

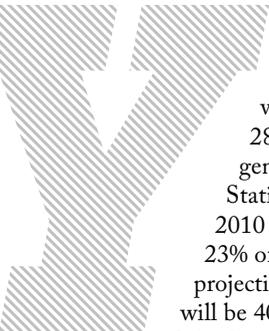


Trends

IT'S EVOLUTION, BABY

How the emergence of gen Y in the workforce is changing group benefits

BY DAVE JONES



ou've undoubtedly read about the youngest group in your workplace: the 17- to 28-year-olds, known as generation Y. While Statistics Canada data from 2010 show they make up just 23% of the workforce today, projections indicate that figure will be 40% by 2020. As the fight for talent intensifies,

employers that understand gen Y and find ways to meet its needs could find themselves at a significant advantage.

Gen Ys have grown up with the internet and are comfortable with rapid change. They demand convenience, expect personalization and seek ongoing praise and validation. World events occurring during gen Y's formative years—Y2K, the dot-com bubble and 9/11, for example—have played a role in creating a live-for-today mentality.

But make no mistake: this is a smart, hard-working, dynamic group that is eager to succeed at the right job and has a lot to contribute. Gen Ys have a strong work ethic, as well as the ability to learn fast and to adapt, making them highly valuable employees.

Focus group research conducted by Sun Life Financial, in partnership with Ipsos Reid, sought to capture insights into how the different generations—and generation Y in particular—value their group benefits. The research identified four key areas where plan sponsors could adapt their group benefits plans to better appeal to gen Y talent.

1) Flexibility and control Gen Y employees expect benefits solutions that reflect their diversity and acknowledge their individualism, and they are frustrated by traditional uniform plans. While flexible group benefits plans are a step in the right direction, add-on solutions such as health savings accounts and personal savings accounts—or even DC plan designs for group benefits—go further in meeting their demands for flexibility.

2) Claims convenience These employees view manual claims—filling out paper forms and mailing them—as an absurd inconvenience. With exposure to services such as online banking from a young age, gen Ys will naturally see online claims filing with instant results as a minimum standard in plan design. Also, gen Y focus group participants were very enthusiastic about mobile apps that allow them to submit claims and manage their benefits on the go via their mobile devices.

3) Plain language communication Gen Ys want simple, clear and concise communication that is free of “industry-speak,” and they want to receive it on their terms. Gen Y author and speaker Jason Ryan Dorsey says this group is most

responsive to communication through the following media:

- text messages;
- emails (with critical information in the subject line to differentiate the message from spam and other junk email);
- visuals (pictures or videos); and
- social media.

Of course, these preferences apply not only to group benefits communications but also to all of an employer's internal communications.

4) Wellness, health and lifestyle From a benefits perspective, gen Y's aspiration to live a healthy, active lifestyle translates

into a strong desire for wellness-related benefits, such as on-site fitness facilities, subsidized gym memberships, healthy food programs and reimbursement toward the cost of education or self-development courses.

Gen Y will dominate the workforce within 10 years. Ignoring its needs may mean that employees' perceived value of the benefits plan will decrease over time, putting your organization at a competitive disadvantage.

By starting to evolve your benefits plan now to meet future expectations, you can avoid the value gap and better position your organization to harness gen Y's great potential. 

Fact File

Dave Jones is vice-president, market development, group benefits, with Sun Life Financial dave.jones@sunlife.com

BIRTHPLACE
Thunder Bay, Ont.

EDUCATION
Queen's University
Rotman School of Management, University of Toronto

EXTRA-CURRICULAR
Cycling, running, travelling and chasing after his one- and four-year-old sons