The Great Regret Urges Plan Sponsors to Review Their Benefits Lineup

By Pat Deming, *Partner*
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We have all heard of the Great Resignation, a term coined to describe the millions of employees that left their jobs since the onset of the COVID pandemic in 2020. Many employees who moved on to another job are having second thoughts about their decision—a new phenomenon that is being referred to as the Great Regret.

Nearly three quarters of respondents to a survey conducted by Muse, a career website, said their new jobs weren't what they expected. This "quitter's remorse" is also affecting employers, who are currently showing 11.4 million job openings nationwide according to the Bureau of Labor Statistics.

The current employee-driven jobs market may be unsettling, but it presents an opportunity for plan sponsors to hone their benefits offerings and improve participant communications to become an employer of choice for persnickety job seekers.

Why employees stay or leave

While about 40 percent of employees say they plan to leave their jobs within the next year according to a recent survey conducted by talent acquisition firm, Leveler, Gen Z workers are leading that drive, as 65 percent plan to leave for other opportunities. Factors that tend to keep employees at their current job include salary and bonus levels that are too good to leave; paid time off and flexibility; and the potential for upward mobility.

Leveler found that internal mobility is a particularly important factor in retaining talent. One-third of employees interested in a new role said they would trade a pay cut for upward mobility, and 61 percent said they would leave if the company did not offer opportunities for promotion.

The Muse survey also found that about one-quarter of unhappy workers felt they hadn't thoroughly evaluated the pros and cons before taking a new job. Boomerang employees—those who leave a company but later return—appear to be on the rise. LinkedIn recently reported approximately 4.3 percent of employees who leave a job end up coming back. Additionally, according to LinkedIn, it takes an average of 17 months for an employee to come back to his or her original job, but many return in less than a year.

Getting creative with benefits

Employers expect to have employment issues over the next several years, and see their defined contribution plan as an important tool to attract and retain talent. Companies that boost flexibility and choice in their benefit plans may separate themselves from the competition and better meet employees' needs in a historically tight labor environment. Some of the leading strategies include digital tools to help employees with budgeting and spending through their financial wellness programs and targeted communication to support program changes.

Insight: Do your research and communicate effectively

This year's environment is probably the toughest labor market we have seen in several decades. It is critical that plan sponsors have a detailed understanding of their employee demographics in order to offer the right combination of salary, benefits, and perks. Newer employees often lump perks and benefits together, and many fail to realize that things like free snacks in the break room are perks while the ability to redirect 401(k) contributions to student loan repayments is a benefit. Targeted and frequent communications can be an effective way to help specific segments of your employee population better understand your offerings.