**Employee Benefit Programs in Contemporary Organizations**

**Introduction**

Employee benefits programs are a significant part of worker compensation accounting for up to a third of compensation and remuneration costs.

Management of employee benefits programs is increasingly challenging give the rising costs of healthcare, increased complexity of the regulatory environment, continuous need to reduce costs

Employee benefits are valued by workers as they increase their sense of social and economic security while working in the organization.

Offering employee benefits increase loyalty amongst existing employees while builds appeal for the organization amongst prospective hires. Offering fringe benefits also minimizes employee turnover, improves morale and the health of workers for better job performance.

HR professionals … managing compensation and benefits programs to ensure compliance, control costs, effective communication with employees and ensuring the programs attract, retain and engage talented and motivated employees.

**Analysis of benefits programs**

Some benefits such as vacation time, paid leave, personal emergeny, pregnancy and family medical leaves, termination pay that are offered in most organmizations are required by law.

Most employee benefits are however not enforced by law and are voluntarily offered by employers as a way of \*\*\* … to their employees.

These include health insurance, retirement benefits, employee assistance plans, group termlife insurance, accidental death and dismemberment insurance, health and dependent care insurance plans, long-term care insurance plans, legal assistance plans, transportation benefits and other employment benefits, bonuses and discounts.

Every organization can design its own policies for employee benefits. Many employee benefits programs allow workers to choose which benefits they would want to enroll.

Current trends in employee benefits programs are characterized by the emergence of unusual and innovative strategies for offering benefits to their employees.

Some organizations offer quite innovative benefits programs to their employees, such as lunches prepared by professional chefs, yoga and massage sessions onsite, college scholarships for dependants, and vacation expense reimbursement.

**Cost-containment strategies**

Many organizations would choose to offer their workers additional benefits as opposed to a payrise. Benefits are more flexible to scale up or down compared to salaries, which are difficult to scale down once they have been increased.

Benefits are a major consideration for job seekers considering whether to take up a job offer. A generous benefits package is instrumental for attracting and retaining talented employees in today’s competitive labor market.

Employee benefits packages however do not necessarily have to be extravagant but should aim at making workers feel that the employer cares about their welfare.

Given the significant cost of offering employment benefits to workers, organizations should aim at providing the right mix of perks and benefits that would be highly sought-after by employees but also relatively inexpensive to maintain.

Businesses that cannot afford to pay workers high salaries and costly job perks can consider including only those perks that would be most relevant for their workers given their individual and collective characteristics.

Organizations can also consider customizing these benefits to the particular needs of individual workers who are faced with that are out of the ordinary as opposed to offering only benefits that cater for the diverse needs of all workers in general.

Companies can consider offering unique benefits not offered by other organizations. Managers however should watch not to offer benefits that would quickly become irrelevant for their workers and financially unstable for the organization.

Certain considerations need to be made when developing a rewards strategy that would be financially stable and provide return on investment for the organization while being relevant for employees.

Organizations should first assess the effectiveness of the existing benefits and compensation package and its suitability for engaging employees. The assessment should consider the current level of utilization and costs for the organization , and the level of satisfaction it creates for employees.

The choice of perks to include in the package should reflect the organizations values and culture as opposed to competing with other organizations in offering unusual and seemingly exotic perks.

An organization should also consider the changing demographic characteristics of their workforce as well as those of the available human capital for hire in the labor market.

Findings of the study by \*\*\* (\*\*\*) showed that employees attach more value to benefits that are relatively cheaper for employers to offer as opposed to the more costly options.

Most benefits recommended for contemporary organizations are more modest and mostly take the form of group health and accident insurance, flexible work hours and work-from-home options, extra paid vacation time, student loan and tuition assistance, free daycare services and gym membership.

The study however concluded that benefits that did not impact the lifestyle and finances of individual workers were the least popular

Such benefits include free coffee and snacks, onsite fitness and yoga classes, and company-wide retreats and team-bonding events.

According to the study by \*\*\* (), better health insurance and dental and vision insurance are the most valued forms of benefits by employees.

In many organizations, health insurance is however the most expensive benefit that is provided to employees averaging at $6,435 per individual employee and $18,142 for family coverage per employee each year.

Employees also highly value benefits that offer flexibility of work hours and those that improve work-life balance to give a lower-paying job an advantage over a high-paying one with fewer benefits.

This is more so considering that a majority of workers in the labor market are parents or have dependants to care for at home.

According to the study by \*\*\*\*(), while offering more vacation time can be appealing for many employees, paid vacation time was found to be a complicated expense in terms of lost man-hours and cost.

Many employers are faced with a huge and unnecessary liability each year in the form of paid but unused vacation time. Employers have to pay for the unused vacation time when the employees leave the company, which accumulated a huge liability for the employers.

Opting for an unlimited time off policy can solve this issue without creating a decrease in productivity.

According to the Society for Human Resource Management (SHRM), only 1-2 percent of organizations utilize unlimited time-off in their employee benefits plans.

Education assistance can be a cheaper option for inclusion in employee benefits packages given that employers can take advantage of tax-breaks offered for student loan and tuition assistance.

Employers can provide up to $5,250 per employee for education assistance tax free.

This option is most suitable for attracting workers that are fresh out of college and those that still harbor plans for advancing their education.

Education assistance can also be included in a benefits program as part of an organization’s HR objectives to encourage professional development amongst its workers.

Gender differences also affect the utility of certain employee benefits for organizations, which necessitates that employers take not of these preferences to avoid offering unnecessary perks that would not be used by their employees.

Women would prefer perks and benefits linked to family such as paid parental leave and free daycare services.

Women are less likely to value team bonding and corporate retreats as compared to men.

While both genders value health and fitness perks, men would value onsite gym and free gym membership compared to women who would prefer free yoga and fitness sessions.

Men would value free food and snacks, which would be less valued by women as part of a benefits package.

**Legal implications of Compensation Decisions**

The regulatory environment in which organizations operate is a significant determinant of the design and administration policies adopted for employee benefits plans.

Employers nowadays have to ensure that the operation of employee benefits programs conforms to the legal requirements contained in ERISA, COBRA and HIPAA

*current trends in employee benefit programs, legal implications, and cost-containment strategies; options being offered or considered by employers and the implications of each option.*; *knowledge of the roles, functions, and competencies required in organizations.*

*7 words per bullet, 5 bullets per slide; include an applicable illustration along with text.*

*12 slide PP, 3src, APA*

**References**