

STATE OF WORK/LIFE BALANCE BENEFITS

JUNE 2023
EN:INSIGHTS FORUM
EXECUTIVE SUMMARY

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The June 2023 EN:Insights Forum gave members a look at SHRM's latest annual survey of employee benefits, with a special focus on work/life integration benefits. This year's survey tracked a growing number of possible benefits, topping 200 options for the first time, noted Daniel Stunes, Manager, Research Operations at SHRM.

Things are back to normal

(mostly): The first finding Stunes highlighted was how the rank order from employers of the benefits most important for them to provide had returned to pre-pandemic levels after a dramatic shift during the pandemic.



DANIEL STUNES
MANAGER, RESEARCH
OPERATIONS AT SHRM



“If we look at 2019, health-related benefits were ranked the highest, which is no surprise, followed by retirement and leave, family care, flexible work, professional and career development, and wellness benefits. That’s the baseline order of importance. Then we look at the wonky pandemic years, and we can see that the numbers went everywhere.”

EMPLOYER-RATED IMPORTANCE OF BENEFIT CATEGORIES*

Health-related benefits

2019	75%
2020/2021	90%
2022	88%
2023	89%

Retirement savings and planning benefits

2019	66%
2020/2021	55%
2022	82%
2023	81%

Leave benefits

2019	65%
2020/2021	83%
2022	82%
2023	81%

Family care benefits

2019	52%
2020/2021	76%
2022	70%
2023	68%

Flexible work benefits

2019	49%
2020/2021	83%
2022	70%
2023	70%

Professional/career development benefits

2019	51%
2020/2021	37%
2022	65%
2023	67%

Wellness benefits

2019	36%
2020/2021	62%
2022	46%
2023	49%

*Percentages represent the number of employers who responded “very important” or “extremely important” to each benefits category.

“It’s no surprise that the importance of health benefits went up during the pandemic, along with leave benefits, family care, flexible work and wellness,” Stunes said. “Those went up for obvious reasons, while retirement and professional career development benefits really went down quite a bit. Then we get to 2022 and see that everything returned to more of the 2019 pattern, with the 2023 results being very similar to 2022.”

“Basically, the pattern is exactly the same—with one exception. Before the pandemic in 2019, those benefits had a certain level of importance, but when you look after the pandemic, everything is rated higher. Even though the pattern is generally the same, organizations are realizing after the pandemic that, ‘Wow! A lot of these benefits are much more important’ but still in the same order here.”



Family care is more important than it looks:

Among benefits ranked by employees, family care would seem to come in at the lowest level—less than half as popular as health benefits. But the numbers are misleading without a bit more context.

EMPLOYEE-RATED IMPORTANCE OF BENEFIT CATEGORIES*

Health-related benefits

2022	83%
2023	81%

Retirement savings and planning benefits

2022	77%
2023	77%

Leave benefits

2022	81%
2023	77%

Family care benefits

2022	38%
2023	39%

Flexible work benefits

2022	63%
2023	57%

Professional/career development benefits

2022	49%
2023	46%

Wellness benefits

2022	36%
2023	43%

*Percentages represent the number of employees who responded “very important” or “extremely important” to each benefits category.

