



Attract. Retain. Engage.

Aligning Employee Benefits with Modern Needs.

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Where happiness is built-in



A competitive job market and the evolving expectations of the modern employee are driving change and innovation in the employee benefits industry. The attraction, retention, and engagement of talent through benefits programs is currently a priority for a reported 93% of businesses.¹ Employees no longer merely seek convenience—they demand an experience that’s seamless, intuitive, and specifically tailored to their needs. Yet, behind the scenes, businesses grapple with the complex challenge of delivering this top-tier employee experience while ensuring an optimal return on investment.

In Part 1 of this report, we dive into the employee benefits landscape, highlighting the profound impact of benefits on employee satisfaction and productivity, and exploring the expectations of both management and employees. We investigate the key catalysts driving change, from shifting demographics and the evolution of workplace dynamics, to the expectations of an increasingly tech-savvy workforce.

In Part 2 we look at how employee benefits companies can set themselves up as frontrunners in this new environment. The challenges presented in Part 1 demand solutions that are not just reactive but proactive, not just standard but bespoke. Every aspect – be it technological innovation, demographic shifts, or changing workforce expectations – plays a critical role. Understanding, adapting, and innovating in sync with these shifts can position employee benefit businesses to win.

1. Global Talent Trends 2022-23 - Mercer

Part 1: The Employment Benefits Landscape in 2023

60%

of employees say they have chosen one job over another because it offered a better benefits package.

35%

of employees say they have turned down or left a job due to issues or concerns with the benefits offered.

Remote – Global Benefits Report 2022

The essence and scope of employee benefits have evolved dramatically in recent years, expanding far beyond traditional perks. They are now a cornerstone in the blueprint of any forward-thinking organisation, serving as both a magnet for talent acquisition and the glue for employee retention. But what are the drivers of this change?

From demographic shifts in the workforce to rapid technological evolution, myriad factors influence the contemporary landscape of employment benefits. As we delve into Part 1 of this exploration, we'll uncover the significance of these benefits, the current headwinds in talent management, and the pivotal role technology plays in shaping this domain.

Employee Benefits and Why They Matter

Talent Acquisition and Retention

In the cut-and-thrust world of recruitment, employee benefits serve as a significant differentiator for organisations vying for top talent. Historically, many companies leaned heavily on salaries to attract employees. However, with the seismic shifts in workforce expectations and priorities, a compelling benefits package has become equally, if not more, critical.

60% of employees have chosen one job over another predominantly due to superior benefits, and 35% have declined or exited positions out of concerns related to the provided benefits. These figures firmly position benefits as powerful recruitment and retention tools in the modern corporate landscape.

But why this surge in significance? As workplaces become more diverse and employees more discerning, individual needs and priorities have diversified too. Today's workforce, composed primarily of millennials and Gen Z, often prioritise wellness, work-life balance, and personal growth over sheer monetary compensation.² A strong benefits package addresses these priorities, enhancing an organisation's allure and reinforcing its commitment to employee welfare.

2 Millennial Motivation Issues Related to Compensation and Benefits: Suggestions for Improved Retention - Compensation and Benefits Review (Daniel Morrell and Kristie Abson)



“ Recruitment and retention issues seem to be increasing with 44% saying it’s more difficult to attract new staff and 41% struggling to retain their people.”

Aeon – Benefits and Trends Survey 2022

What are the Challenges in Attracting Talent?

With abundant options at their disposal, potential hires are more discerning and demand more than just competitive compensation. They seek organisational cultures that align with their values, growth opportunities, and, importantly, benefits packages tailored to their unique needs.

Demographic Shifts and Workplace Dynamics

The last decade has seen the employee benefits industry undergo substantial transformation. The reasons are multi-fold: societal shifts, technological advancements, and evolving workplace dynamics. No longer are benefits viewed as mere supplementary offerings; they’re strategic tools shaping organisational culture, talent acquisition, and retention strategies.

As work modalities evolve, with remote work and flexible scheduling becoming more commonplace, the demand for aligned benefits grows. For instance, with the rise of remote work, health and wellness benefits that cater to mental well-being or home office ergonomics gain prominence. A more diverse, globally distributed workforce requires a more comprehensive and bespoke benefits program. Such trends require companies to stay agile, frequently revisiting and revising their benefits structures to remain relevant and appealing.



The workforce of the 2020s is marked by its diversity, not just in terms of demographics but also in expectations and aspirations. Millennials, who will represent a majority of the workforce by 2025, usher in a unique set of priorities. They value experiences, growth, and balance more than preceding generations.

