

Beyond the Paycheck:

Get full-time loyalty from part-time and gig workers



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Market and regulatory forces create need to think differently

- ▶ 1 in 5 jobs is held by a contractor
- ▶ Part-time workers up 9% since 2007
- ▶ 3.6% unemployment
- ▶ New regulations introduce benefits funding flexibility





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Poll: What percentage of your workers are ineligible for your core benefits?

- A. 80% to 100%
- B. 60% to 80%
- C. 40% to 60%
- D. 20% to 40%
- E. 0 to 20%

Poll Results

13.0%

8.7%

4.3%

16.5%

57.5%



Definitions

- ▶ **Benefits ineligible:** based on employer policy.
- ▶ **Alternative workers:** contractors, on-call, temps or from contract firms.
- ▶ **Gig economy:** temporary, flexible jobs are commonplace; companies lean toward alternative workers instead of full-time employees.
- ▶ **Part-time employees:** those who work less than 30 hours/week on average.



Health Reimbursement Arrangements



Traditional HRAs: employer-funded group health plans from which employees are reimbursed tax-free for qualified medical expenses.



New individual coverage HRA: employer funds that can be used to offset premiums of coverage employees buy on the open market. (See June 25 post at [Blog.businessolver.com](https://blog.businessolver.com)).



Leading the social enterprise: Reinvent with a human focus

2019 Deloitte Global Human Capital Trends

2019 Human Capital Trends Context

Leading the social enterprise



An intensifying combination of economic, social and political issues is challenging business strategies, and the context of the social enterprise makes it even more pressing.

