



The future of work is now

Using workforce data to build a benefits strategy that attracts and retains employees in a highly competitive market



It's been over a year since the term Great Resignation entered the American cultural lexicon. Since then, a record 47.8 million workers either quit their jobs or left the workforce in 2021.¹ In early 2022, an average of 4 million Americans voluntarily left their jobs each month with a high of 4.5 million in March.²

While the initial surge of resignations came from the economic and social pressures brought on by the COVID-19 pandemic, many employees were also reevaluating their lives—in and out of the workplace. Feeling burned out and unhappy at work, they're now seeking opportunities with greater flexibility, more robust benefits and better pay—overall, seeking an upgrade personally and professionally post-pandemic.

“The pandemic brought the future of work into the present of work,” says Anthony Klotz, the management professor at Texas A&M University who coined the term Great Resignation.³

There's no turning back from these changes in the workplace. Employers have expanded their focus on employee wellness, including mental and financial health, and they are offering remote work opportunities, but how can they better tailor these initiatives to the needs of specific employees?

As the dust settles, employers are using data and analytics to understand how their employee population breaks down by age, familial structure, geographic area, financial status and more to evolve their workforce and benefits strategies.

It's a strategy grounded in meeting employees where they are, and employers can start by taking a closer look at how the Great Resignation is:

“The pandemic and its economic impact continue to drive changes in every aspect of American life, especially in how we work. Employers are being challenged to reimagine the workplace with the goal of keeping and attracting top talent. They’re realizing that in the future, ‘good’ won’t be good enough.”

John Elliott
Vice President
Collaborative Ventures Group
UnitedHealthcare



Affecting certain employers and employees differently



Highlighting a reevaluation of the role of work



Reimagining benefits with a focus on overall well-being

Industry sectors, employee populations, generations affected in different ways

While the Great Resignation tends to be cast in broad terms —supporting the notions that all workers have been affected in the same way and that the economy is bleeding jobs— a closer look at the data shows a different picture. In fact, specific industry sectors, employee populations, geographies and generations are experiencing the phenomenon in different ways.

For example, for most of 2021 and into 2022, quit rates have varied significantly within different industry sectors (see chart). Higher rates tended to be found in lower-paying, lower-skilled sectors such as hospitality/leisure and service (those with higher levels of customer-facing interaction).⁴

Geographically, quit rates have not been distributed evenly, with some of the highest quit rates coming outside of major urban centers. The South and West had the highest percentage of workers quitting at 3% or higher, while the Midwest and Northeast experienced quit rates of 2.9% and 2.2%, respectively.⁴

Since February 2020, the economy has experienced a net loss of nearly 2.9 million jobs with women accounting for 63.3% of those losses.⁵ While men had recouped all their labor force losses by January 2022, over 1 million fewer women were in the labor force in January 2022 compared to February 2020.⁶

And, from a generational perspective, millennials and Gen Zers were the cohorts with the highest quit rates. Gen Zers were changing jobs at a rate 134% higher than in 2019, and millennials switched 24% more. Boomers have been switching 4% less.⁷ Some 25% of Gen Zers say they hope or plan to leave their employers within the next six months compared with 23% of millennials, 18% of Gen Xers and just 12% of boomers.⁷

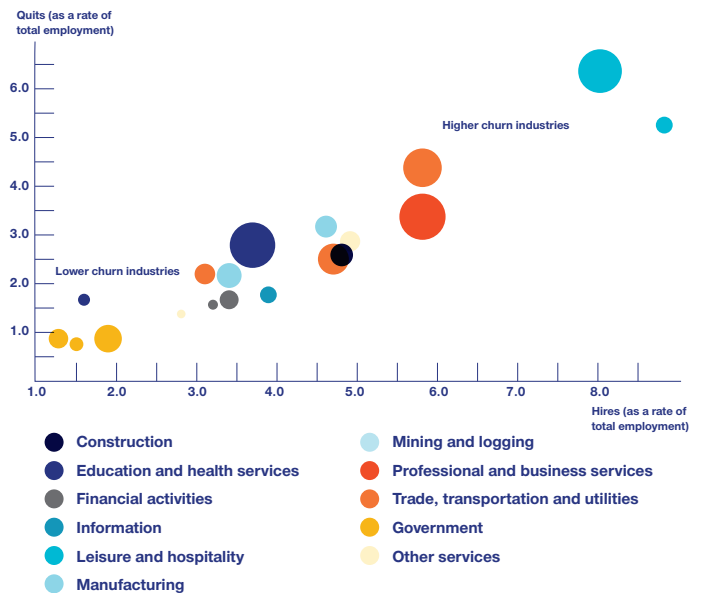
3.6%

April 2022 rate of unemployment

Similar to February 2020 pre-pandemic⁸

Hiring and quitting, by industry

High turnover has disproportionately affected some industries. Circle size is determined by the total number of job openings in the industry, seasonally adjusted.



