



Cottingham & Butler

# What Employees Want

Maximizing Total Rewards to Recruit and Retain Employees

June 5, 2025  
ILCMA Summer Conference  
I Hotel and Conference Center  
Champaign, IL



# A BIT ABOUT ME

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- Went to work for my broker, C&B, after a career in Human Resources
- City Council Member, Galesburg, IL
- IL State Society for Human Resources Board – College Relations
- Passions:
  - Business – co-founder of Lux Blox
  - Education and Workforce Development
- Experience significantly reduced turnover at key accounts, applying principles

A stack of several books with various colored spines (red, blue, white) is visible on the left side of the slide, partially obscured by a dark blue overlay.

# INTRODUCTION & AGENDA

- ① Hiring Outlook/Healthcare Cost Trends
- ② Rewards and Retention
- ③ Standard Surveys
- ④ New Benefit Survey Tool & Case Study
- ⑤ Communication/Marketing
- ⑥ Engagement Measurement
- ⑦ Summary
- ⑧ Discussion/Questions



# HIRING OUTLOOK BETTER FOR EMPLOYERS

- Cautious growth following cool-down in 2024
- BLS reports employees added 143,000 new jobs in January 2025
- Notable gains
  - Healthcare (44,000 jobs)
  - Retail (34,000 jobs)
- Surge in new tech postings (51,000 job postings) after a slowdown in (and layoffs) 2024
- Overall workforce participation rate increases over pandemic (60.2% in April 2020 versus 62.4% in April 2025)

# THOUGH STILL A CHALLENGE

- **Leisure, hospitality, government, and healthcare** – greatest gains in job openings - applicant pool is not keeping up
- **Average salary increase budget 3.7% for 2025** (WTW 12.18.24) - down from 4.4% in 2023 - employee expectations have not adjusted (pre-pandemic average was 3.0%)
- Zywave's research found that **“matching worker demands for compensation”** is the top attraction and retention challenge and 48% of respondents placed it in their top three concerns
- **Remote work preferences continue**, particularly for younger workers and many will leave a position if forced to come back into the office full-time
- **“The Great Gloom”** – the latest catch phrase to describe the general malaise of the current workforce and population generally. Reasons for this dissatisfaction and lack of **engagement** vary by industry and individual and contributes to a willingness to look for “greener pastures”

# HEALTHCARE COST TRENDS



## 2025 Trend

- **Highest medical cost trend in 13 years** – 8-10% increase year over year group market
- **Average cost per employee per year** - \$16,000 (Aon)
- **Factor - Aging Population** – the more people on public programs, the more gets passed onto employers
- **Factor – Specialty Drug Costs** – increasing 11-13% on average; driven by new therapies and increased utilization in clinical settings
- **Factor – Labor shortage** – contributes 2-3% of the average 8-9% increase due to higher wages and reliance on costly contract labor



# HEALTHCARE COST TRENDS



## Emerging Cost Containment Strategies

- **Care Navigation** – Helping incent & direct specialty care to higher value facilities
- **Specialty Programs** – Carved-out clinical management & patient assistance programs
- **Leveraging Public Programs** – Helping employees with Medicare, Medicaid, Subsidies
- **Focus on Prevention** – Driving PCP use, annual screenings, and condition management
- **Technology** – Virtual Direct Primary Care, All-in-One Advocacy are being introduced
- **Point Solutions** – thousands of “solutions” emerging



# Total Rewards



**Total rewards is the combination of benefits, compensation and rewards provided by organizations in order to attract and retain employees**

- Base Salary/Wages
- Variable Pay
- Medical Benefits
- Non-Medical Benefits
- Retirement Savings
- Paid Time Off
- Career Training and Development
- Employee Appreciation & Recognition Programs
- Health and Wellness Programs
- Workplace Flexibility



