

The Definitive HR Policy & Administration Benchmark

A guide to making sure your
employee programs measure
up and stand apart

An exclusive excerpt from Sequoia's
complete 2019 benchmarking report
revealing how people-first companies
shape their employee experience.



SEQUOIA CONSULTING GROUP

Employee Experience Benchmarking Report 2019



Introduction

Benchmarking data is the not-so-secret weapon that HR professionals use to make a strong, business-savvy case for modifying employee policies and benefits.

With the job market continuing to favor the job seeker, HR teams feel pressure to put competitive people practices in place that rival those at companies of a similar size. From onboarding to performance management, from leave policies to telecommuting policies, it's often a company's people practices that make the difference in attracting new candidates and optimizing the employee experience.

2019 Hot Topics

In today's evolved business environment, there is a collective mindset that companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers. Many of today's most influential companies are redefining their values and prioritizing efforts to reduce unconscious bias and embrace a workforce that is inclusive of races, genders, ages, religions, disabilities, and sexual orientations. This year's survey results confirm that Diversity & Inclusion programs are gaining traction, with 70% of employers fostering diversity and inclusion using a variety of programs.



Time Off Policies

As the employee struggle for work-life balance continues to be top of mind, employers are reviewing their time off policies to ensure they meet employee needs. Many factors such as industry and geographical location are considered when determining appropriate time off policies. This is particularly true for sick leave, which is becoming increasingly governed by state or municipal legislation.

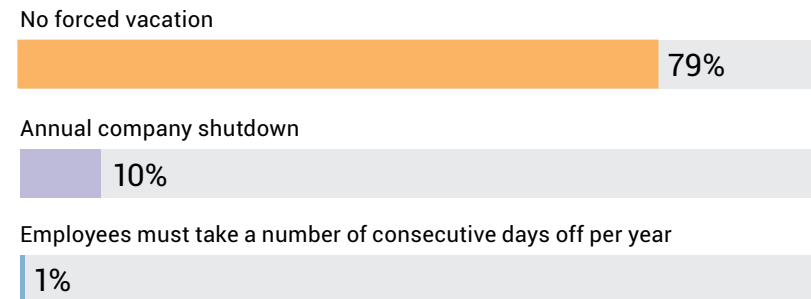
Most employers offer between 8-11 paid holidays per year

7 days or fewer	11%
8 days	10%
9 days	17%
10 days	29%
11 days	17%
12 days or more	16%

Accrued Time Off

Because accrued time off allows employees to earn time based on a ratio of time worked, it's still a popular policy to account for non-exempt or hourly employees. Regardless of whether they are tracked separately or as part of combined PTO, policies around sick time and vacation time should be reviewed annually to ensure they reflect any compliance changes.

Forced vacation time is not common



Want to dive deeper? Talk to us.

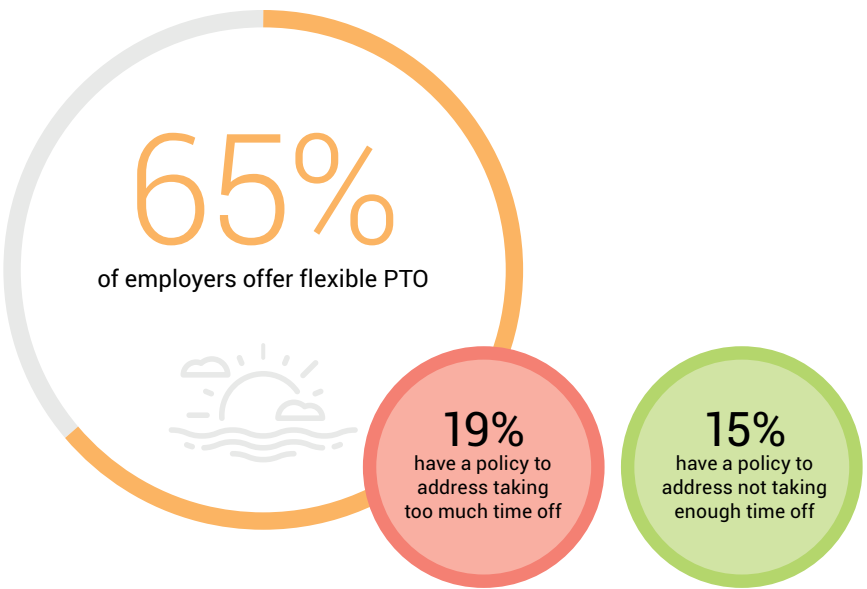
The full version of the 2019 benchmarking report also features data and insights across domestic and global benefits, employee wellbeing, 401(k) retirement plans, and risk management and business insurance.