Data helps determine workforce needs to help attract and retain employees

Given the significant shifts and movement within the labor market, employers are looking to understand what's next for their employee population. Starting with data related to who remains on staff, where they're located, what their needs are and how to meet those needs are key priorities in attracting and retaining talent. **Here are some examples of what this data can uncover:**

1. With boomers switching jobs at a lower rate, employers can look to build a strategy to retain them due to their propensity to stay. In this scenario, especially since many of these boomers could be Medicare eligible at 65+, employers must consider what that means for the jobs they have and the benefits they receive. Knowing this segment may have more engagement with the health system and drive higher costs for the employer, health care plan designs, for example, may need to adjust accordingly.
2. The data above outlined the gender gap related to women leaving the workforce, in many cases, to focus on childcare. If that trend were to shift, though, employers could have an influx of young parents to account for within their benefits strategies.

- While this segment may have different needs than the boomer population, employers should consider what their return to the payroll could mean for benefits, health care costs and more.
3. The third example is less about age and life stage and more about location. With remote work as prevalent as ever, employees potentially could be spread across multiple geographies with distinct profiles related to health care outcomes within those communities. For example, if a segment of employees moves from one metro area that has historically high PCP usage to a rural area with access challenges and lower PCP usage, employers may see an impact on health outcomes and, ultimately, their costs.

Employees are reevaluating the role of work in an economy full of more appealing job opportunities

Regardless of generation or workforce tenure, employers are looking for trends in what is attracting employees to their companies, as well as reasons they'll stay. While there's no magic formula, some themes are emerging.

Less happy with their jobs than before the pandemic, many workers are reevaluating what they want from their work lives with over half questioning workplace desirability and job purpose (see graph).⁷ Those who have remained in the workforce report a higher degree of fatigue, burnout and a greater willingness to consider new, more appealing job opportunities.⁹

With more appealing job opportunities plentiful, many are searching for new opportunities offering higher pay and incentives. And, they are bringing with them new priorities and values. According to the Forbes Human Resources Council, employees increasingly are looking for a renewed focus on organizational purpose, stronger alignment of personal and professional values, greater flexibility in the work environment and enhanced growth and development opportunities. Among the most important factors: a greater commitment to employee well-being, including customized health benefits designed to prioritize choice and flexibility, healthier workplace practices and easier ways to engage physical/mental health services and resources.¹⁰

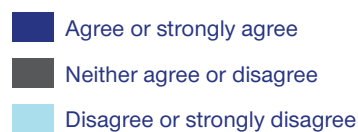
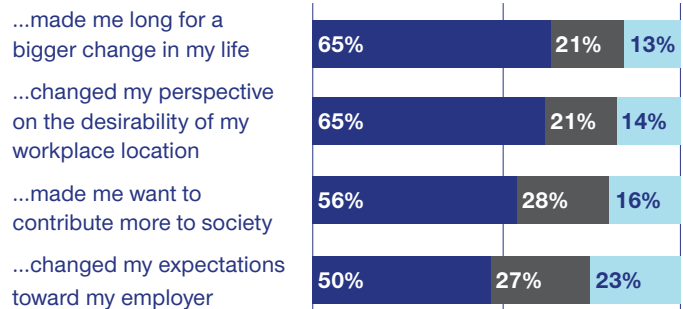
“Employees are feeling much more empowered to demand what they need.”

Sydney Moondra

Senior Analyst

Advisory Board at Optum Insight

What employees say about how the pandemic has changed their feelings about work and life



What job seekers want from employers¹¹

- **Deeper connections**—Help employees feel understood by strengthening their family and community connections, not just work relationships.
- **Radical flexibility**—Empower employees to feel autonomous by providing flexibility on all aspects of work, not just when and where they work.
- **Personal growth**—Ensure that employees feel valued by helping them grow as people, not just as professionals.
- **Holistic well-being**—Reinforce that employees feel cared for by ensuring they actually use holistic well-being offerings, not just make them available.
- **Shared purpose**—Make sure employees feel invested in the organization by championing action by the organization on societal and cultural issues.



Ready to get back to the office? Many employees say, “not so fast.”

With the COVID-19 pandemic in its third year, employees remain uncomfortable with the idea of returning to work, and they have clear opinions about the kind of work environment that will best suit their needs when they do.

Employee comfort levels with returning to work have remained relatively low for nearly a year, substantially below other social activities, including retail shopping, going to restaurants and visiting the doctor.¹² And returning to the workplace remains an emotionally charged issue, with nearly half of employees reporting feelings of anxiousness, anger or dread when considering returning to an office setting.¹³

Employers investing in benefit strategies with a greater focus on well-being

Against this backdrop, employers are responding with innovative and creative strategies designed to better meet individual employee needs. These strategies include higher pay and incentives, hybrid remote/on-site work schedules, pet-friendly office policies, newly redesigned collaborative workspaces and more.