BENEFIT RANKINGS - EMPLOYERS & EMPLOYEES

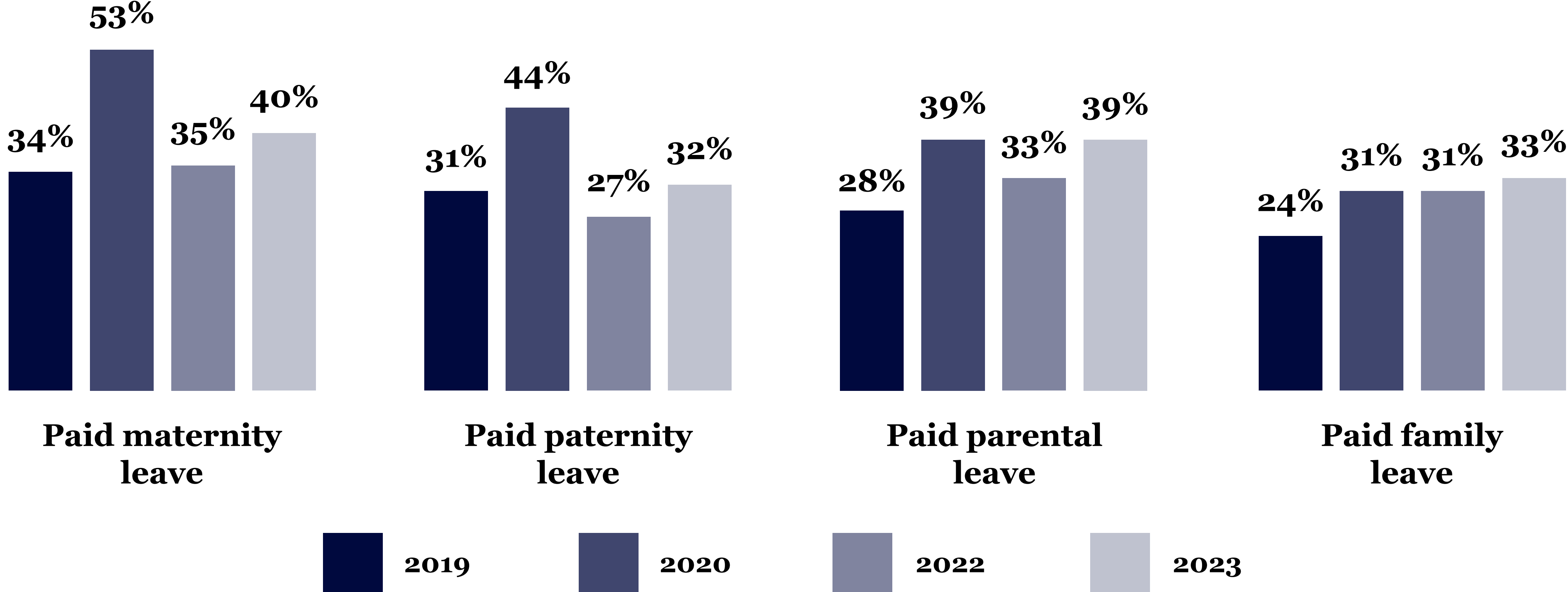
Rank	Employers	Employees
1	Health-related benefits	Health-related benefits
2	Retirement savings and planning benefits	Leave benefits
3	Leave benefits	Retirement savings and planning benefits
4	Flexible work benefits	Flexible work benefits
5	Family care benefits	Professional development benefits
6	Professional development benefits	Wellness benefits
7	Wellness benefits	Family care benefits

“I want to explain that this does not mean that employees don’t find family benefits all that important and that I, as a CEO, don’t need to provide family care, and I can save a bunch of money that way,” Stunes said. “That is not at all what this is saying.”

“All the other categories of benefits are targeted directly toward the employee, while family care is about the benefits the family can receive. If someone is unmarried, they don’t have children, they don’t have aging parents to take care of, then they don’t need those family care benefits. That’s likely why a subset of employees would rate family care benefits lower, because they would just not find that important at this point in life. It makes total sense why that would be the case. But if someone does have a family and could use those benefits, then they could find them as very important. When it gets down to it, there is a lot of alignment between employees and employers as to which benefits are important.”

Parental leave is gaining ground: The relative importance of employer benefits jumped around during the pandemic years and then, in most cases, drifted back to something like pre-pandemic levels by 2022. The various types of parental leave offered mostly follow that pattern before showing a big gain across all these types of time off.

PERCENTAGE OF COMPANIES OFFERING THE FOLLOWING BENEFITS:



Leave for new parents of adopted or foster children also increased this year in the same pattern—rising during the pandemic years, dropping to pre-pandemic levels, then popping back up to very nearly the higher levels of the pandemic. For 2023, the importance of adoption leave is 34%, and foster leave is up to 25%.

“The good news is everything went up from last year,” Stunes said. “It seems organizations are looking at leave for new parents and saying, ‘You know, we did drop back down, or relatively so, after the craziness of those pandemic years,’ but they’re recognizing the importance of leave for new parents. That work/life integration is really getting through to organizations that this is a very important time in a parent’s life, regardless of how the new child is entering that family.”



