

UBS Workplace Voice

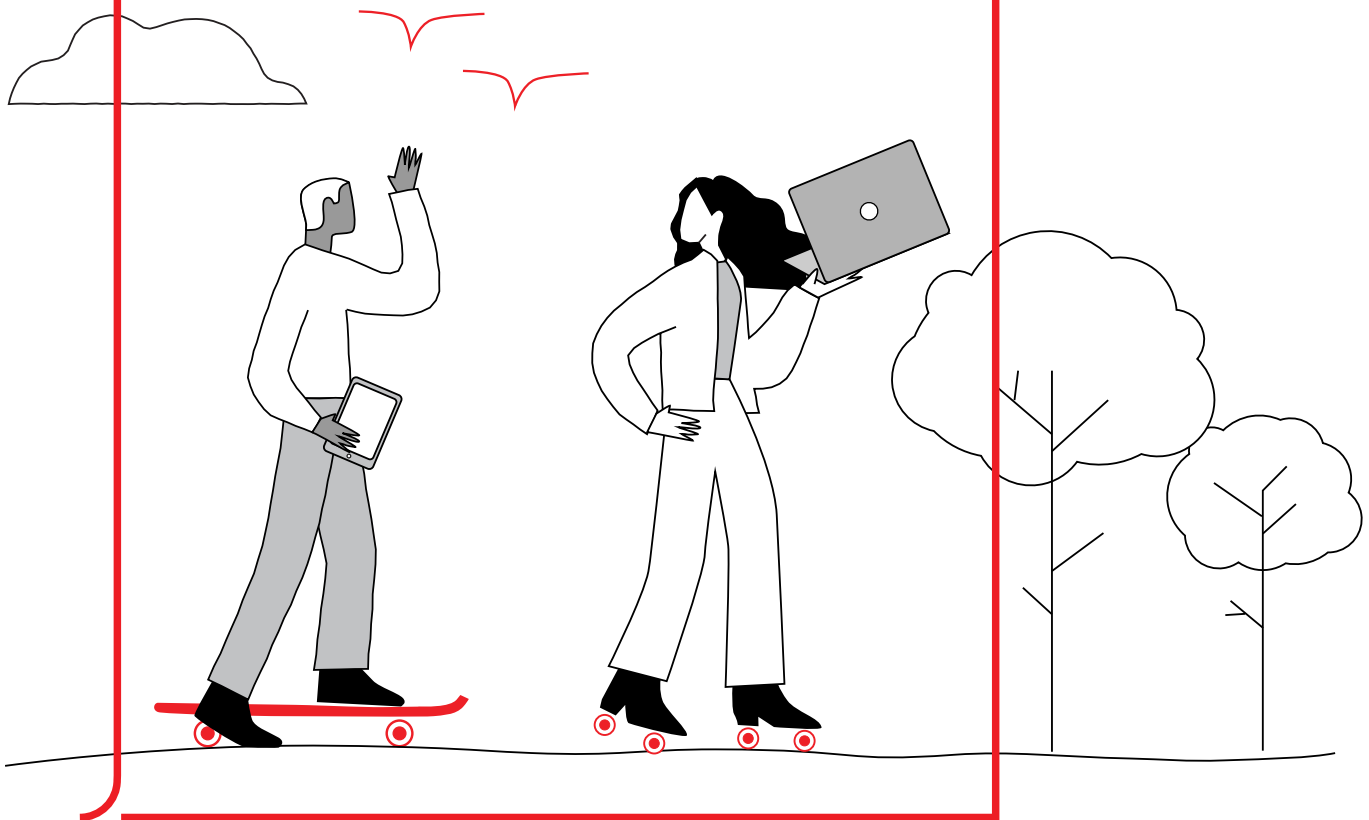
Employee attitudes and behaviors

Presented by UBS Workplace Wealth Solutions

Issue 3

In motion

How companies can adapt
to the evolving workplace



The traditional work environment is now something of the past. COVID-19 has upended expectations of what a typical work environment should look like for both employees and employers.