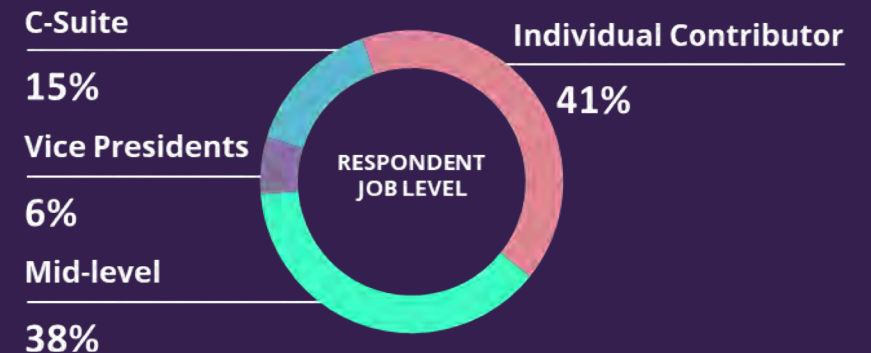
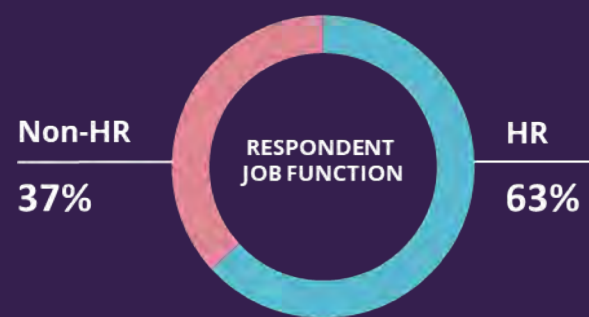
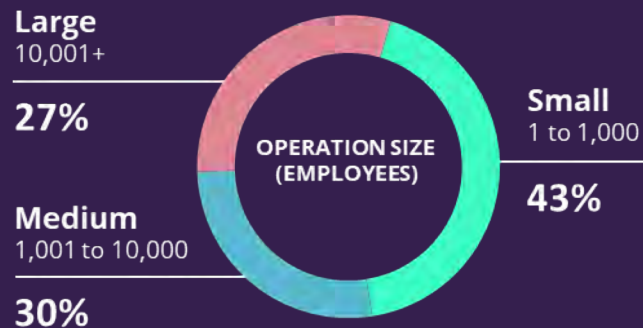
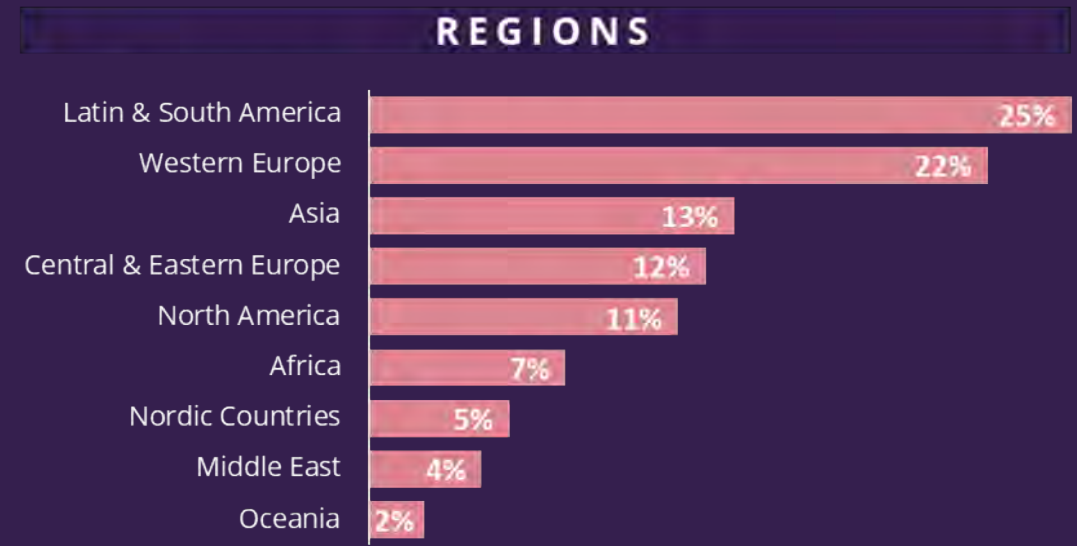
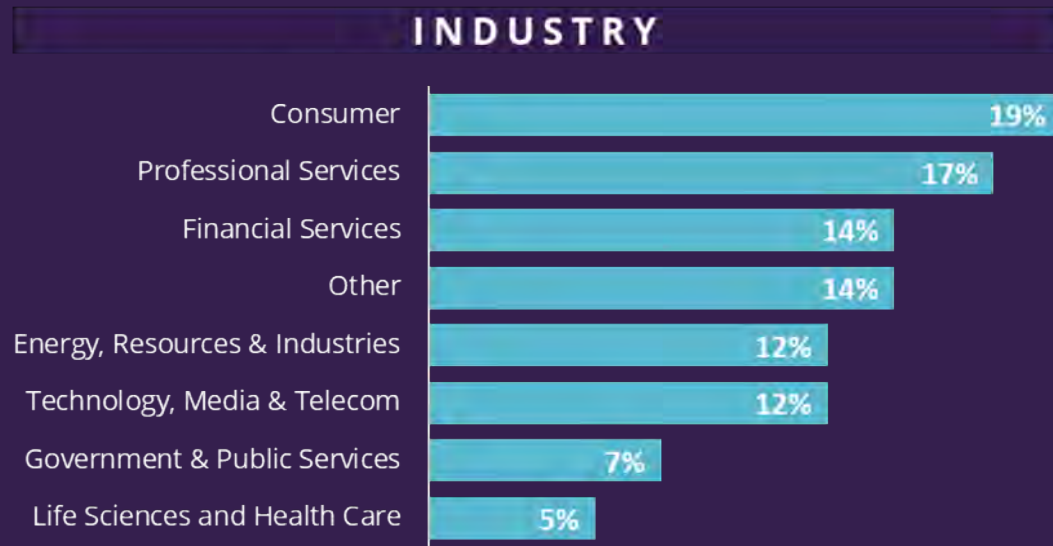


Companies need to go beyond mission statements, social purpose and philanthropy to **lead the social enterprise, and that will require reinventing with a human focus.**



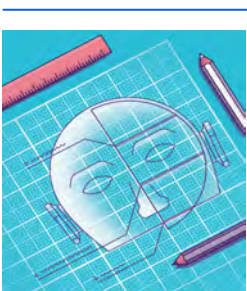


Leading a social enterprise means going beyond purpose; **the new organizational mandate is to bring meaning back into work.**

This year's trends leverage findings from our Global Human Capital survey with nearly 10,000 respondents across 119 countries.