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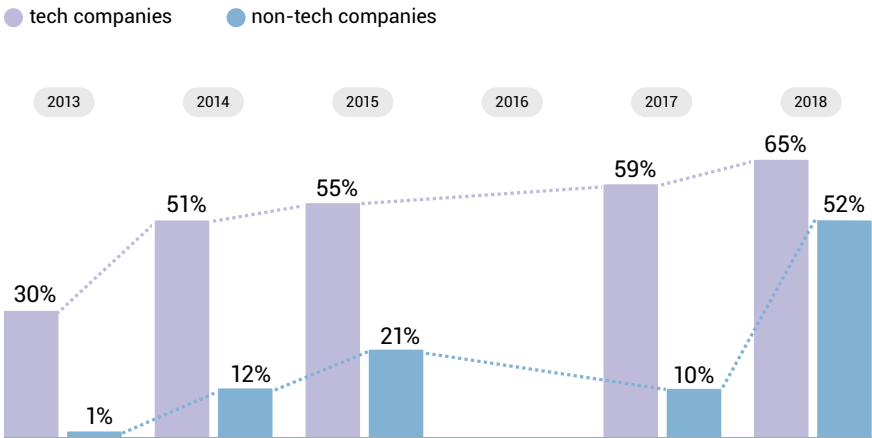


Flexible PTO

The shift toward flexible PTO policies continues, led by the tech sector where a majority of responding companies (65%) have adopted flexible PTO. This represents a 35% increase in just 5 years. When considering this type of policy, several factors need to be weighed: cultural fit; how long the company could function without key employees; financial liability with respect to accrued PTO payout upon termination; and whether the policy can be managed effectively and sustained.



In Tech, flexible time off policies have grown 35% in 5 years

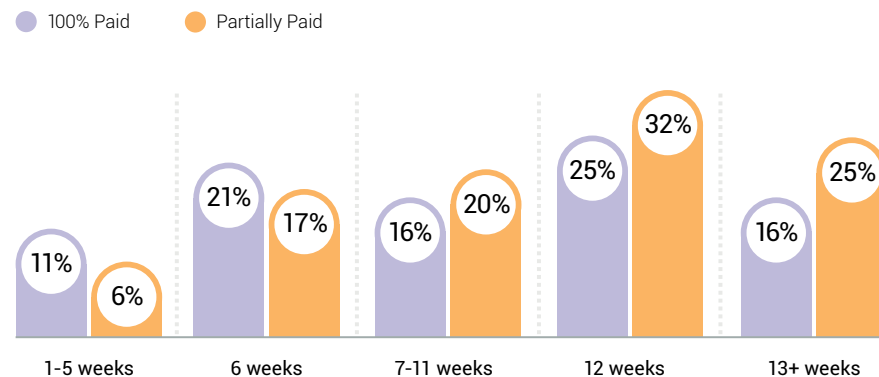


Leave Policies

Pregnancy Disability Leave

Whether or not to offer supplemental pay for pregnancy leave in addition to state- and employer-sponsored STD plans continues to be a hot topic. The U.S. is often scrutinized for having the most family-unfriendly policies around pregnancy and parental leave. However, 77% of responding companies offer some sort of supplemental pay, which is significantly higher than last year's 41%. Companies are supplementing for longer as well. In fact, a majority of employers are now offering to supplement at full pay for between 6-12 weeks. This change correlates with the increase of state regulations in these areas as well as the heightened competitiveness of today's recruiting environment.