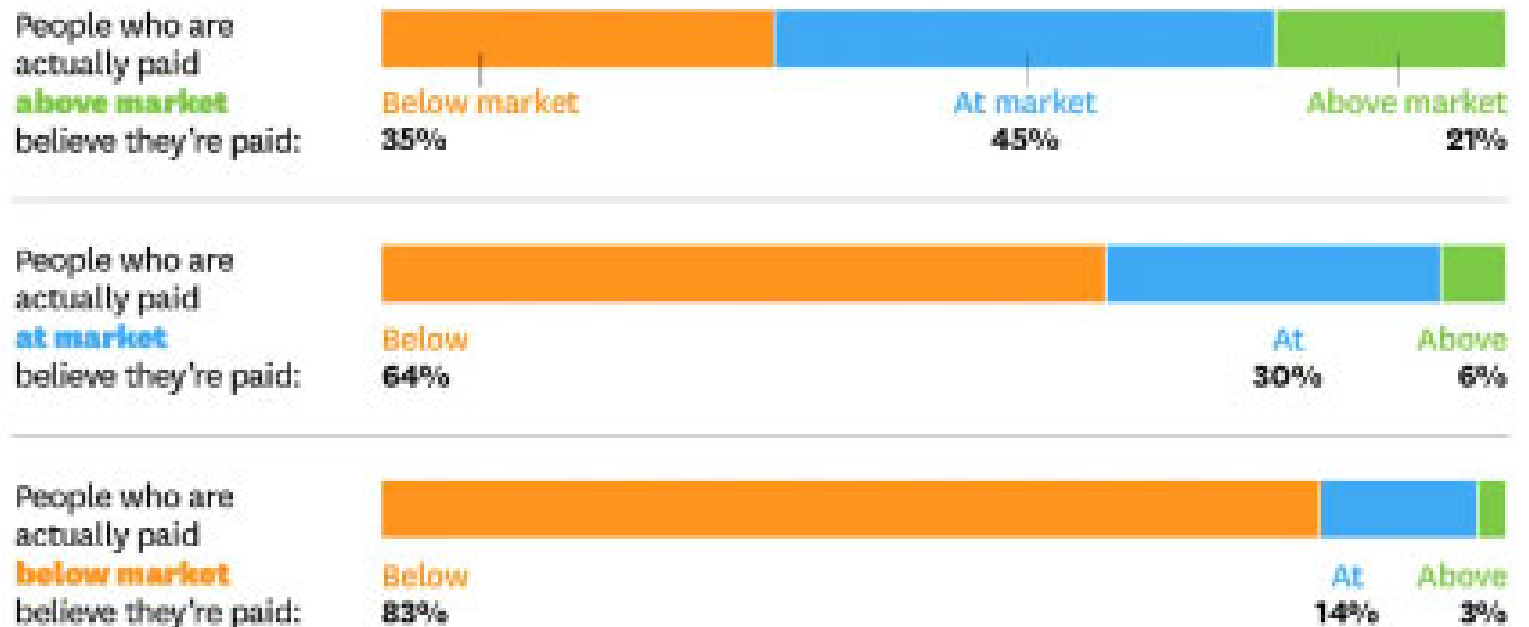
# SIX FACTORS OF EMPLOYEE RETENTION\*

- 01 Compensation & Benefits
- 02 Work-Life Balance
- 03 Career & Growth Opportunities
- 04 Company Culture
- 05 Leadership & Management
- 06 Workplace Wellbeing

*\*Culture Monkey - 11 Employee retention challenges in 2024 and how you should tackle them*

# PAY TRANSPARENCY & PAY EDUCATION

PayScale surveyed 71,000 employees to study the relationship between pay and employee engagement. The study results revealed that one of the top predictors of employee sentiment, including “satisfaction” and “intent to leave,” **was a company’s ability to communicate clearly about compensation.**



SOURCE: Payscale

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# EMPLOYEE EXPERIENCE TRENDS

## 4 PILLARS OF WELLBEING



### Physical Health

- Improving Access – Virtual direct primary care OR onsite/nearsite care (also for mental health)
- Removing Barriers - Lowering costs to obtain health insurance & care (i.e. no cost PCP/generic RX)
- Adding Simplicity – Providing centralized service to navigate system & copay only health plans
- Specialized Support – Remove exclusions & add services for reproduction, cancer, diabetes, etc.