Employers have adjusted to the needs of their employees in numerous ways, but more work remains to retain top talent and to help ensure businesses can thrive. While the pandemic has set the work environment on a new path, it is still shifting and companies need to stay nimble.

Most employees will remain in their preferred work environments post-COVID-19

As a sense of security returns, 85% of employees will opt to work in their preferred environment, whether in-person, remote or hybrid. About half of employees will resume working in-person, while another 38% will remain remote or hybrid. Employees whose work environment preferences are not aligned with employer expectations are major flight risks: Seven in 10 will leave.

Employers are adapting to a more mobile workforce

Receptive to the fact that many employees want the flexibility to live and work where they choose, seven in 10 companies are allowing employees to move to new locations and continue working remotely. However, employee salaries are being adjusted to compensate for this flexibility—most by at least 15%.

Employees lack awareness of full benefits

Employers went to great lengths to support employees during the pandemic by adding many new benefits, but communication of these benefits can be improved. Employees are aware of the more traditional benefits such as COVID-19 testing and flexible work schedules, but don't notice many of the nontraditional ones such as childcare resources and reimbursement for home office equipment.

Employees value yet remain unaware of Diversity, Equity & Inclusive (DE&I) efforts

While employers have increased DE&I efforts over the last few years, they may be overestimating the extent to which employees are aware of them. Sixty-three percent of companies feel their employees are highly aware of such efforts, yet only 45% of employees agree. Half of employees wish their companies would do more to promote DE&I efforts.

Employees are looking to employers for retirement planning needs

Access to retirement plans is a major factor when choosing a new job or remaining in a current one. Despite this fact, one-third of companies don't offer this benefit. More than 80% of employees feel companies should be doing more to help employees reach their retirement goals.

Equity plan participants want help managing their awards

Many equity plan participants are worried about mismanaging their awards. Three in four are highly concerned they could be doing more to maximize their wealth potential. Most equity plan participants are highly open to tools to help minimize tax strategies, track progress toward financial goals and automatically diversify their awards into traditional investing accounts.

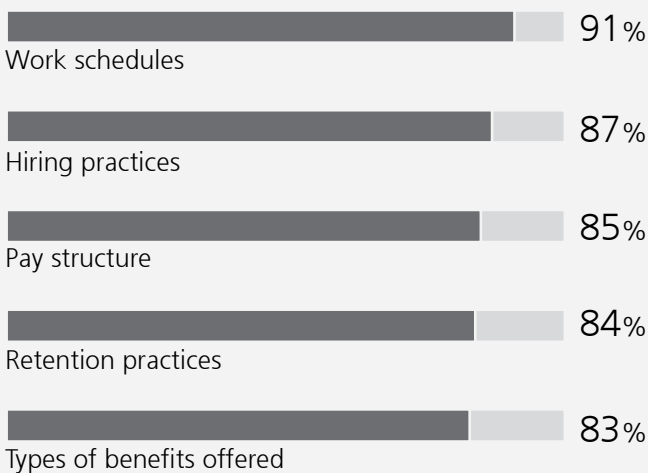
Company view

Employers made significant workplace adjustments during the pandemic

With the traditional work environment knocked off its axis, nearly all employers have adjusted work schedules, hiring and retention practices, and the types of benefits they offer. More than half increased starting salaries to attract

new employees, while 45% increased pay to retain top talent. One-third increased benefits offered to accommodate remote employees.

Almost all employers adjusted workplace policies during the pandemic ...



... with a focus on recruiting, retention and work-life balance



53%

Increased starting salaries to attract new employees



45%

Increased pay / bonuses of existing employees



36%

Offered more benefits to accommodate work-from-home arrangements

Employee view

Most employees will remain in their preferred work environment

Once the dust settles and COVID-19 becomes a part of everyday life, most employees will opt for their preferred work environment. About half will continue to work mostly in person, while 38% will remain remote or hybrid.

While three in four employees are highly confident in their job security, 61% feel confident they could find another job to their liking—what many have termed the “Great Resignation.” Men are more confident than women about their job prospects.

Employee expectations align with their preferences



of employees will remain in their preferred work environment post-COVID-19.