Most employers who offer supplemental paid pregnancy leave offer between 6-12 weeks

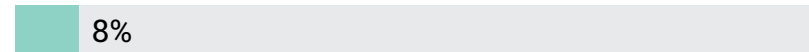


Most employees take the standard pregnancy benefit time offered

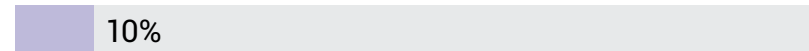
Take the standard program benefit



Take less than the program benefit



Take more than the program benefit



Like what you see? Get in touch.

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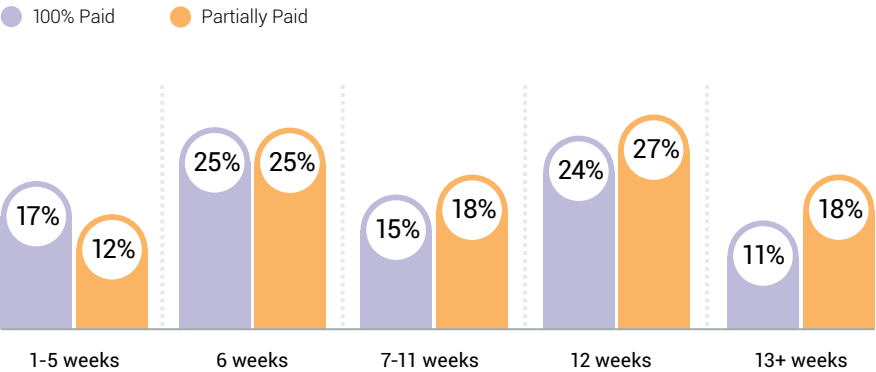



Bonding/Parental Leave

In addition to supplementing pay for pregnancy leave, employers are also offering to supplement pay for mothers or fathers taking time off to bond with a newborn or adopted child. Such programs make for a smoother transition by enabling employees to focus more on their family and less on the financial impact of taking unpaid time off.

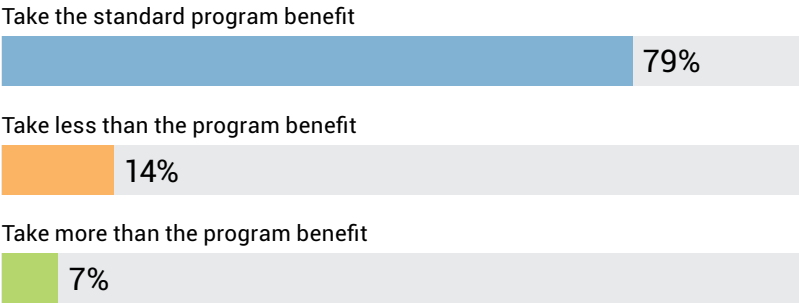
Receiving partial or full pay depends on an employee's work location. California and New York employers typically coordinate payments with designated state-sponsored paid family leave programs.

Most employers who offer paid bonding/parental leave offer between 6-12 weeks



 For a detailed breakdown of bonding/parental leave by company size, see Appendix.