At the same time, employers are retooling their benefit strategies, particularly those aimed at improving overall health and well-being. “Historically, we looked at employee well-being *in* the workplace,” says Alexander Polyak, Research Consultant, with Advisory Board at Optum Insight. “Increasingly, employers have to look at how they provide for employee well-being *beyond* the workplace. And benefits, in particular, have to mold to that.” Close to three-quarters of employers say they plan to differentiate their benefit offerings from those of other organizations,¹⁴ and nearly two-thirds say integrating well-being into their health benefits package is their top strategic priority in 2022 and beyond.¹⁴

Many are responding by expanding key employee benefits (see inset) and designing new ones to address a broad array of employee needs, including the emotional, financial, social and career support that are foundational to a new, broader understanding of well-being. It’s clear a one-size-fits-all approach will not meet employees where they are on this reimaged career journey. Among the key areas of focus:



Greater flexibility and choice: One size does not fit all when it comes to health benefit strategies in tomorrow’s workplace. Approximately half of employers (47%) plan to increase both benefit flexibility and choice with the goal of meeting the needs and preferences of a diverse, multigenerational workforce.¹⁴



Improved mental health care: A majority of employers (64%) plan to boost their support for mental health in the next two years. They also are planning more action in the areas of virtual access to mental health care (50%).¹⁴



Greater access to virtual health: The use of virtual care continues to grow, with 88% of adults having tried virtual care in the last year.¹⁵ Virtual care’s convenience, quality and value promise to make it an even more vital part of health benefits going forward.

continued

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Alexander Polyak
Research Consultant
Advisory Board at Optum Insight



Top 5 expanded employee benefits

Percentage of employers who indicated their organization increased the benefit.

78% Employee options for telework

43% Telemedicine services

39% Leave to care for children

27% Leave to care for adult family

25% Mental health services

Source: SHRM: Benefits Survey Finds Renewed Focus on Employee Well-Being; September 2021.



Quality, accessible childcare: Working parents—who make up about a third of the U.S. workforce—lost an average of eight hours per week due to childcare responsibilities during the pandemic. Many companies have bolstered existing benefits and added new ones to help their employees with kids.¹⁶



Improved employee experience: A key priority is improving how employees engage with and use a full range of personalized wellness programs. Roughly three-quarters of employers plan to have an enhanced digital strategy in place across their benefit programs in the next two years.¹⁴ And, many are converting to wellness apps offering more choice for employees, including financial wellness, personal and life coaching, exercise, mental health and more.



Renewed focus on health equity: Employers are offering more inclusive and affordable wellness programs, seeking representative provider networks, analyzing health disparities and addressing implicit bias and systemic racism to mitigate differences in health status, emotional well-being, health outcomes and mortality across the entirety of the workforce, including those in under-resourced or marginalized groups.¹⁷

“The bar is higher than ever to build the benefit solutions that meet the individual needs of employees. Employers who figure out how to do this, and do this quickly, will be the ones who win in a workforce that’s moving beyond the Great Resignation.”

John Elliott
Vice President
Collaborative Ventures Group at UnitedHealthcare

Learn more

Contact your broker, consultant or UnitedHealthcare representative for more information

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¹ Interactive Chart: How Historic Has the Great Resignation Been? SHRM, March 9, 2022.

² The Great Resignation kept surging into March, as a record number of workers quit and a record number of job openings got posted. Fortune, May 3, 2022.

³ The Great Resignation has changed the workplace for good. ‘We’re not going back,’ says expert who coined the term. CNBC, May 10, 2022.

⁴ Will Workers Continue to Leave Their Jobs in Record Numbers? SHRM, Dec. 7, 2021.

⁵ Bureau of Labor Statistics Data, February 2022.

⁶ Nearly 2 Million Fewer Women in Labor Force. SHRM, Febr.17, 2022.

⁷ The Great Resignation generation: Gen Z wants to job hop. Axios, Feb. 2022.

⁸ Bureau of Labor Statistics, May 2022.

⁹ The ‘Great Resignation’ is burning out those who stay. Here’s what they can do. CNBC. November 2021.

¹⁰ In ‘The Big Resignation’ Era, Here’s What Job Seekers Want From Employers. Forbes, October 2021.

¹¹ Make Way for a More Human-Centric Employee Value Proposition. Gartner. May 13, 2021.

¹² Civic Science, Poll: US adults 18+, April 2020 - January 2022.

¹³ Civic Science. Poll: U.S. Adults 18+, November - December 2021.

¹⁴ 2021 Benefit Trends Survey, Willis Towers Watson, 2021.

¹⁵ Patients love telehealth—physicians are not so sure. McKinsey & Company, Feb. 22, 2022.

¹⁶ The business case for child care. Axios, November 2020.

¹⁷ 2022 Trends to Watch, Business Group on Health, November 2021.

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