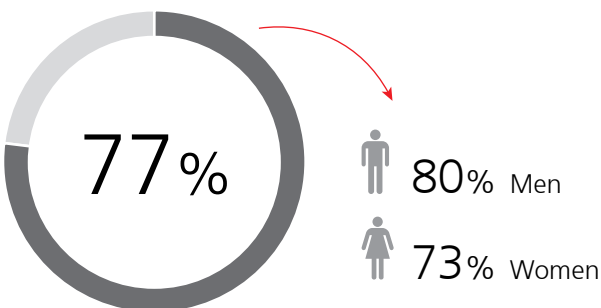
Work environment post-COVID-19

What I expect

What I prefer

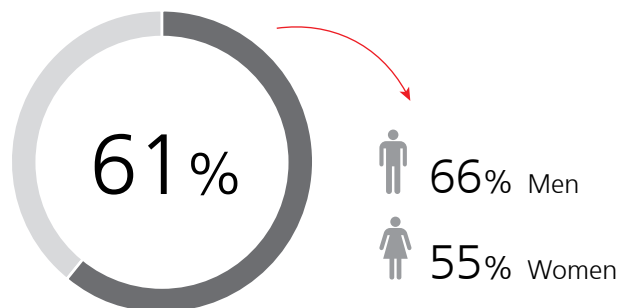
Mostly in-person	Mostly in-person	47%
Fully remote / hybrid	Fully remote / hybrid	38%
Mostly in-person	Fully remote / hybrid	11%
Fully remote / hybrid	Mostly in-person	4%

Employees are highly confident in their job security ...



I'm confident my job is secure.

... but many are also confident they could find opportunities elsewhere



I'm confident I could find another job I'd like.

Company view

Many employers are adapting to a more mobile workforce

Recognizing that many employees want to remain fully remote, seven in 10 employers are allowing employees to relocate to a desired area and continue working remotely.

The easing of an in-person policy can have implications for an employee's salary. Eight in 10 employers are adjusting salaries based on an employee's chosen location. The majority (64%) of employers are adjusting salaries 15% or more.

Employers are easing in-person policies



7 in 10

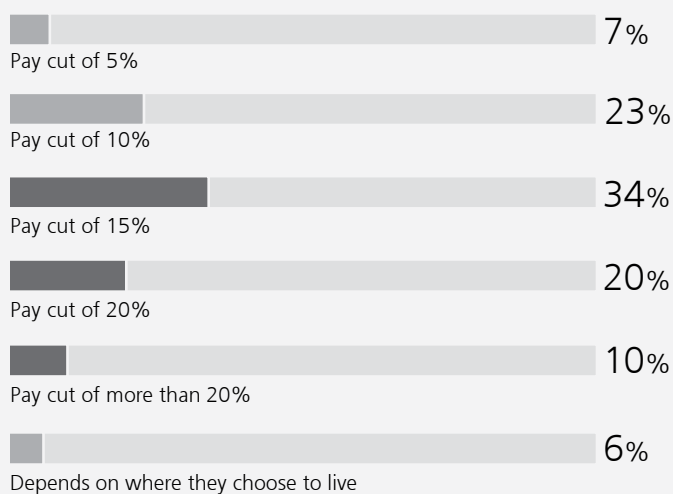
We're allowing employees to move to other areas and continue working remotely.

Most companies are adjusting salaries based on off-site work locations

79% We're adjusting salaries based on where remote workers are located.

64% We're adjusting salaries at least 15% or more if an employee lives in an area different from where our firm is based.

How much companies will adjust an employee's salary if they choose to live elsewhere



Employee view

High attrition risk for employees not in preferred work environment

Employees will look for career opportunities elsewhere or exit the workforce completely if their expected work environment does not align with their preferred one. In fact, seven in 10 of these employees will leave their jobs, while four in 10 are willing to take a pay cut in order to remain fully remote.



Women are more likely than men to change jobs or take a pay cut in exchange for a more flexible work environment, while men are almost twice as likely as women to retire early.

Many employees will leave if their work preferences don't align with their employers' expectations

 **69%**

I will leave if I can't work the way I prefer.

