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# SMALL BUSINESS GUIDE TO CREATIVE EMPLOYEE BENEFITS

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**AN NFIB E-BOOK**

ATTRACT AND RETAIN EMPLOYEES—AND STAND OUT FROM THE COMPETITION.



# OVERVIEW

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# CREATIVITY IS CRITICAL

Big businesses can afford to give employees big salaries. But bigger isn't always better.

Job seekers consider many things—including job stability (65 percent), location (57 percent), affordable benefits (55 percent), good work culture (46 percent), flexible schedules (40 percent) and career advancement opportunities (39 percent)—more important than salary when considering a position, according to a 2015 survey by job search website CareerBuilder.

Another CareerBuilder survey conducted the year prior found that workers are more likely to quit their job when they're dissatisfied with their work-life balance (39 percent) or highly stressed (39 percent) than when they don't receive an annual pay increase (28 percent). The survey also found that workers who stay in their job are more likely to do so because they have a good work-life balance (50 percent) and good benefits (49 percent) than because they have a good salary (43 percent).

Cash, it seems, isn't really king.

"Let's not kid ourselves: Money talks. But compensation isn't the only thing that matters," says Rikka Brandon, a Fargo, North Dakota-based executive recruiter who specializes in small business clients. "Employees also want good benefits and an engaging work culture. That's where you as the little guy can really compete against the big guys, because small businesses' greatest strength is that they can be flexible."

The more flexible a business is, the more creative it can be. And in today's talent marketplace, creativity is critical, according to David Lewis, president and CEO of HR outsourcing and consulting firm OperationsInc in Norwalk, Connecticut. "The market for talent is becoming more and more competitive—especially for small businesses that aren't in a position to offer more comprehensive employee benefits packages," he says. "For those businesses, creative employee benefits can be either the Achilles' heel of the organization or they can be the organization's secret sauce. It all depends on how they approach it."

## What Do Job-Seekers Look For?

**65%**

Job stability

**57%**

Location

**55%**

Affordable benefits

**46%**

Good work culture

**40%**

Flexible schedules

**39%**

Career advancement opportunities

# THE BENEFITS OF BENEFITS

**Benefits—indirect, non-financial compensation—are designed to help employees. However, they can also benefit employers.**

The areas in which benefits help employers most are recruitment and retention, says Laura Putnam, CEO of workplace wellness consultancy Motion Infusion in San Francisco and author of *Workplace Wellness that Works: 10 Steps to Infuse Well-Being & Vitality into Any Organization*.

“Increasingly, companies and organizations know they can’t be competitive when it comes to attracting and keeping top talent if they don’t make efforts to help employees feel as if they’re cared for,” she says. “People don’t leave jobs; they leave their boss. And the reason they leave their boss is that they don’t feel valued and cared for.”

Employees who are extremely or very satisfied with their overall benefits packages are overwhelmingly more likely to be extremely or very satisfied with their jobs (77 percent) compared to those who aren’t satisfied with their benefits (4 percent), according to the *2015 Aflac WorkForces Report*. Employees also said benefits are very or extremely important to their:

- Loyalty to employer (66 percent)
- Willingness to refer a friend (52 percent)
- Decision to leave a company (52 percent)

Nearly two-thirds (65 percent) said benefits even impact their productivity. And that doesn’t surprise Putnam at all. “Research shows that there’s an opportunity to save three times as much in the area of so-called ‘presenteeism,’ where people are showing up to work in body but not in mind and spirit. That’s the biggest cost strain to organizations,” she says. “Also, absenteeism. Research is very clear that when people have a high level of well-being at work, they’re much less likely to be absent.”

They’re also much less likely to waste their company’s time and money. “Benefits can make your employees feel valued and appreciated. And when you make your employees feel valued and appreciated, they will value and appreciate you,” Brandon says. “It really is a win-win.”