This year, trends align to leading the social enterprise with a human focus, supported by 10 individual trends bucketed into three categories:

3 Categories	2019 Human Capital Trends			
	<p>The Future of the Workforce</p>	<p>The alternative workforce: It's now mainstream</p>	<p>From jobs to superjobs</p>	<p>Leadership for the 21st century: The intersection of the traditional and the new</p>
	<p>The Future of the Organization</p>	<p>From employee experience to human experience: Putting meaning back into work</p>	<p>Organizational performance: It's a team sport</p>	<p>Rewards: Closing the gap</p>
	<p>The Future of HR</p>	<p>Accessing talent: It's more than acquisition</p>	<p>Learning in the flow of life</p>	<p>Talent mobility: Winning the war on the home front</p> <p>HR cloud: A launch pad, not a destination</p>

The alternative workforce: It's now mainstream

90%

of survey respondents use alternative workers

39%

think they are "doing well" or "best in class" at using alternative workers

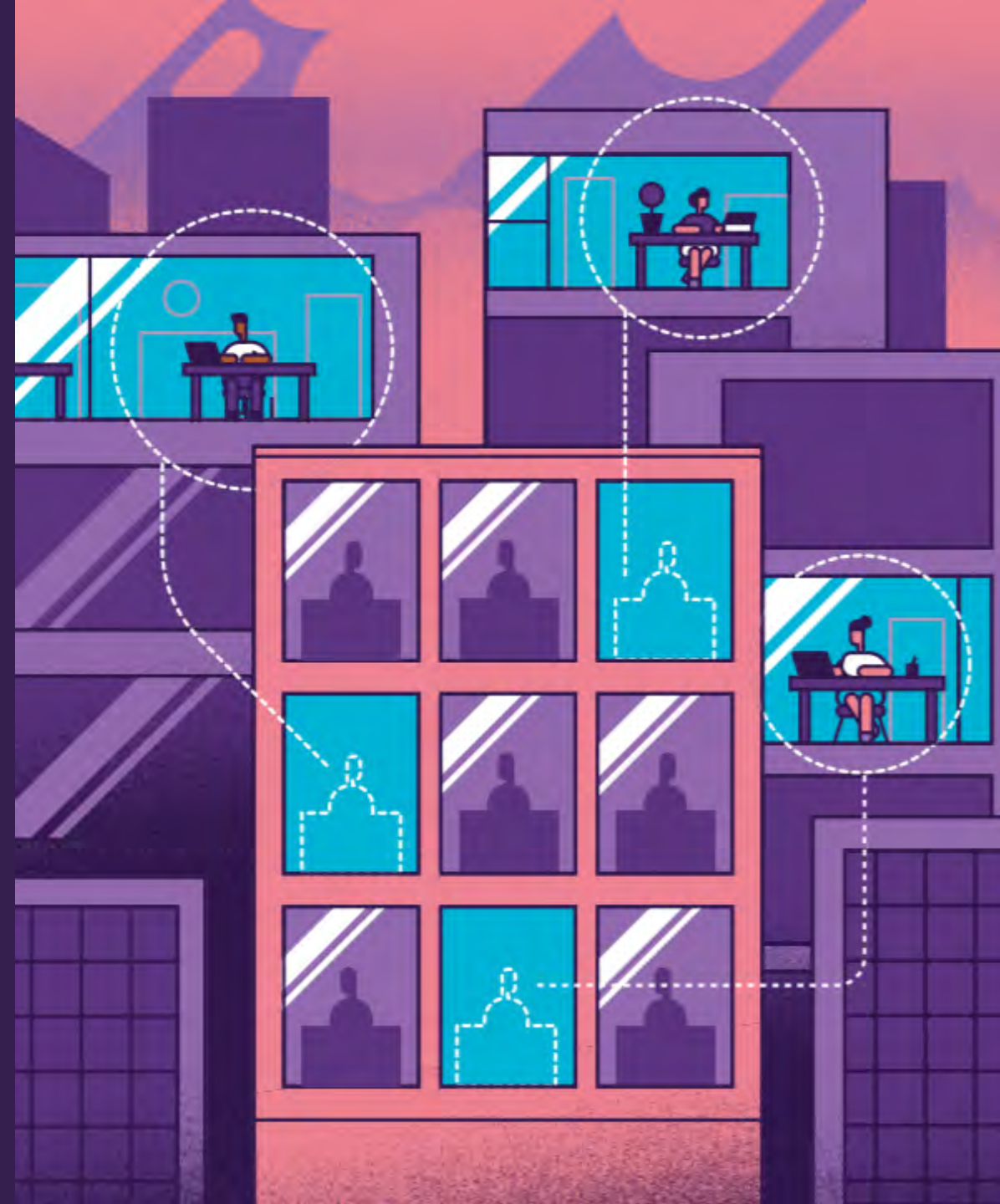
25%

have little to no processes in place for sourcing and managing alternative workforce sources

49%

do not have recruitment strategies for addressing talent management for alternative workers

Best practices to access and deploy alternative workers are just now being invented. If the economy continues to grow, organizations must be more flexible in adapting to these new work arrangements, and plan to use them in a strategic way.



Rewards: Closing the gap

11%

of respondents said rewards systems were highly aligned with their organizational goals

16.5%

of C-suite and above respondents, don't know what rewards their employees value

61%

believe "flexibility" is the most important element to engage the alternative workforce

32%

believe their organization's rewards are "not effective" at accommodating the diverse needs of alternative workers

How can organizations develop rewards that align with more agile models for performance measurement and management, and address workers' expectations and needs? A focus on building relationships with workers—and eschewing external benchmarking in favor of curating a differentiated suite of rewards—can help organizations close the gap.



Talent mobility: Winning the war on the home front

73%

of respondents believe there will be an increase in opportunity for internal mobility in the next three years