This shift demands a corresponding change in benefits structures, with more emphasis on continuous learning opportunities, mental well-being, and flexible working conditions. Moreover, with a reported 66% of millennials planning to leave their current employer within 5 years, employee retention challenges are set to become more acute.

Employee Satisfaction and Productivity

Beyond recruitment, employee benefits play an integral role in fostering satisfaction, motivation, and, by extension, productivity. According to the Health On Demand 2023 report, a commanding 78% of employees, when convinced of their employers' genuine concern for their health and well-being, report thriving in their positions. When employees feel valued and cared for, they are more likely to invest their energy and commitment into their roles.

Moreover, when benefits align with an individual's needs, it fosters a sense of belonging, leading to higher engagement levels. The morale boost from a comprehensive benefits package transcends simple job satisfaction. It translates into tangible productivity gains, lower absenteeism, and increased loyalty.

The discrepancies between employer perception and employee reality present another hurdle. As Mercer's Health On Demand 2023 study reveals, while 88% of companies view themselves as caring entities, only 66% of employees feel their well-being is genuinely prioritised.

81% of businesses believe they will need to change their benefits offerings to meet the needs of future generations entering the workforce.

Aeon – Benefits and Trends Survey 2022

Addressing such perception gaps, understanding and catering to diverse employee groups, and ensuring that benefits truly resonate with prospective hires' needs are paramount challenges in modern talent acquisition.

Aligning Benefits with Management Expectations

From a management perspective, employee benefits aren't just tools for employee welfare; they're strategic investments. And like all investments, they demand returns. This ROI isn't just monetary. It's gauged in terms of enhanced employee productivity, reduced turnover, and heightened brand perception as an employer of choice.

Additionally, in an era driven by data, management expects detailed reporting on benefits utilisation. Such insights not only help in understanding employee preferences but also in refining offerings for maximum impact. In essence, while employees view benefits from a welfare perspective, management views them as tools adding tangible value to organisational operations and objectives.

78% of employees who believe their employer cares about their health and wellbeing also say they are thriving.

Mercer – Health On Demand 2023



The Intangible Benefits of a Well-Structured Program

A robust benefits program transcends its immediate benefits. On the surface, it aids in talent acquisition and retention. But dig deeper, and its merits are manifold. It fosters a positive organisational culture, instilling a sense of belonging among employees. It acts as a buffer, reducing the costs and disruptions associated with high turnover rates.

And the “hard” costs of recruitment are only part of the story. Once you take into account the disruption to workplace productivity, the time it takes for a new hire to adjust to company culture and dynamics, and other such “soft” costs, employee turnover can incur costs exceeding 100% of the annual salary of the vacated position.³

Moreover, a well-structured program, resonating with employee needs, acts as a catalyst for productivity. Engaged, satisfied employees are intrinsically motivated, leading to better performance, innovation, and reduced absenteeism. Thus, while the upfront investment in a comprehensive benefits program might seem substantial, the long-term dividends, both tangible and intangible, make it indispensable.

³ “The Real Costs of Recruitment”, Society for Human Resource Management.

Top 3 challenges experienced by employees with their company's benefits program

- Benefits offered don't match my needs or lifestyle.
- Difficult to use my benefits to their full potential.
- Difficult to understand which benefits options are the best fit for me.

Remote – Global Benefits Report 2022

Employee Expectations: One Size Does Not Fit All

Flexibility: Flexibility ensures that employees find genuine value in what's offered to them. Whether it's shifting budgets between health and wellness programs or adjusting leave policies based on personal requirements, the capacity to adapt and modify is invaluable. By catering to individual needs, companies can achieve higher engagement levels, making employees feel valued and understood.

Customisability: The modern workforce cherishes the ability to curate their experience. They are accustomed to custom-tailored solutions in various facets of their life, and this extends to their professional realm as well. Offering a menu of benefits that employees can pick and choose from not only boosts satisfaction but also fosters a sense of empowerment. It sends a message that the organisation respects their individuality and is willing to provide tailored experiences.

Seamlessness: In the world of instantaneous digital solutions, employees expect their benefits to be delivered with equal seamlessness. Lengthy processes, complex paperwork, or ambiguous procedures can dampen enthusiasm, no matter how attractive the benefit might be. For employee benefits to truly resonate, they should be easy to understand, access, and utilise. Simplified workflows, integrated platforms, and clear communication channels ensure that employees can avail their benefits effortlessly, leading to higher utilisation and appreciation rates.

Beyond the Basic: The definition of 'essential benefits' has transformed over time. While healthcare and retirement contributions were traditionally paramount, the current decade has underscored the importance of mental health support, flexible working conditions, and wellness programs. This change is a reflection of societal evolution, pressing health issues, and the shifting priorities of the workforce. The best benefits packages seamlessly address employee needs while concurrently embodying organisational objectives and values.