Men are more likely to retire early and women are more likely to leave

	Total		VS 
Retiring early (50+)	51%	35%	66%
Changing jobs	49%	52%	44%
Taking a temporary leave	33%	32%	34%
Quitting my job without other job prospects	25%	25%	26%

Others are willing to take a pay cut to continue working remotely

 **44%**



40% Men



46% Women

Women are more likely to take a pay cut than men

An awareness gap exists about many benefits

While employers have increased employee benefits in the wake of the pandemic, employees are not fully aware of them. About seven in 10 companies feel their employees are highly aware of the benefits offered. However, despite awareness of access to specific benefits such as COVID-19

testing, flexible work schedules and paid leave, employees do not know about other benefits such as access to childcare resources and reimbursement for home-office equipment.

Many companies feel their employees are highly aware of available benefits ...



69%

Our employees are highly aware of the benefits available to them.

... yet many employees lack awareness of many additional benefits offered

Company and employee awareness is aligned	Company view	vs	Employee view
Access to COVID-19 testing / vaccinations / boosters	58%		60%
Hybrid working models / flexible work schedules	55%		54%
Paid leave to be used for any reason	51%		53%
Mental health resources	51%		48%
Physical health resources	49%		45%
Company and employee awareness differs			
Emergency leave for childcare	51%		43%
Reimbursement of work-from-home expenses (e.g., office supplies, printers, laptops, etc.)	55%		41%
Emergency leave for eldercare	46%		37%
Additional holidays	47%		36%
The ability to borrow from not-yet-earned paid time off	43%		29%

Employees value but don't realize DE&I efforts underway

In light of the social turmoil of the last two years, about half of companies have increased their DE&I efforts. Two-thirds of employees deem these efforts highly important, even more so among the younger generations.

Similar to employee benefits, companies may again be overestimating how much information about DE&I

initiatives is trickling through to their workforce. Nearly two-thirds of employers feel their employees are highly aware of their DE&I efforts, but only 45% of employees actually are. About half of employees feel their company should be doing more to better promote DE&I efforts across their firms.

Employers have stepped up DE&I efforts

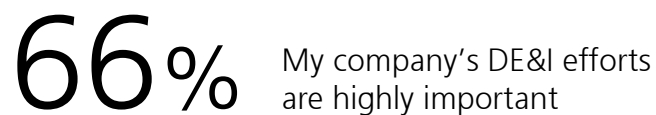


Companies overestimate awareness of DE&I efforts among employees

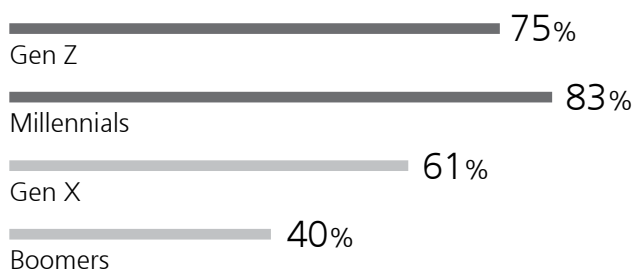
High awareness of DE&I efforts



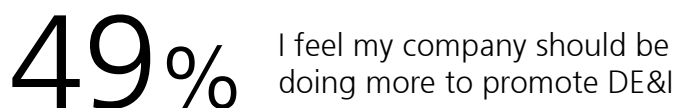
Employees value DE&I efforts ...