Vacation and sick days are morphing into PTO: The nearly ubiquitous benefits of paid vacation and paid sick days remain extremely important, with 99% of organizations offering vacation and 95% offering paid sick leave. But the combination of both forms of leave into an all-purpose benefit of paid time off (PTO) is gaining traction: In 2019, PTO was offered by 63% of organizations, and now is at 70%.

OTHER TYPES OF LEAVE BENEFITS

Unlimited PTO: The creation of paid open/unlimited leave benefits garnered a lot of media attention, but few organizations are offering it. After rating between 6% and 7% for the last several years, the perk ranks at 8% this year, making it still relatively uncommon for most employers and employees.

Leave payout: The option for employees leaving the organization to receive a certain amount of their unused time off is being offered by 61% of organizations.

Leave cashout: Employees who find themselves unable to use all their time off can get cash for their unused leave days at 22% of organizations.

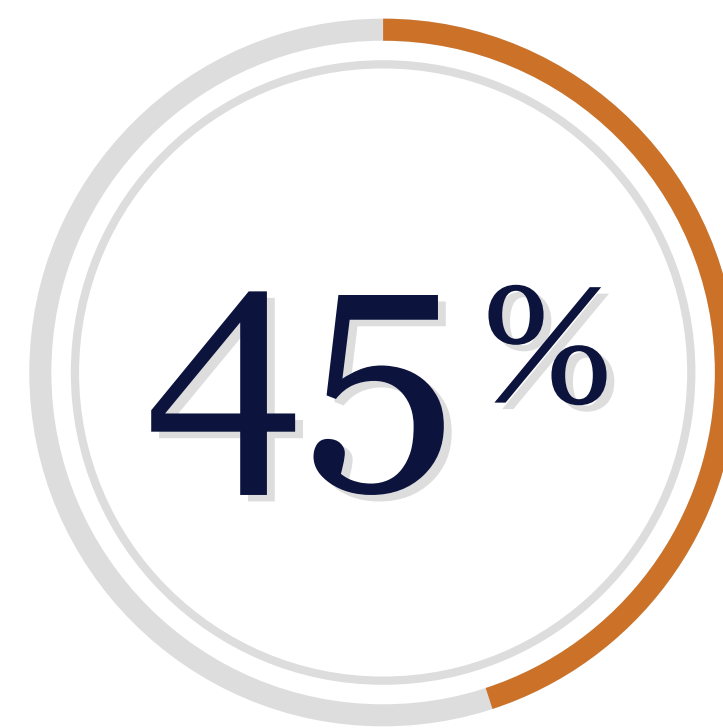
Leave donation: A program that allows employees to donate some of their time off to other employees who may need it is being provided by 25% of employers.

Civic leave becomes more well-established: Time off to vote, protest and volunteer in the community has expanded in recent years and remains at that level. Paid time off to vote is the leading type of civic leave. “We’ve looked at paid time off to vote and unpaid time off to vote for many years now,” Stunes said. “Paid time off to vote jumped from 43% in 2019 to 53% in 2020, which was no surprise since it was a presidential election year, but it’s remained about the same ever since. So, organizations are definitely recognizing its importance.”

PERCENTAGE OF COMPANIES OFFERING THE FOLLOWING BENEFITS:



**Paid time off
to vote**



**Unpaid time off
to vote**



**Paid time off
for protest/
activism**



**Unpaid time
off for protest/
activism**



**Paid time off
to volunteer**

Well-being leave lags behind bereavement leave: Last year was the first time SHRM surveyed paid time off for mental health days granted in addition to regular sick days. In 2022, 20% of organizations were offering mental health leave, and it stayed nearly steady in 2023, with 19% offering it.

In contrast, bereavement leave is much more common and has been growing, from 89% in 2019 to 91% now. The distribution of bereavement leave didn't change much, with five days granted for immediate family members, three days for extended family, and one day for friends and others.

The survey hadn't examined sabbatical leave since 2019, which has gone from 5% of organizations offering paid sabbaticals to 7% in 2023. Unpaid sabbatical leave dropped from 11% of organizations in 2019 to 8% this year.