Part 2: How Employee Benefits Companies Can Position Themselves to Win

In a world where benefits are more than just perks, but pivotal tools in talent acquisition and retention, how can employee benefits companies remain not just relevant, but truly exceptional? Part 2 dives into the mechanics of this excellence.

We'll unravel the essence of user experience, emphasising its critical role in the benefits landscape. We'll also explore the dynamics of flexibility, ROI optimisation, and the imperatives of employee engagement. From the nuts and bolts of operations to the importance of feedback integration, this section provides a roadmap for companies aiming to pioneer the next wave of employee benefits solutions.

Providing a Modern, Digital-First User Experience

An employee's experience with a benefits platform plays a pivotal role in determining their engagement level and overall satisfaction. As discussed in Part 1, employees now expect digital platforms to provide an intuitive, user-friendly experience, mirroring the seamless interactions they enjoy in other aspects of their digital lives. A clunky, unintuitive user interface and way of accessing and paying for the benefits can deter employees from fully utilising the services they're entitled to, thus diminishing the perceived value of the benefits program.

Therefore, for employee benefits companies looking to position themselves competitively, investing in seamless UX isn't just an added bonus; it's a necessity. The design and functionality of the experience should cater to the diverse tech proficiencies of its users, ensuring that every interaction is smooth and hassle-free.



Central to this, is the comfort of a payment system that is familiar and that can be used anywhere a consumer would normally complete transactions. The open-loop network provides unparalleled coverage - a truly global payment network that will continue to expand and evolve.

For employees, this means having the flexibility to use their card where they deem fit, online or offline, although always within the advanced spend control guardrails set by the provider.

For employee benefits companies, it means their customers are by default a part of the future development and technological progress of the payments infrastructure.

And with the added ease of instant issuing, employees can access benefits from day one. Together, these features ensure that the transition to using a benefits platform is frictionless for the employee, with zero learning curve.

Adopting these modern payment structures reflects a company's commitment to meeting its employees at their comfort zones, ensuring they can derive maximum value from their benefits without being burdened by cumbersome processes or unfamiliar systems.

81% of businesses surveyed believe they will have to change their benefits offering to meet the future needs of an evolving workforce.⁴ The importance of agility and flexibility of providers in the coming years will be paramount.

Offering Ultimate Flexibility

Flexibility in benefits packages is no longer just a 'nice-to-have'; it's a demand driven by a diverse and dynamic workforce. As covered in Part 1, employees seek the ability to tailor benefits based on their individual needs. They crave the freedom to take advantage of a variety of benefits when and where they choose, to reallocate budgets as circumstances change, and to tap into e-commerce for benefit redemption.

This adaptability not only ensures that benefits remain relevant throughout an employee's tenure but also amplifies the perceived value of the program. A rigid, one-size-fits-all approach can alienate sections of the workforce, diluting the impact of even the most comprehensive benefits packages.

A competitive compensation package goes beyond just salary; it intricately weaves in benefits tailored to meet diverse employee needs. It's about understanding current industry trends, gauging workforce demographics, and aligning offerings with organisational values. Furthermore, periodic reassessments ensure that the package evolves with changing workforce priorities, keeping it consistently appealing.

Optimised ROI for Your Customers

Streamlining benefits administration: is the ease and speed of onboarding new card users and dealing with any problems with cards already issued. Virtual cards can be issued instantly allowing day one access to the program. If a physical card is lost or stolen, cancelling and instantly reissuing the card is a straightforward process.

And again, here is where a familiar, intuitive user experience is key. A card that can be used like any other means no learning curve and no training new users.



Furthermore, new payment methods can be added or removed without the need to order a new card for the employee. For example, if an employee requires a transportation card for a new role within the organisation, this can be added to their existing card immediately with a simple API call. And if the benefit needs to be removed a year later, a simple API call and it's sorted.

Leveraging Data for Strategic Decision-Making: For management, employee benefit programs are strategic investments, and like all investments, they require tracking and assessment. A unified payment platform, with all transactions regardless of vendor funnelled through the same system, greatly simplifies this administrative burden.

By providing a clear view into benefit utilisation, cost structures, and employee feedback, these tools empower management to make informed decisions about the program's future direction. The less cumbersome and more transparent this data acquisition process, the more equipped organisations are to gauge the program's effectiveness and make necessary tweaks.

As touched upon in Part 1, data isn't just about numbers; it's about insights. By analysing usage patterns and understanding which benefits resonate most with employees, companies can refine their offerings.