16%

believe they are excellent at enabling internal talent mobility

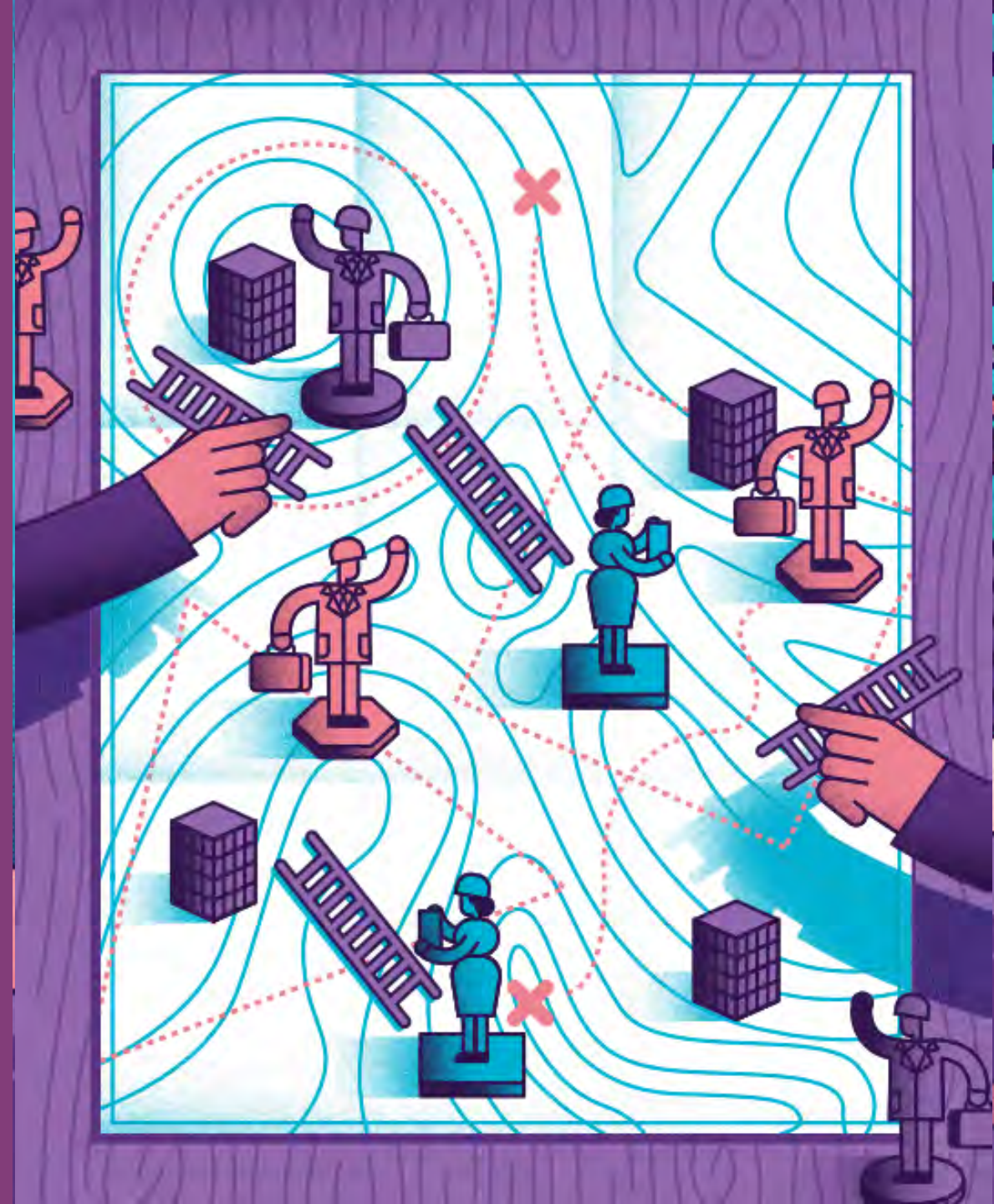
56%

believe it is easier for employees to find a new job in a different organization than move internally

35%

believe their infrastructure for internal talent mobility programs is inadequate

Mobility should be perceived as a natural, normal progression instead of as a major change in one's career; opportunities to move should be extended to workers at all levels, not just managers and team leaders; and technology should enable a streamlined mobility process for moves between functions, jobs, and projects as well as geographies.



Deloitte POV: From Total Rewards to Total Relationships

A tight labor market, changing workforce demographics and the growing mobility and assertiveness of employees and candidates are driving sweeping change for total rewards organizations.

Organizations need to pivot to a more strategic view of rewards and differentiate themselves as an irresistible place to work.

Workers are looking for a relationship with an organization that offers a personalized, flexible and customized experience.

Organizations need to create and embed an experience that attracts, retains and engages the workforce of tomorrow.



Exploring the Trends App

Access the app by taking a picture of the QR code with your smart phone or access hctrendsapp.deloitte.com.



