

The New Workplace (A Special Report) --- Employee Benefits in a Hybrid Office: Companies say it makes sense to expand some benefits, while others become less crucial

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FULL TEXT

With the coming of the hybrid workplace, employee benefits are being put under the microscope. And many companies are realizing that the current crop of benefits may not make as much sense as they used to.

"A lot of employers are re-evaluating their benefits propositions," says Lauren Mason, a principal at Mercer, a management-consulting firm. "Employee values have shifted quite significantly because of the stressors of the pandemic and around child care and other concerns, as well as just re-evaluating life circumstances."

For many companies, this means expanding some benefits while making others less of a priority. In a Care.com survey of 500 human-resource executives in the U.S. conducted in December 2020 and January 2021, 66% said they plan to offer more flexibility, with 63% planning to increase child-care benefits and 41% planning to expand senior-care offerings. At the same time, some benefits that were important pre-Covid, including commuter benefits, on-site meals and on-site child care, are becoming less important, the survey found.

Here's a closer look at how companies and HR experts expect benefits to change in a world transformed by the pandemic:

Flexible time off that employees can take when they need.

One lesson companies learned from the pandemic is that people often work best when they feel they have more control over their hours, tailored to their specific life needs at the moment. It's best to focus on output, many HR executives say, rather than time spent working.

One result is that the notion of flexible time off – where there are no formal limits, and employees simply take time off when they feel they need it – is one policy that experts say has become more popular, and will become even more so in the years ahead. According to Mercer surveys, the percentage of employers offering such "unlimited paid time off" to at least some employees rose to 20% this year from 14% in 2015.

Fair Isaac Corp., a data-analytics software firm, rolled out a nonaccrual-based vacation policy this year for most of its U.S. employees. "Traditional vacation policies assume that you earn it and then you use it on sort of a 9-to-5, Monday-through-Friday kind of basis. It was just an outdated concept," says Rich Deal, executive vice president and chief human-resources officer at Fair Isaac. He says the company started a "much more fluid policy that's trust-based. . . . and that acknowledges that work can happen at any time of the day."

Under flexible vacation policies, managers still have to approve time-off requests, and employees will still be held accountable for poor performance due to extended leave periods.

"If you take so much time off that you don't perform, that's a performance issue and you can lose your job," says Iain Urquhart, senior vice president of Americas at Barco, a Belgium-based visualization-technology company that moved to a flexible vacation policy in July.

Fewer sick days but more 'home leave' days.

The Covid pandemic highlighted the importance of working around schedules and needs, including circumstances when an employee may be feeling slightly ill but can still contribute a portion of their workload. Nicholas Bloom, an economics professor at Stanford University who studies remote work, calls this "home leave."

Dr. Bloom says a company might give workers 10 extra days of home leave a year, beyond the work-from-home days allowed. In return, he says, the employee might take, perhaps, two fewer of their allotted sick days.

"Sick leave is when you really don't work, but with home leave, for all intents and purposes, you're working," he says. "It's far less costly. If you think of sick leave, you may get zero output, but with home leave, you may get 80%."

Work-from-anywhere periods.

If the pandemic taught companies anything, it was that employees relish the opportunity to work for extended periods outside the office.

Revolut, a London-based financial-technology company, this year increased allocated work-from-abroad time for its employees to a maximum of 60 days from 29 days, in response to employee surveys.

"Creating this policy was clearly motivated by last year's experience, and it represents what we felt could be beneficial and appreciated by a young, global workforce like ours," says Jim MacDougall, the company's vice president of people. Mr. MacDougall says the company will monitor employee feedback and then decide whether to make it a continuing benefit.

Alphabet Inc.'s Google also has expanded its work-from-anywhere allocations for employees, from two weeks to four weeks.

And business-information services company Thomson Reuters says it's set to unveil a new leave approach in the coming months that will incorporate work-from-anywhere benefits. "The pandemic has accelerated people's focus on how they want to live their lives. . . and work from anywhere – flexible work, primarily – gives them more opportunity to do that," says Mary Alice Vuicic, the company's chief people officer.

Continuing stipends for home offices.

According to a survey of more than 3,600 world-wide employees carried out by Gartner Inc. within the past year, 71% said they feel their employer should help cover home-office expenses while they are asked to work remotely, though only 44% of employees reported that their organizations covered home-office expenses for some or all employees.

Bluecore, a New York marketing-technology company, says it's going to continue offering its employees a \$200 monthly stipend, with wide latitude on how it is spent. "It could be for health and well-being, like the Calm app, or workout equipment, or if you need more office type of stuff, you can use it relative to however it makes you productive," says Michelle McComb, chief financial officer at Bluecore.

Expanded discounted services for employees.

Experts expect companies to offer employees more deals based on discounted rates companies negotiate with third-party vendors. Mercer's surveys found that almost a quarter of all employers with 500 or more employees say they will add or expand such voluntary benefit offerings in 2021.

Two areas of particular importance to employees during the pandemic: pet insurance (for all those dogs and cats adopted during lockdown) and identity-theft protection (as a result of employees using their work computers for personal activities while working from home).

A recent study from Willis Towers Watson, a consulting firm, found that 47% of employers surveyed offered pet insurance, with 69% saying they would offer it by 2022 or beyond. The study found that 53% of employers currently offer identity-theft protection, with 78% planning to offer it by 2022 or later.

Benefits that will aim to translate in-office perks for hybrid work environments.

Before the pandemic, many offices offered in-office catering, on-site gyms and other perks to attract employees. In a hybrid context, companies are exploring how to offer similar benefits for employees who are working remotely, in part through delivery and subscription and digital services.

A survey by Willis Towers Watson found that 80% of employers were planning to increase perks this year. It further

found that most employers suspended on-site perks, such as food, gyms, fitness classes and social events, and instead offered virtual perks, such as access to health and wellness apps and telehealth. Infragistics, a user-experience technology company based in Cranbury, N.J., offered on-site cooked meals to its employers before the pandemic. The company, which plans to reopen its Cranbury office this fall, will have a hybrid workforce. So while it's planning to bring the chefs back to the office, it also is trying to figure out how to offer some of the food benefits to employees working at home. "It probably wouldn't be meals, but fruits and stuff like that, but we don't have anything official yet," says Dean Guida, the company's CEO.

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66% of surveyed HR managers said they planned to offer employees more flexibility in benefits

Source: Care.com survey, Dec. 2020-Jan. 2021

20% of employers now offer at least some employees paid time off without formal limits, up from 14% in 2015

Source: Mercer 2021 Absence & Disability Management Survey

69% of employers said they will offer pet insurance by 2022 or beyond, up from 47% now

Source: Willis Towers Watson survey, Feb.-March 2021

Credit: By Suman Bhattacharyya

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