### Mental Health

- Education throughout the year on current benefit offering supporting mental health (i.e. EAP)
- Top-Down focus on behavioral health acknowledgement to reduce stigma – C suite & managers
- ***Workplace Mental Health Playbook from Health Action Alliance – a full guide***



### Financial Health

- Wages – Having formal pay plans that promote transparency in pay and opportunity to grow
- Additional \$ Support – Lifestyle savings accounts, childcare, student loans, commuting, etc.
- Protection – Employer funding of life/disability, auto enrollment, and new voluntary benefits



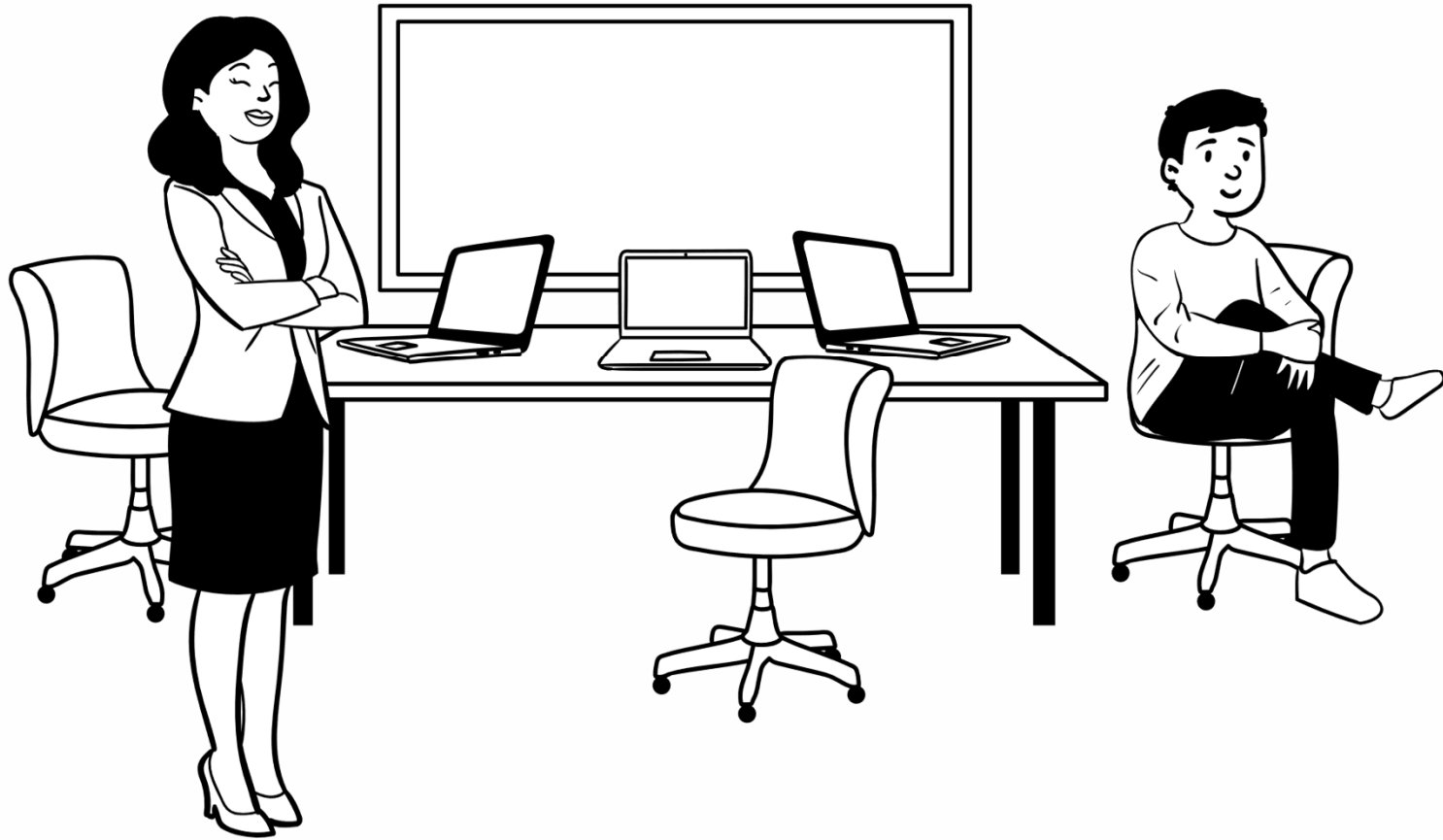
### Social Health

- Flexibility – Finding ways to help employees balance work & life (hybrid work, flex hours, ½ Fridays)
- Leave - Supporting in new ways: sabbaticals, parental, care giving, bereavement, holidays, etc.
- Community – Supporting local community involvement and creating Employee Resource Groups



