

Report evaluates talent battle in West Michigan, Nation

Arthur J. Gallagher & Co. recently released its new 2017 Benefits Strategy and Benchmarking Survey, with data collected from 4,226 U.S. companies, including 144 from Michigan and 28 from West Michigan.

The survey revealed new insights into West Michigan's talent attraction and retention efforts by local CEOs. In reviewing the data provided by regional employers, Bryan Hirn, Michigan area president for Gallagher's benefits and HE consulting division stated, "One of the takeaways from this report is that if you're in the C-suite trying to figure out how do we attract, motivate and retain people, you really need to take a look at benefits and compensation: traditional benefits, paid time off, communication, activity involvement and wellness. You need to make those decisions based on data, not on guesses."

The survey respondents include Gallagher clients as well as other employers across the country. In West Michigan, about half (13) of respondents were in the education sector, and the rest were manufacturing, public entity, business services, construction, technology, and restaurant and hospitality organizations.

The survey found that, although West Michigan companies acknowledged that competitive benefits and compensation were key to attracting and retaining talent, most could not pinpoint why employees either stayed or left.

"What is interesting about West Michigan is more than half of the respondents have not done a survey to determine what their employees want to be engaged, stay motivated and stay with the employer," Hirn said.

The survey also revealed that successful retention rates might include effective employee engagement initiatives such as company picnics, softball teams, and celebrating employees' milestones, such as birthdays, marriages and the birth of children.

"In West Michigan, 33 percent of the respondents offer volunteer opportunities to people, and the same 33 percent offer community engagement opportunities," Hirn said. Community engagement events might include 5K fundraisers, food drives or charity auctions.

Noting a nationwide movement to control health costs, Hirn said 35 percent of West Michigan employers now offer telemedicine, and 14 percent offer cost-transparency resources and other health care decision tools for employees. But, one-third or more of employers nationwide use telemedicine, cost-transparency tools and health care decision support for employees.

The majority of Michigan employers (68 percent) said they use benchmarking information when planning benefits, and 67 percent use it in planning for compensation, whereas in West Michigan, 44 percent used benchmarking data in planning for benefits, and 56 percent used it in planning compensation.

West Michigan employers reported a weakness in the area of employee training programs — especially for entry-level workers.

"Fifty-eight percent said they don't think they offer enough training and development for employees," Hirn said. "This gets to the presence of millennials, who place a high value on training, benefits and a career path."

John Neumaier, Great Lakes regional president for Gallagher's benefits and HR consulting division, said as employers nationwide continue to project revenue growth, the need for talent increases, making retention strategies continually relevant.

"Sixty-five percent of employers nationally expect an increase in revenue next year, and 51 percent are expecting significant headcount increases over the next two years," he said.

Seventy-nine percent of Michigan respondents said they are confident they are offering competitive benefits and compensation, which is higher than the national rate of 71 percent. In West Michigan, 68 percent of respondents said they are confident their benefits are competitive.

Neumaier said no matter how confident an employer is in the quality of its offerings, communication of those strategies factors heavily into employee satisfaction.

"It's not only communication, it's how you communicate," he said. "It's developing a yearlong communication strategy to make sure employees are engaged and understand what the employer is offering."

Survey Highlights

Survey sample size:

West Michigan: 28, Michigan: 144, U.S.: 4,226

Employers who think benefits/compensation are important differentiators:
West Michigan: 71%; Michigan: 54%; U.S.: 50%

Annual employee turnover rates of 15% or more:
West Michigan: 8%; Michigan: 18%; U.S.: 33%

Employers with volunteer/community engagement offerings:
West Michigan: 33%; U.S.: 27%*

Employers with social well-being strategies:
West Michigan: 17%; U.S.: 18%*

Employers that offer wellness program through health plan vendor:
West Michigan: 17%; U.S.: 16%*

Employers that offer wellness program through outsourced vendor:
West Michigan, none; U.S.: 14%*

Employers that offer in-house wellness plan:
West Michigan: 83%, U.S.: no data included*

Employers that offer telemedicine/other health care decision support:
West Michigan: 35%/14%; U.S.: 33% altogether*

Employers who use benchmarking data in planning benefits/compensation:
West Michigan: 44%/56%; Michigan: 68%/67%; U.S.: 59% combined

Respondents who are confident in benefits/compensation offerings:
West Michigan: 68%; Michigan: 79%; U.S.: 71%

*Michigan data not available
Source: Arthur J. Gallagher & Co.

Grand Rapids
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"Report looks at tools in talent battle"

September 22, 2017

Rachel Watson, Reporter

www.grbj.com/articles/88952-report-looks-at-tools-in-talent-battle