# BENEFITS BRAINSTORM: 10 IDEAS

When it comes to employee benefits, health insurance, retirement accounts and sick days are often standard at larger companies. To set your small business apart, you've got to think more creatively. Here are 10 low- or no-cost ideas:

- 1 Free food:** "Food is a huge benefit," insists Lewis, who says businesses can do something small, like keeping the break room stocked with free snacks and soda, or something more significant, like providing a catered lunch on a daily or weekly basis. "It doesn't cost a lot, and the return on investment is extremely solid. In our office, we bring in lunch every day, and the productivity level is much higher among all my employees because they don't have to leave the building to eat."
- 2 Four-day workweek:** A three-day weekend—every weekend—could make your employees not only happier but also more productive. "If you work in an organization where face time matters more than results, you create a culture in which employees are logging the hours but not necessarily at their top productivity levels," Putnam says. "A four-day workweek allows more time for employees to restore, if you will, their energy levels."
- 3 Unlimited vacation:** This policy speaks volumes about your company's values. "It sends a really clear message to employees that you care about them, that you want them to spend time with their families and that you want them have a high quality of life," Putnam says. "And when people feel cared for by the company they work for, they're much more likely to do great work."
- 4 Professional development:** Employees want to work for companies that help them advance their careers. Paying for classes, certifications and conferences is a major draw. Another idea, however, is establishing a mentoring program between employees. "Mentoring is virtually free, and it benefits both the mentor and the mentee," Putnam says.
- 5 Personal development:** Employees place a high value on work-life balance. Consider offering personal development benefits. One way to do so is by paying for the services of a life coach. Another is by offering lunch-and-learn events. "Have your bank come in, for instance, and help people learn how to get a mortgage, when the right time is to refinance or how to use their savings account," Lewis suggests.



"Because it's a chance for them to market their services, all banks will do that. And in some cases they might even pay for the food."

- 6 Massage therapy:** "Sometimes the greatest opportunities are the simplest things, like paying a massage therapist to come for two hours on Friday afternoons to give chair massages," Brandon says.
- 7 Flexible working:** Giving employees the option to work from home—every day or just one or two days a week—tugs at employees' desire for more work-life balance. So does letting them come in late or leave early when they need to. "Giving people the option to work from home or set their own schedule is a huge retention tool and a huge tool to attract certain types of talent," Lewis says.

- 8 Gym memberships:** Employees who value fitness are drawn to employers with onsite gyms. If you don't have the space for weights and a treadmill, consider gifting employees a gym membership or negotiating discounted memberships at a nearby facility. "Maybe you get the gym to waive the enrollment fee for your employees, and instead of it being \$25 a week it's \$15 a week," Lewis says.
- 9 Community service:** Companies that offer paid or unpaid time off for employees to volunteer or participate in community service projects earn points with their community and their workforce. "This is being driven by millennials," Putnam explains. "They are really insistent that part of their job needs to be contributing to the world."
- 10 Voluntary benefits:** Employers who can't afford to pay for dental insurance, life insurance or disability insurance can still offer them, according to Lewis, who recommends offering such benefits on a "voluntary" (i.e., paid for by the employee) basis by serving as a broker between employees and service providers. The same model could even apply to other services, like prepaid legal services. "You could give your employees—through payroll deductions—the option of accumulating a block of hours for an attorney to help them with the assembly of their will or the closing of a house," Lewis explains. "Even if the company can't afford to foot the bill, giving employees the option to have those services is perceived as a huge value."

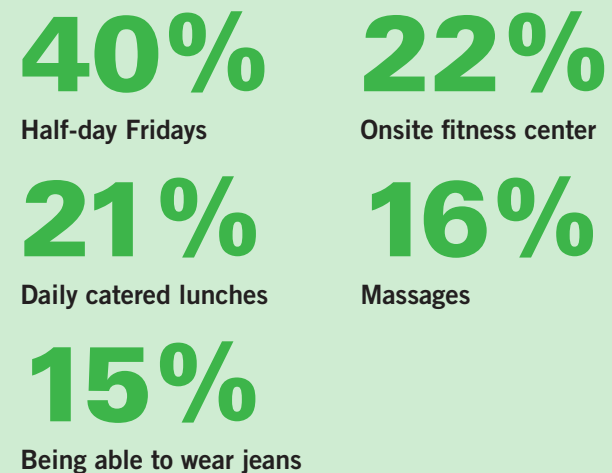
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## Offer Benefits with the NFIB Health Insurance Exchange