# BIGGEST IMPACT ON EMPLOYEE EXPERIENCE

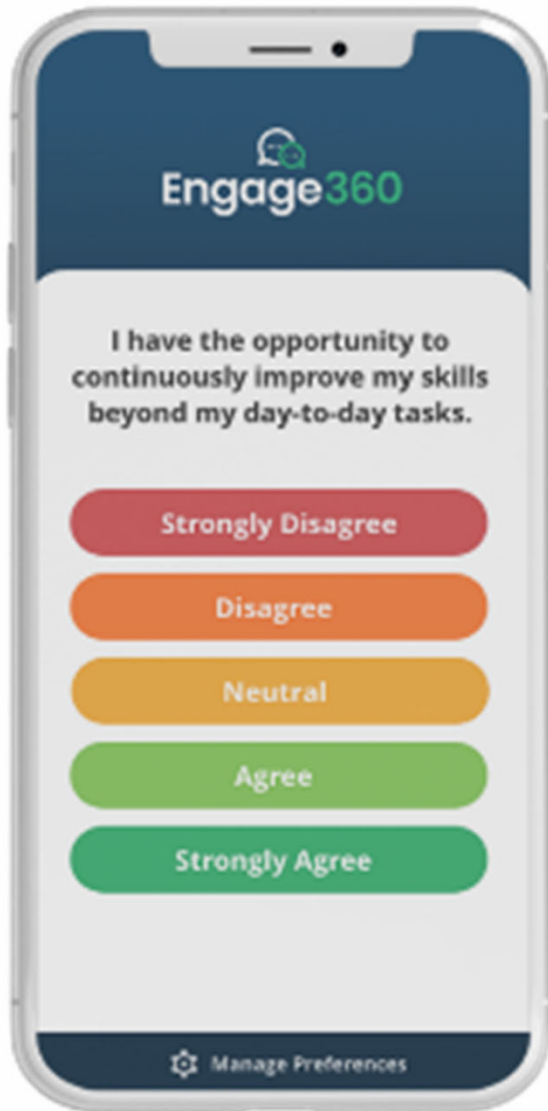
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THE BOSS

# MEASURING THE EMPLOYEE EXPERIENCE–PULSE SURVEYS

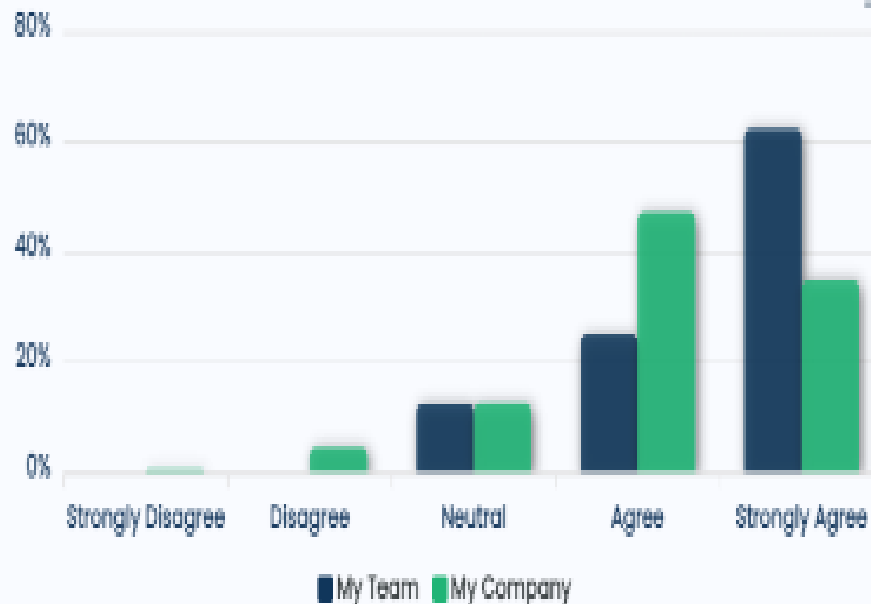
Real-time, company-wide feedback tool helps leaders listen better, measure progress, and take action to improve the employee experience.



# MEASURING THE EMPLOYEE EXPERIENCE – SAMPLE RESOURCE

The organization supports career growth and development opportunities for employees.

