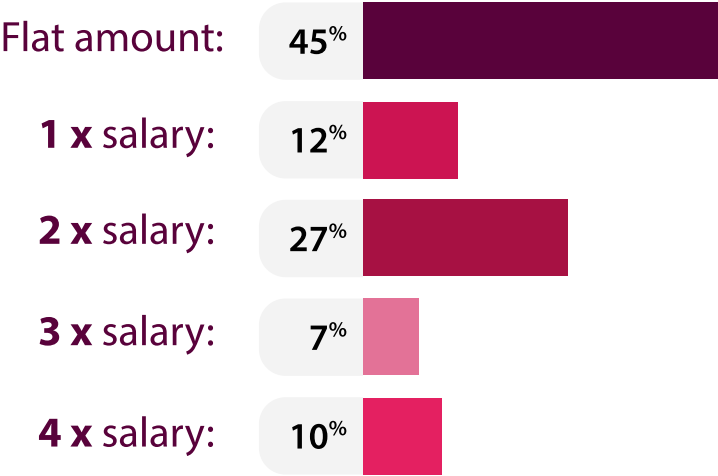


Group Critical Illness

Jargon-free definition: Group Critical Illness provides a tax-free lump sum to employees in the event of a life-changing medical diagnosis.

- Average start-up premium for Group Critical Illness at inception: £2,020
- Percentage of new-to-market business (first-time purchasers of Group Critical Illness cover) won each year by Canada Life: 8%
- Level of cover provided to employees in the event of a successful claim:

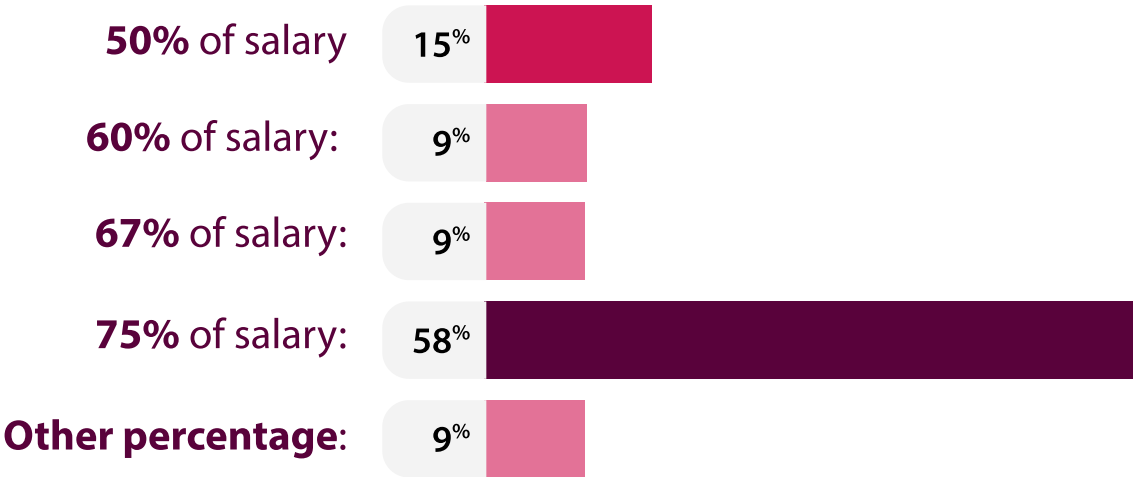
Canada Life’s data shows that the most popular means of providing Group Critical Illness cover is via a flat amount (45% of new-to-market cases). While a quarter (26%) are providing cover worth twice the employee’s salary.



Group Critical Illness

Jargon-free definition: Group Income Protection provides financial support if an employee is unable to work due to sickness or injury.

- > Average start-up premium for Group Income Protection = £3,042
- > Percentage of new-to-market business (first-time purchasers of Group Income Protection) won each year by Canada Life = 11%



These findings reveal that more than a half (58%) of start-ups are paying out 75% of an employee’s salary once the statutory sick-pay period comes to an end. It reflects how start-ups are willing to go above and beyond to safeguard the financial wellbeing of their staff.

A huge “THANK YOU” to our contributors



The workplace
mental wellbeing
platform



The insurance,
pensions and
investment
providers



The data and
analytics
recruitment
agency



The all-in-one
platform for
personalising
benefits and
rewards



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