Importance of DE&I efforts resonates more with younger employees



... and feel their company could do more






Employees value retirement plans when seeking or deciding to stay at a job

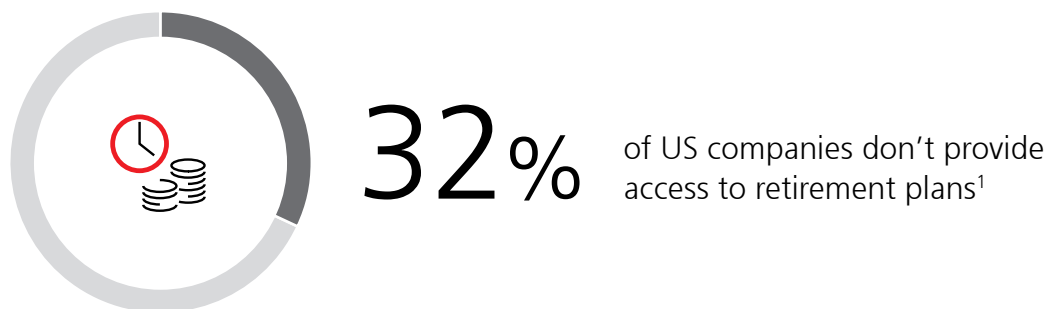
Retirement plans factor high for employees when considering a new job opportunity or staying with their current employer. Together with health care benefits and base salary, retirement is one of the top three items

employees care about when looking for or staying at a job. Yet almost a third of companies don't offer this benefit.

Employees value a retirement plan benefit ...

These benefits are important to me when...	Taking a job	Staying at a job
 Health care benefits	84%	81%
 Base salary	83%	82%
 Access to a retirement plan	80%	81%

... yet many companies don't offer it



¹ US Bureau of Labor Statistics, Retirement benefit access and participation rates, March 2021.

Employees expect companies to help them with their retirement goals

Eight in 10 employees feel companies should be doing more to help them reach their retirement goals. Unlike the traditional notion of wanting to retire by a certain age (e.g., 65), employees are more focused on retiring

with a certain amount of assets. Across the generations, millennials have the highest expectations for this type of support.

Employees expect employers to help them reach their retirement goals



I feel my company should do more to help me reach my retirement goals.

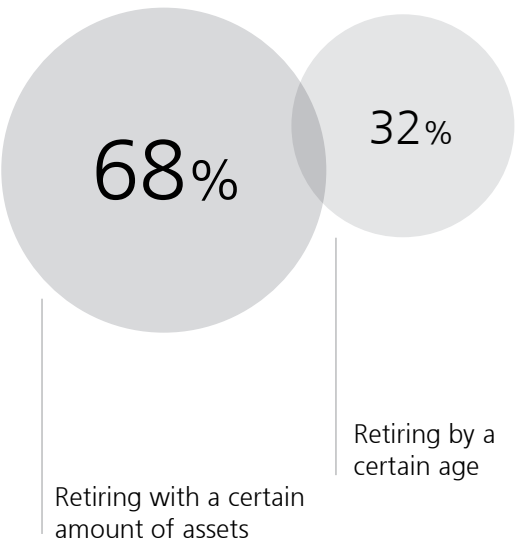
AND

Millennials feel the strongest about companies helping with retirement goals



Employees want to reach a certain asset level before retiring

I'm more focused on:



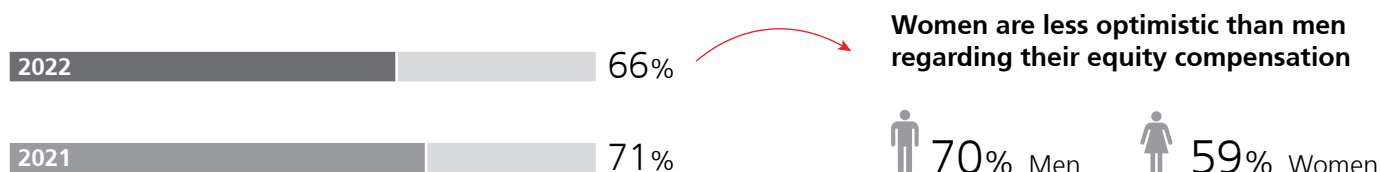
Equity plan participants want help when managing their equity awards

Equity plan participants have become less optimistic about the performance of their company stock over the next few years (66% vs. 71% in 2021), with women even less optimistic than men.

While their main area of concern centers on instability in the financial markets, three in four equity plan participants worry about not doing enough to maximize their potential wealth, being overconcentrated in company stock or not properly diversifying their awards.

Plan participant optimism has slightly declined over the last year

My company stock will perform better over the next few years.



While market instability is the main concern among plan participants ...