*Employee Growth: Career Paths*



DATE	QUESTION		INDEX	RESP.
8/21/23	The organization supports career growth and development opportunities for employees. Employee Growth	🏠	4.50	61%
8/18/23	My manager is willing to have hard conversations. Demonstrate Emotional Intelligence	👤	4.50	61%
8/16/23	The organization communicates information about organization goals and objectives effectively. Culture, Purpose and Belonging	🏠	3.89	68%
8/14/23	My manager delivers constructive feedback to help me improve. Communicate Effectively	👤	4.50	76%
8/11/23	This organization has a clear plan for achieving long-term financial success. Products and Services	🏠	4.50	76%



# CREATIVITY EMERGES FROM CONSTRAINT

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Within a limited total rewards budget, how do you determine what rewards will have the greatest impact on happiness?

**TOTAL REWARDS > HAPPINESS > RETENTION/ATTRACTION**

# STANDARD SURVEY/ BENCH- MARKING PROS/CONS



## BENCHMARKING

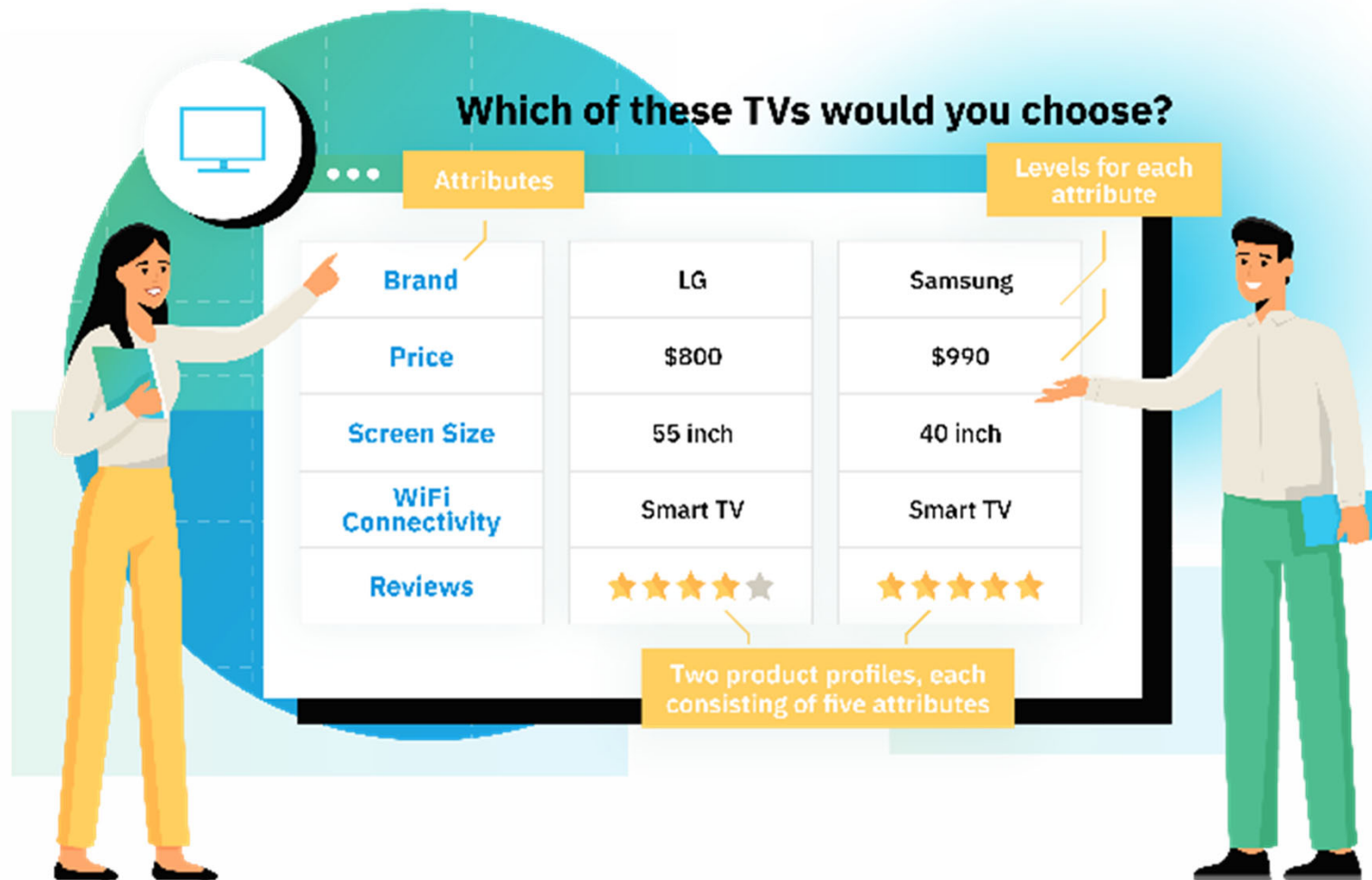
- Provides an understanding of what is happening/popular in the marketplace
- Methodology of each survey varies greatly
- Follow the leader mentality versus be the leader mentality