A mixed bag on family care benefits: It might be no surprise that the option to bring a child to work in an emergency is being offered by 32% of organizations, the highest level in five years. Meanwhile, flexible spending accounts for dependent care dropped to 57%, their lowest point in five years. The tax-free spending account was offered by 65% of organizations in 2021.

The share of organizations offering child care referral services is at 13%, about the same as pre-pandemic levels, after peaking at 18% during 2020 and 2021. The 2019 pre-pandemic rate was 12%. Similarly, elder care referral services increased to 15% and 16% during the pandemic years of 2020 and 2021, respectively, fell to a pre-pandemic level of 10% in 2022, but now are up to 14%. “This is conjecture on my part,” Stunes said, “but perhaps more organizations are providing elder care referrals as more baby boomers age and more assistance is needed from their working children. It might be that organizations are recognizing that offering elder care services is going to be that much more important to folks going forward.”

Don't forget about pet insurance: Nearly 1 in 5 organizations (19%) now offer pet insurance as a workplace benefit. “This is an interesting one,” Stunes said. “This year we saw a really big increase—it jumped 5 percentage points in 2023, up to now 19%. That's the same level as mental health days. So that seems to be an important one.”

Flexible work benefits are generally below pre-pandemic levels: Even after all the accommodations and changes made by employers during the pandemic, flexible working arrangements still generally aren't at the levels seen before the pandemic. While 54% of organizations offer flextime during core business hours in 2023—the highest level in four years—that rate is still lower than the 57% of organizations that offered it in 2019. Flextime outside of core working hours decreased for the first time in the last five surveys, slipping from 34% in 2022 to 33% in 2023. The compressed work week—a 40-hour week in four days—fell to 27% after ranging between 32% and 33% both before and during the height of the pandemic and sliding to 28% in 2022.

The four-day workweek of 32 hours remained steady at 9% for 2022 and 2023 but is well below the 15% rate the survey found in 2019 (it wasn't measured for 2020 and 2021). Hybrid work was offered by 62% of organizations, and 59% offered to provide or subsidize remote work expenses, such as technology, cell phone service, chairs and more, at an average of \$857.

For more details from the survey or to read the full executive summary, visit shrm.org/benefits



MOVING BEYOND BASIC BENEFITS AT MICROSOFT



TERESA
MCDADE

DIRECTOR OF WORK & LIFE BENEFITS
ON THE GLOBAL BENEFITS TEAM
AT MICROSOFT



When Teresa McDade looks over her 26 years in HR at Microsoft, the Director of Work & Life Benefits on the Global Benefits team recalls how the tech giant stuck to a basic roster of benefits in the early years before broadening the options, an evolution that reflects much of how the overall HR role has changed and grown in the past few decades.

“Early in my career, there was a much bigger focus on our health and wellness and our financial wellness benefits, and it was harder to get some of the more ancillary benefits approved,” McDade said.



“Then the landscape started shifting in terms of thinking more about life stages, the end-to-end employee experience as employees were going through various life journeys, and ensuring that diversity and inclusion is always top of mind when we’re looking at our benefits. A lot of this came from employee feedback. We saw that there was an important need to better support our employees as they navigate these various life stages,” she said.

McDade joined Microsoft Corp. in 1997 and has held various roles across the human resources discipline for Microsoft. She gave EN members a rundown of just a few recent additions to the company’s benefits offerings.

“On a global scale, we increased the amount of paid time for caregivers and new parents, and then we coupled this with supportive family benefits and resources,” McDade said. “Some of our more recent launches include Maven, which is a 24/7 coaching experience for expectant and new parents. Then, through Bright Horizons, we began offering a new family concierge’s service as employees think about navigating their full care experience, whether that’s finding child care or elder care, or maybe even pet care. The concierge’s expert really gets to know the employee and will meet with the employee and even their spouse or partner to create a customized plan for their family care based on their specific needs. And then the concierge’s expert will do the legwork, and by taking those tasks off of the employees it reduces worry and minimizes distraction, allowing them to focus on their jobs.”

Q & A WITH TERESA MCDADE

Q: In reviewing the results of the benefits survey, what surprised you the most?