Most employees take the standard bonding/parental benefit time offered



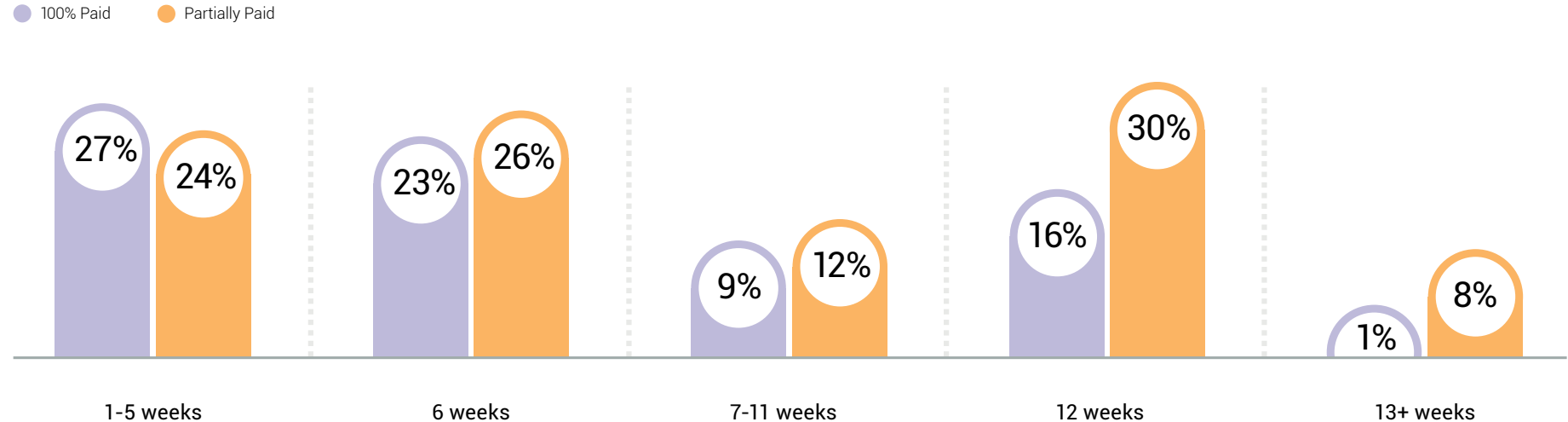
Family Leave

Employers are increasingly offering supplemental pay to employees taking leave for their own serious medical condition or to care for an immediate family member. These plans are designed to supplement payments received through state and/or employer-sponsored short term disability programs.

Offering pay during the time they need to be away from work for family medical events helps lower employee stress and hopefully keeps them motivated and focused when they return to work. For information on other types of family-friendly benefits and perks, see the Wellbeing section of this report.