## EMPLOYEE SURVEYS

- Can be a good start to see begin to understand interests and opinions of employees
- Need to be promoted and constructed in such a way that people will actually complete them
- Lack of action results in poor participation or disgruntled employees
- Ask people to score things independently, without any trade offs

# CONJOINT SURVEY ANALYSIS





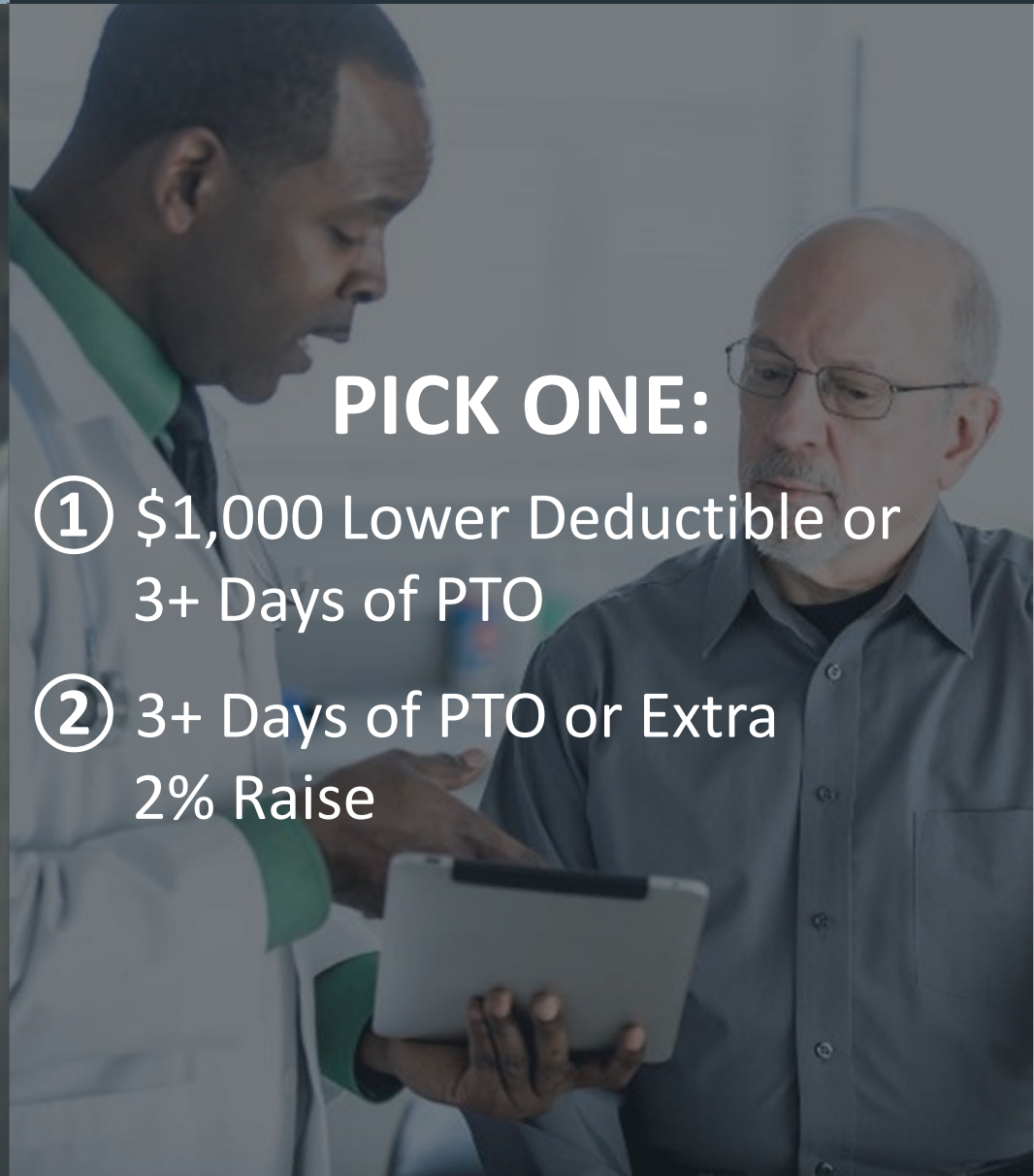
# QUICK SURVEY

## SURVEY #1



- ① Rank your health insurance 1-5