A: I don't know that there was a big surprise, but I did notice that the wellness benefits, while it has crept up a few percentage points, remain at the bottom of the list for employers. It's a surprise because we know that mental and emotional well-being continues to rise to the top as something we need to focus on and continue to talk about with employees. Having a mentally healthy population has so many downstream impacts in terms of preventing burnout and helping with retention, so it was a focus for Microsoft pre-pandemic, and then, of course, when the pandemic hit, it rose to the top.

[Continued]

It's an area that we continue to invest pretty heavily in on a global scale. We've recently launched a global EAP [employee assistance program], but for many, many years, we did not have a robust EAP offering outside the U.S. We also have a BeWell site that is available globally, and it includes lots of tips and tools and resources for employees and their dependents focusing on not only mental and emotional well-being, but also physical and financial well-being. We've got apps for mindfulness, and employees can attend webinars on a monthly basis across many different topics, from financial wellness benefits to yoga and journaling, and the list goes on.

The other thing that we have done is to rebrand our sick leave policy as Holistic Health Time Off, to make it clearer that employees can use that time to focus on mental health issues for themselves or a family member. And we go so far as to say that it can be used proactively—if you feel yourself starting to slip, don't wait until you fully slipped. Use your holistic health time off days if you need to address those types of situations.



Q: How is Microsoft handling hybrid, flextime or remote work now?

A: As we were coming out of the pandemic, we did move to what we call a flexible hybrid workplace, where employees would have a conversation with their manager about whether they wanted to take a hybrid approach, which is 50-50 working in the office and working from home, or if your job allowed it, you could work from home full-time. When I think about my team, I've hired several people who are in different states than Washington, so they are fully virtual.

I believe we are going to maintain our hybrid workplace. It works very well for us. I've got some folks who want to go into the office every day, and that's great. That's their choice, and we certainly embrace that. I primarily work from home because my commute's long, but I do go into the office two or three times a month. We do have certain groups within Microsoft that, based on the nature of their work, have said we really need you to be in the office at least three days a week. It can vary, but nowhere within the organization, unless it's an essential function like a data center employee, have we mandated that employees must come back into the workplace.

Q: Are you seeing companies offer flexible holidays for people to observe holidays for personal importance that are not reflected in the corporate schedule?

A: For many years, before our move to discretionary time off, we offered floating holidays. When we had a vacation accrual policy, employees could use those days for any special holiday that they wanted. We have since moved to discretionary time off, which some companies call unlimited. We don't call it unlimited because there are still guidelines to taking time away, just like in a traditional vacation accrual policy. But since we moved to discretionary time off, our employees can use DTO for any special holiday, that they want. It eliminated the need to have those floating holidays but if you still do have the traditional vacation accrual policy, a floating holiday is a nice supplement to the regular federal holidays you might give to your employees.





Q: Does Microsoft offer a menu of benefits, giving employees a set amount of money and a varied menu where they can choose what they want and pay for the ones they want with their contribution?

A: One thing we offer is a benefit that we call Perks Plus, which is along those lines. It can't be used for health care, but it can be used for any other wellness-type benefits. It's a certain amount of money that we give to employees annually, and they can use it to help support their overall physical, mental, emotional and financial well-being, for example, exercise equipment, or if they want to attend a financial wellness seminar. It runs the gamut of how they can use it.

Q: Work/life integration is often a challenge for HR leaders. What's your personal approach to that, and how can HR leaders take better care of themselves?



A: This varies from person to person. I try to incorporate a lot of little things into my day and my week, whether that's ensuring that I get some physical exercise or walking my dog. I also try and practice some mindfulness, and I also try to minimize the amount of negative news that I listen to.

I also do my best to keep my weekends sacred. That is time for me and my family. Unless it's absolutely necessary, I'm not sending emails on the weekend. It is a great approach that we take across our organization that employees appreciate. And then, one thing that I do consistently is that I make sure I laugh at the end of the day by watching a very lighthearted or very silly show. I always go to bed having laughed at least once during the day.

The logo features the acronym 'SIRM' in a white serif font, with the 'I' and 'R' overlapping. This is enclosed in a white rectangular border. To the right of this box is a registered trademark symbol (®). Further right, the words 'EXECUTIVE' and 'NETWORK' are stacked in a bold, white, sans-serif font.

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