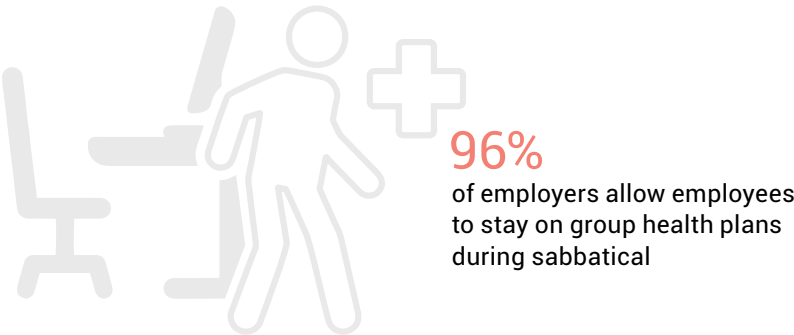


Most employers who offer paid family leave offer between 1-6 weeks

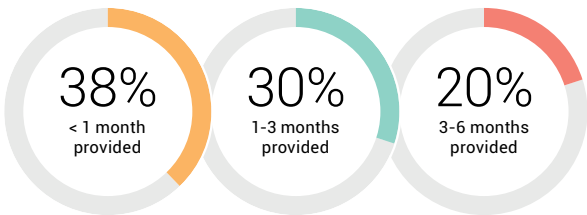


Sabbatical Leave

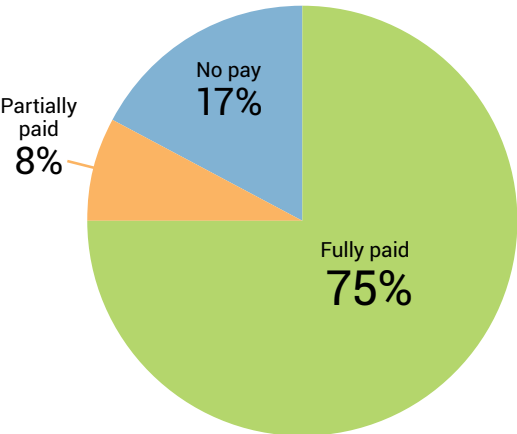
Once a popular benefit for tech employees, sabbaticals are no longer as common. Only 11% of the companies surveyed report having sabbatical policies in place. Employers with 100+ employees are slightly more likely to offer sabbaticals than smaller employers. Results also show that, regardless of company size, 96% of employers extend group health coverage during sabbaticals.



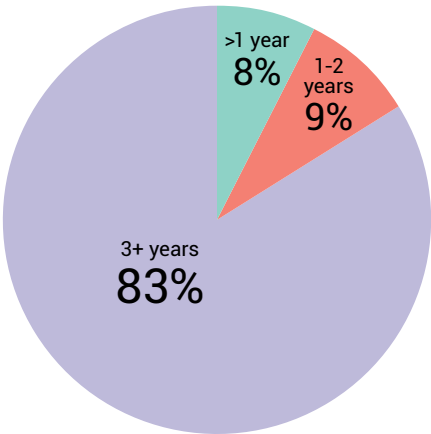
Employers who offer sabbaticals typically provide 1-3 months



Most employers offer fully-paid sabbaticals



Most employers require a tenure of 3+ years before an employee is eligible for sabbatical