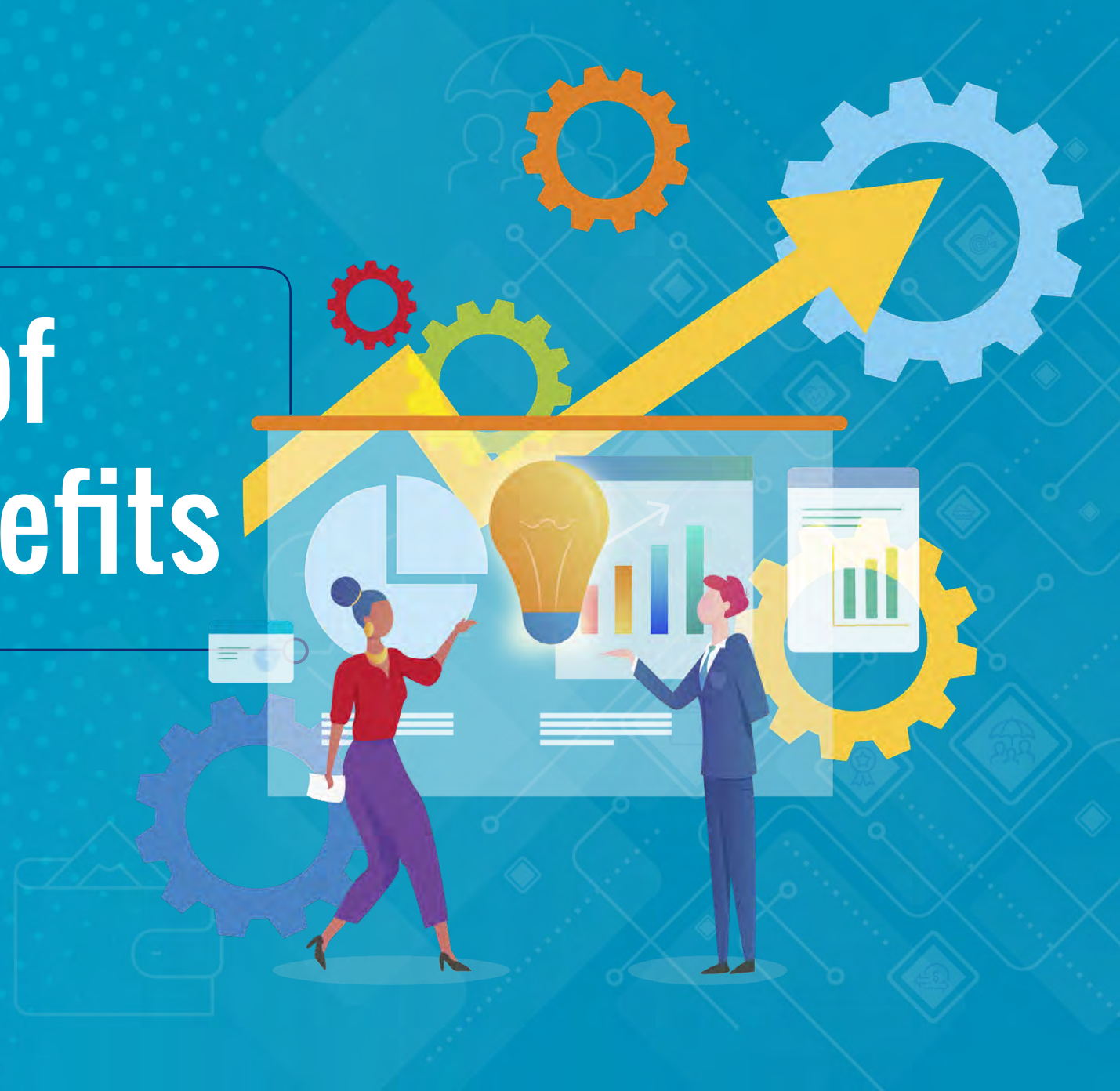
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Insights



**Leading the social enterprise:
Reinvent with a human focus**

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The Benefits of Providing Benefits



MyChoiceSM

RECOMMENDATION ENGINE



80+% can't effectively compare options or maximize their benefits



65% say they are risk averse



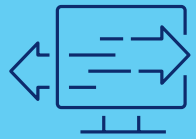
44% would "get soaked" by a large medical bill