- ② Rank your PTO plan 1-5
- ③ Rank your Take Home Pay 1-5

## SURVEY #2



### PICK ONE:

- ① \$1,000 Lower Deductible or 3+ Days of PTO
- ② 3+ Days of PTO or Extra 2% Raise

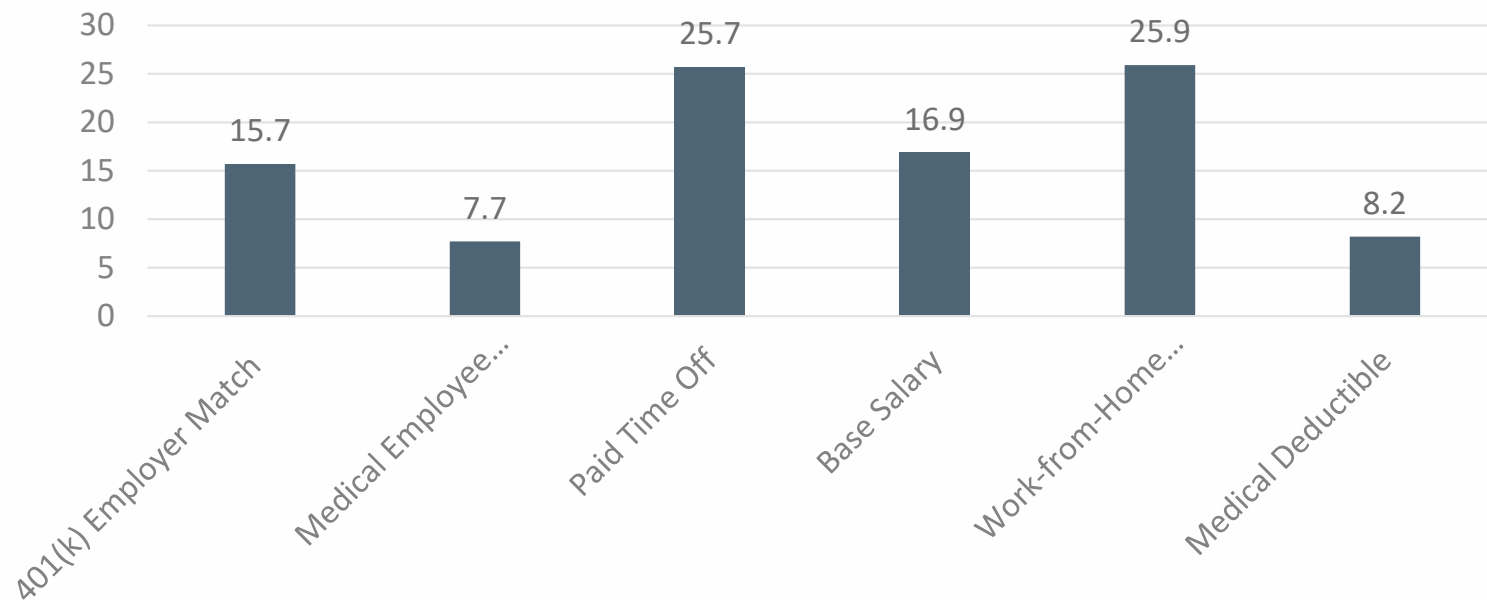
# COTTINGHAM & BUTLER PILOT OPTIMIZATION PROGRAM - Benefitwave

- Rolled out via CEO in all team townhall meeting, followed by email
- 83% participation rate
- One week survey duration time
- Built to have equivalent \$ value per level