80%

I'm concerned how financial market instability will impact the value of my equity awards

... many are worried about improperly managing their equity awards

I'm concerned about ...

Not doing enough to maximize my wealth potential through my equity awards	77%
Making a bad decision when managing my equity awards	74%
Being overconcentrated in my company stock	73%
Not properly diversifying the equity awards I have already received	73%
Not having enough equity awards in order to meet my financial goals	70%

Most equity plan participants are open to tools to better manage awards

Most equity plan participants welcome tools to help minimize taxes, set and track progress toward financial goals and auto-diversify funds to more effectively manage their equity awards.

Plan participants highly rate features that help manage equity awards

Percent who rate each feature as highly important



76%

Investment strategies to minimize taxes



76%

View progress toward financial goals



74%

Tools to determine investment amount needed for specific goals



74%

Models to show progress toward goals



74%

Automatically diversify equity awards based on goals



74%

Specify how much to invest for each goal



72%

Link equity awards to investment account



71%

Aggregate outside accounts to fund goals



71%

Get investment recommendations for specific goals

Turning insights into action

The following action steps based on key insights from our research can help you create a more rewarding workplace.

- 1** Check in with employees
Workplace benefits are constantly changing and at a more rapid pace than ever before. If you haven't in the last two years, consider surveying employees now to find out what exactly they really need.
- 2** Focus on benefits that matter
When it comes to attracting and retaining talent, certain workplace benefits are at the top of employees' wish list: base salary, health care benefits and retirement plans. If you already provide access to a retirement plan, consider automating enrollment. If you don't, consider offering retirement plan access in the future.
- 3** Get noticed for what you offer
To attract the right talent for your company, maybe it's time you start including benefits in new job postings as a way to further distinguish yourself in the marketplace.
- 4** Increase awareness of new benefits
The majority of employers added new benefits in the last two years, yet in general fewer than half of all employees are aware of some of them. Examine your benefits communications to see where you can make changes. You could also survey your employees on their preferred method of communication.
- 5** Publicize DE&I efforts
Additionally, almost half of employers have increased their DE&I efforts, which is valued by employees, especially the younger generations who make up the majority of today's workforce. Yet fewer than half of all employees are aware of what their companies are doing in this area. This is another opportunity for you to review your employee communications and their frequency.
- 6** Help ease the student loan burden
The government has paused the repayment of student loan debt for the last two years, yet this is still one of the biggest financial challenges facing American workers today. Eighty-four percent of employees across all ages say it's the number one reason they don't participate in workplace retirement savings programs.¹ Do you know if your employees need assistance with student loan debt? What solutions do you already have in place to assist?
- 7** Engage employees with equity
Equity plans overall are being used in unique ways to engage and retain talent. What more could you do with equity awards? If you don't already, could you expand offering them to all your employees? Could anything be done with the vesting periods for equity awards?

¹Source: TIAA and MIT Age Lab.

About UBS Workplace Wealth Solutions

UBS Workplace Wealth Solutions collaborates with corporate clients to deliver customized solutions across a range of programs for the workplace, including financial wellness, retirement, equity plans and institutional consulting. We currently provide more than 10,000 employers and their two million employees in over 150 countries with access to financial knowledge, benefits programs that prepare them for retirement, and an integrated experience that combines the right mix of people and technology. We work side-by-side with our clients so that everyone feels rewarded at work and optimistic about realizing their long-term financial goals.

About the survey

UBS Workplace Voice is an industry-wide online survey of employee benefit participants. It is designed to generate insights employers can use to help participants maximize the value they receive from their company benefits such as equity awards, financial wellness and retirement. The responses represent a cross section of companies, industries and service providers. For this edition of *UBS Workplace Voice*, we surveyed 1,500 employees across various industries, ages and asset levels in March of 2022. We also surveyed 618 HR professionals who are highly involved in benefit decisions.



Let's talk

We welcome your questions about how we can help you create a more rewarding workplace through UBS Workplace Wealth Solutions and the services we offer. Please contact a UBS representative by e-mailing **UBSWorkplaceSolutions@ubs.com** or visit us at **ubs.com/workplacesolutions**.

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