From the organization's perspective



Competitive advantage

83% would take a pay cut for better benefits



Productivity

The cost of an absence is **+28%** higher than the worker's wage



Engagement / Loyalty

73% believe benefits increase loyalty
80% of part-time workers who have benefits prefer to stay with their employer 3+ years



Medical benefits part-time workers want



54%

Healthcare
coverage



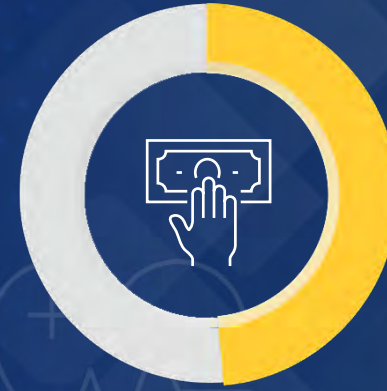
53%

Prescription
drug coverage



52%

Dental &
vision care



47%

Flexible
spending
accounts



33%

Health savings
accounts

FEWER THAN 35% OF COMPANIES ARE TAKING ACTION.

Compliance Considerations



Important limitations

- ▶ Federal and state laws prohibit offering group coverage to alternative workers.
- ▶ Nondiscrimination rules limit offering lesser benefit designs to part-time populations.



Thinking creatively

Voluntary/Access-Only Benefits

Association Health Plans

Legislative proposals:

- ▶ Certainty regarding classification
- ▶ MEP retirement plans
- ▶ State solutions



Defined contribution healthcare

- ▶ Fixed cost health plan
- ▶ Core coverage outsourced to individual policies
- ▶ Still requires creative solutions for alternative workers, but lessens the divide between non-employees and employees



Poll:

Have you started to formulate any benefit strategies to attract and retain alternative or part-time workers?

A. Yes

Poll Results

27.7%

B. No

38.4%

C. I still need more information

33.9%



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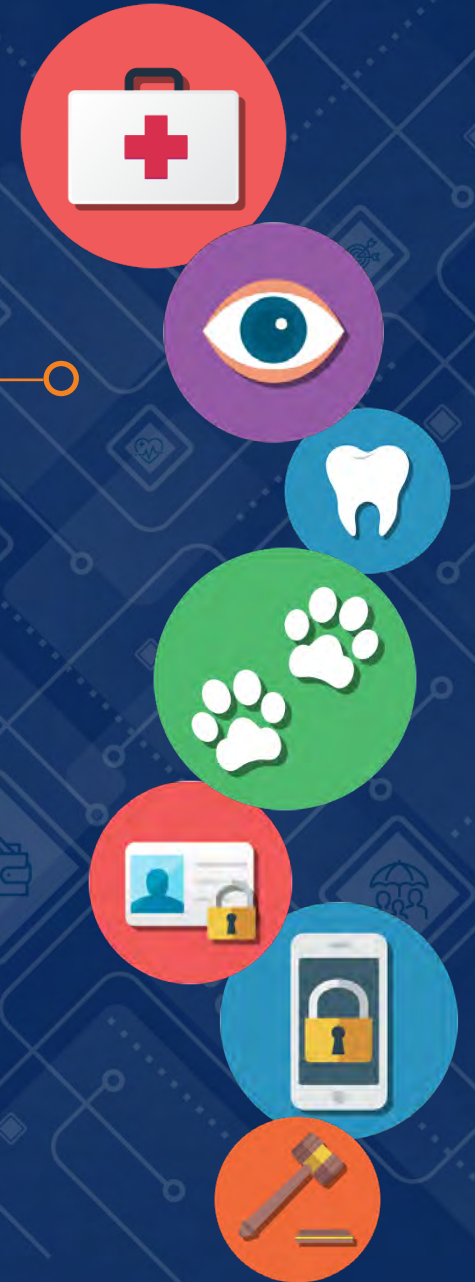


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- ▶ Curated suite of benefits that add value beyond the retail market.
- ▶ Year-round support to the participant including education, enrollment and premium payments.
- ▶ Administered on the same platform as your benefits-eligible population.



Questions?





THANK YOU