

## Retention now the top benefits objective

For the first time in five years, employee retention has trumped cost control as employers' No. 1 benefits objective.

A new MetLife [study](#) shows that 55% of employers rank retention as their top benefits goal. The percentage was even higher among companies in certain industries, including retail (62%) and services (59%).

“This is a significant change,” says Ronald Leopold, MetLife vice president of international business. “We’re at a tipping point. We’ve gone from a buyer’s market to a seller’s market where benefits are becoming a much more important lever to use in attracting the best talent and retaining people.”

The value of the benefits lever is clearly shown by the link between benefits satisfaction and job satisfaction. Among employees who are highly satisfied with their benefits, 80% express strong job satisfaction now, up from 65% in 2005. “Benefits satisfaction, job satisfaction, retention and business success are cascading events that depend on one another,” Leopold confirms.

However, many employers are missing the opportunity to increase employees' benefits satisfaction. Only 33% of workers feel strongly that their company effectively educates them on their benefits options. “Total compensation [statements](#) can be a simple, but effective tool for communicating value to employees,” MetLife states.

Other key findings include:

- Seventy percent of employees would be interested in having their employer offer a consumer-driven health plan.
- Forty-nine percent of companies offer executive benefits now, up from 39% in 2004.
- Sixty-three percent of employers expect to increase spending on retiree benefits over the next five years, up from 27% in 2004.
- Thirty-seven percent of employers offered financial planning as a benefit in 2006, up from 29% in 2005.
- Thirty percent of employers cited benefits administration outsourcing as an important cost-reduction strategy in 2006, up from 24% in the previous two years.

MetLife polled 1,514 benefits decision makers and 1,202 employees.