Features	①	②	③
Healthcare Employee Contributions	Raise employee medical contribution \$50/Month	Current employee medical contributions	Lower employee medical contribution \$50/Month
Healthcare Deductible	Increase annual medical deductible by \$500/year	Current medical deductible	Decrease annual medical deductible by \$500/year
Retirement (401k Match + Profit Sharing)	Decrease of 1% of annual salary contributed	Current % of annual salary contributed	Increase of 1% of annual salary contributed
Paid Time Off (PTO or Vacation / Sick Bank)	3 less days	Current PTO Schedule	3 more days
Flexibility	In office 5 days/week	Hybrid Schedule – 2.5 days	Fully Remote
Salary	1% Lower	Current Salary	1% Higher

# RESULTS – OVERALL PRIMARY IMPORTANCE LEVERS

## FEATURE IMPORTANCE






# RESULTS – SOME LESSONS WE LEARNED

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- ① PTO and Flexibility were top utility values across almost any categorization of employee, with greatest area for added utility being PTO
- ② Taking a reward away had a significantly greater impact on employee value than adding a new reward
- ③ Rewards that took longer to utilize generally had less perceived value by employees (i.e. health insurance and retirement savings)
- ④ Employee segment with greatest variance from average was compensation level
- ⑤ Fully remote options for most employees would not garner additional utility



# BEST PRACTICES FOR GREAT PARTICIPATION AND ACTIONABLE RESULTS

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- ① Leadership Communication on WHY and Promise Action
- ② Multiple Technology Channels to Respond (email, text, QR code)
- ③ Keep It Short and Simple – Less Than 5 Minutes
- ⑤ Integrate with HRIS Data for Slicing by Age, Compensation, Role, Manager
- ⑥ Incorporate Trade Offs
- ⑦ Consider Hiring a Consultant to Help You Do It

# COMMUNICATION STRATEGIES YOU MAY NOT BE OPTIMIZING

- Your ***Marketing*** Department
- Your ***Broker*** – more than just open enrollment; year-round communication programs
- Emphasize the ***value*** of what you have today
  - Physical, Mental, Financial and Social

# EXAMPLES OF TWEAKS – LITTLE TO NO COST



**Health:** Copay Only Health Plan With \$0 Deductible



**Paid Leave:** 1 Week PTO Rollover / Birthday PTO / No Limit Bereavement / Sabbatical PTO



**Financial:** Quarterly pay updates / “On the Clock” Financial Wellness



**Other:** Carrier Freebies (i.e. Long Term Care Planning / H.I. for Births)



**Flexibility:** FT Job Sharing / Shift Flexibility & Incentives / Summer Hours



# FREE RESOURCES - [WWW.MAGNETVAULT.COM](http://WWW.MAGNETVAULT.COM)

Management  
Training

Employee  
Recognition

Recruiting Best  
Practices

Wage & Policy  
Transparency

**99 WAYS TO REDUCE TURNOVER**

*& Become a M.A.G.N.E.T. Employer*



A New Day One

Career Growth

Scheduling  
Flexibility

Onboarding First  
90 Days

# EMPLOYER ROADMAP TO OPTIMIZE TOTAL REWARDS

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- ① **Assess** What Is Important to Your People and Organization
- ② **Implement** Reward Strategies Focused on Those Key Areas and ***MARKET & COMMUNICATE*** them
- ③ **Invest** in a Great Employee Experience Emphasizing ***ENGAGEMENT*** and ***LEADERSHIP DEVELOPMENT & COACHING***
- ④ **Measure Your Results** & Make Adjustments

# DISCUSSION

What reward and engagement practices have you implemented?  
What have you learned that you can share with the group?

# RESOURCES

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- [Employee Benefits Optimizer by Qualtrics XM on Vimeo](#)
- [2024 US Labor Market Forecast: Hiring to Slow, Unemployment to Rise \(shrm.org\)](#)
- [11 Employee retention challenges in 2024 and how you should tackle them \(culturemonkey.io\)](#)
- [Cottingham & Butler's 2022 Benefit Trends Report](#)
- [2024 Home : The Economics Daily : U.S. Bureau of Labor Statistics \(bls.gov\)](#)
- [People believe they're underpaid: Our Fair Pay Report stats \(payscale.com\)](#)





**I am here to help! Please reach out if you have questions.**

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