The open-loop network allows cards to be used anywhere, however this will always be limited by the rules of the benefits program. A transaction will be blocked if a card is used at an unapproved vendor, however the attempt provides both a sales lead for the provider and an insight into the needs of the employees that leads to a better outcome for the organisation.

Increase Employee Motivation and Retention: A well-structured program, tailored to employee needs, fosters a sense of organisational commitment and value. With 78% of companies seeing greater retention after improvements to their benefits program⁵, it is clear that when employees believe their well-being is prioritised, they are more likely to remain loyal to the organisation, leading to increased retention rates. Furthermore, as discussed in Part 1, such benefits packages directly impact job satisfaction, further bolstering retention.

“You need to be agile. There’s a lot of competition coming up all the time. It used to be just few big players, but now there’s also a lot of startups. Companies expect to be able to trust that their employee benefit provider is really fast to act and support, for example, as many restaurants as possible, or as many types of benefits as possible.”

Matti Rusila, Product Director @ Enfuze.

The well-documented costs associated with employee turnover were discussed in Part 1. With decreased organisational commitment, coupled with changing priorities and a diverse and global workforce, tactics that increase retention are a priority for businesses when it comes to their benefits offering.

Not only do employees expect more from their employers, businesses need providers to be agile in responding to changing user needs. In this respect, the benefits of an open-loop payment network are two-fold: firstly it facilitates the fast integration of new merchants into the program, and secondly it ensures that, as the payment scheme infrastructure evolves, the payments experience will remain at the industry’s cutting edge.

Boost Productivity: While monetary compensation is undoubtedly a factor, contemporary employees are driven by holistic well-being, growth opportunities, work-life balance, and organisational alignment with their personal values.⁶ Benefits packages that cater to these needs not only attract but continually motivate employees, enhancing overall productivity and organisational commitment.

The Importance of Employee Engagement and Feedback Mechanisms

Engaging employees in shaping the benefits landscape amplifies their commitment to the organisation. An inclusive feedback mechanism, where employees can voice their needs, preferences, and concerns, ensures the benefits program remains relevant and resonant.

Furthermore, by positioning employees as active stakeholders in the benefits conversation, companies can foster a culture of transparency and mutual respect. This, in turn, not only optimises the benefits package but also drives higher engagement levels, ensuring employees are not just recipients but active contributors to the benefits narrative.

“The percentage of energised employees has dropped significantly – from 74% in 2019 to 63% in 2022, the lowest level in this study’s seven-year history.”

Mercer – Global Talent Trends 2022-2023

⁵ Remote, Global Benefits Report 2022


⁶ Millennial Motivation Issues Related to Compensation and Benefits: Suggestions for Improved Retention - Compensation and Benefits Review (Daniel Morrell and Kristie Abson)

An optimised benefits package, crafted with direct employee input, invariably enjoys higher utilisation rates. But beyond this operational benefit lies a more profound impact on organisational culture. When employees see their feedback being acknowledged and acted upon, it fosters a sense of ownership and pride.

This heightened engagement has cascading positive effects on overall job satisfaction, loyalty, and productivity. Essentially, a feedback-driven benefits strategy ensures that benefits aren't just perks; they are powerful tools for fostering organisational unity and commitment.

Conclusion

In today's evolving workplace landscape, employee benefits are more than just supplementary perks; they're pivotal tools for fostering engagement, commitment, and organisational unity. By understanding the shifting priorities of the modern workforce and adapting with flexibility, companies can not only attract and retain top talent but also create an environment where employees feel valued, heard, and empowered. **As the definition of 'essential' benefits continues to evolve, so should the strategies and platforms delivering them. It's not just about offering benefits; it's about curating experiences that resonate, inspire, and drive success.**



“The most effective managers get to know all of their employees to determine what kinds of rewards they value most and then customise the rewards as much as possible. The desirability of rewards will change over time – what worked last year may not work as well this year.”



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About Enfuce

Enfuce is an award-winning, trusted, and strategic partner for transformative, secure, compliant and globally scalable issuer processor card solutions. Powering payment partnerships that reimagine customer connection and engagement, Enfuce brings together the brightest minds and the best technology to create modular, flexible and cloud-based payment processing capabilities.

Founded in 2016, Enfuce is a global company with teams in Finland, Germany, Sweden and the UK. Enfuce has an Electronic Money Institution (EMI) license from the Finnish FSA. Being the first financial service provider in the world to be PCI-DSS certified while running its service in the public cloud, Enfuce's enterprise-grade modular platform and core payments processing engine provide 99.999% uptime, global scalability and card scheme connectivity. Enfuce supports debit, credit, prepaid, gift, fleet and fuel card programmes in any form – plastic, virtual and/or tokenised – for consumer, commercial and B2B applications, including integration with digital wallets.

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