The NFIB Health Insurance Exchange can help employers offer benefits on a voluntary (employee-paid) basis. Options include dental insurance, critical illness, accident coverage and life insurance. Visit [NFIB.com/HealthExchange](http://NFIB.com/HealthExchange)

## WHAT EMPLOYEES WANT

In 2015, CareerBuilder asked employees nationwide what they would choose if they could pick extra perks to make their workplace more satisfying. The most popular choices were:



# PROCEED WITH CAUTION

Although creative benefits can yield large returns, they must be implemented carefully and thoughtfully so they enhance employees' work rather than distract from it.

"It can't be all warm and fuzzy and making employees feel good. At the end of the day, you need your employees to be productive and to add money to the bottom line," Brandon says. "It's a fine line. You want your employees to feel engaged and happy, but you also need them to be doing the work. The benefits can't be more important than the work getting done."

Here are a few things to keep in mind:

- **Resources are required.** You'll need someone to manage benefits. "You have to devote time every week for someone on your staff to administer this stuff," Lewis says. "It probably adds up to five to 10 hours a week in some cases, depending on how large your business is and how much engagement you have with your benefits."
- **Not everything is an option.** Benefits like shorter workweeks, unlimited vacation and remote working aren't always feasible—especially for small businesses. "The reality with any small business is: There's just flat out a lot of work and not enough people to do it," Putnam says. "So, how do you get everything done with only a four-day workweek?"
- **Benefits aren't one-size-fits-all.** Not all benefits are a good fit for your business or its employees. Consider, for example, working from home. Some businesses and positions demand a physical presence. Likewise, not all employees have the self-discipline to work remotely. "To make it work, you have to think through the setup and make sure you're picking the right people and setting the right parameters," Lewis says.

If something isn't working, change it up. Nothing is set in stone. "Everything is on a trial basis," Brandon says. "A quarter or 90 days is a really good amount of time to assess whether a new benefit is working for both the business and the employee."



# CREATIVE BENEFITS IN ACTION: EZANGA.COM

When he lived in his native Brooklyn, New York, Richard Kahn had no trouble finding qualified employees for his business. In his current home base of Middletown, Delaware, it's a different story.

"When I lived in Brooklyn, I could stick a sign out on a telephone pole in New York City and have a line at the door of people looking for positions," says Kahn, co-founder and CEO of eZanga, an online services firm specializing in pay-per-click advertising. "Now we're in a much smaller area. There are fewer people in the general vicinity, so we really have to compete for talent."

Kahn, who has 40 employees, can't offer starting salaries as large as those in nearby Philadelphia, so he relies on unique employee benefits to lure talent away from the big city. Among his most popular offerings:

- **Free eats:** "We have a '50s-style diner with soda fountains and a fridge and freezer that's always full. There's always chips and candy and desserts, and for the last couple years we've also catered lunch every day," Kahn says.
- **Casual dress:** "One of the biggest things we've done is we've switched to a dress-down environment every day," Kahn says. "We've gotten more gratitude from that than any other benefit we've ever given our employees."
- **Social outings:** "Once a month or so we'll do some kind of employee bonding," Kahn says. "Sometimes we'll go bowling, or we'll go play volleyball. Last time we went to see a movie. Little things like that are nice and keep the team together."
- **Birthdays off:** "We have 16 holidays that we observe every year, two floating holidays to use as you see fit, two weeks of paid vacation when you start, and three weeks of paid vacation once you've been with the company for three years," Kahn says. "Plus, you get your birthday off on top of all of that."

All the little things add up to big results, according to Kahn, whose company's motto is "Work Hard, Eat Hard, Play Hard."

"It's hard to find the right people, so when you do find them you want to hold onto them the best you can," he says. "The best way to do that, I've found, is by giving them a fun working environment. If work is where you're going to be spending your time every day, you might as well enjoy it."







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