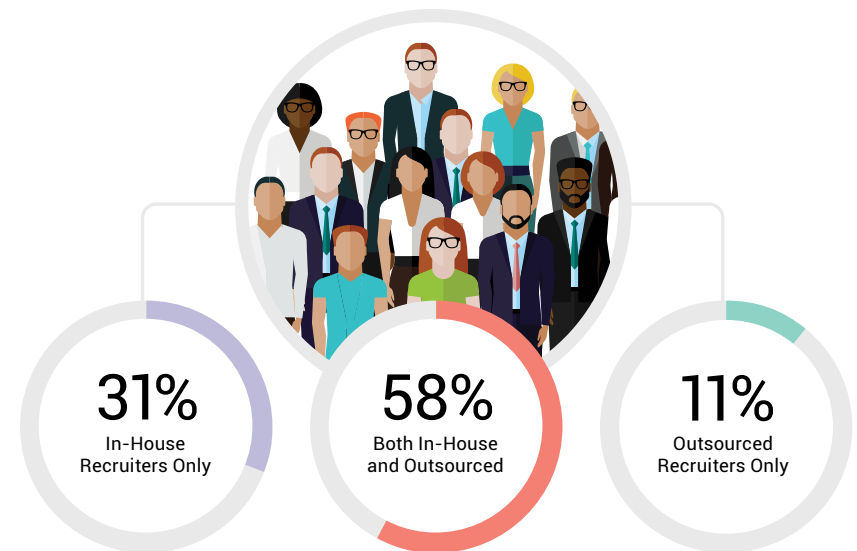
Recruiting & Onboarding

Recruiting Strategy

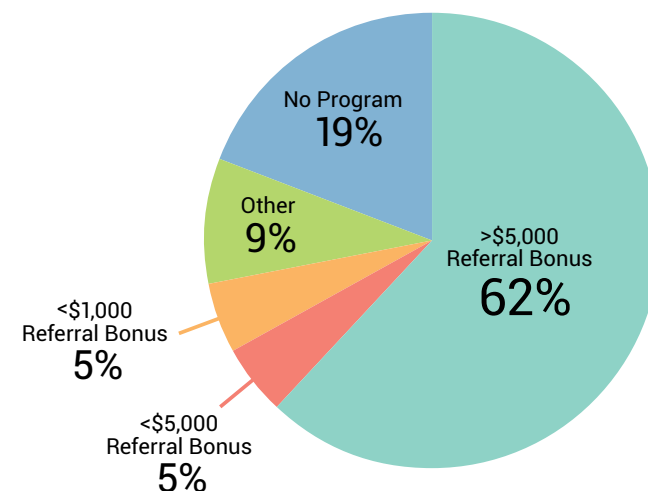
Across industries, recruiting top talent is essential to achieving company goals, but this is no more true than in the tech sector where the war for talent remains feverish.

Companies look internally (with 81% using employee referral programs) and externally (with 69% using outsourced recruiters) to supplement their hiring efforts and keep a constant pool of candidates to fill critical roles.

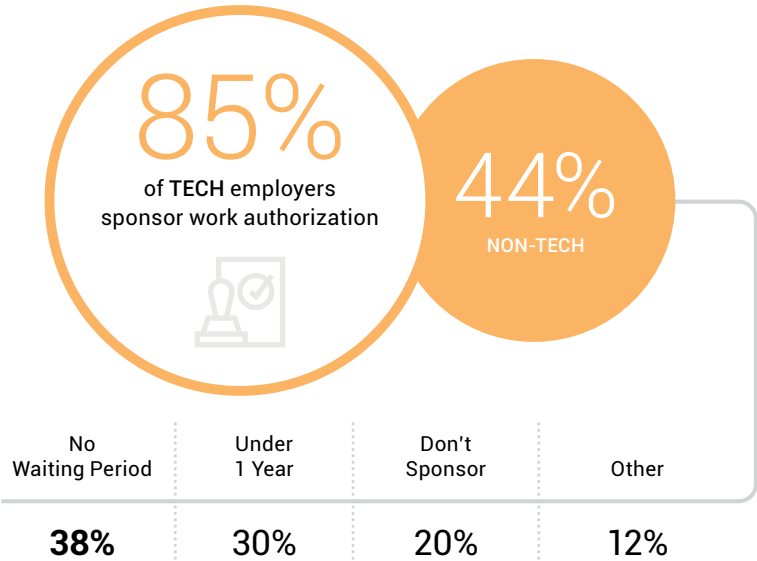
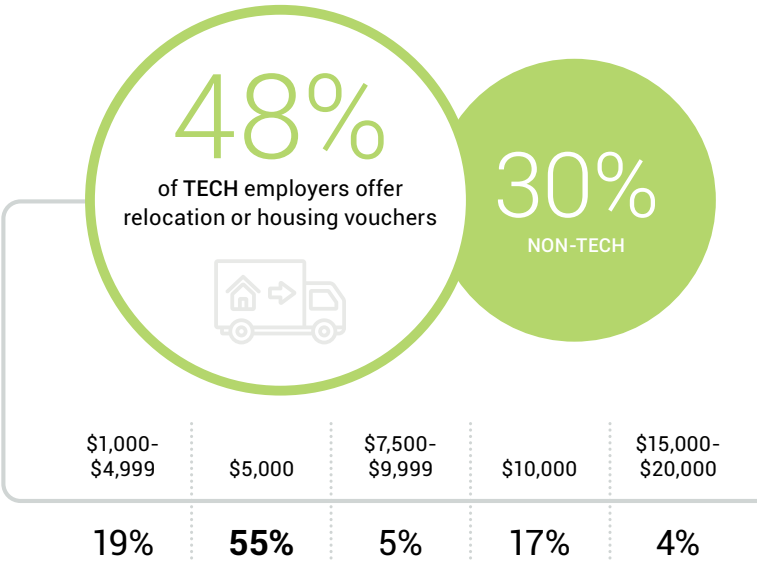
Companies also use a variety of creative strategies to gain a competitive edge and attract candidates. Popular tactics include providing candidates incentives like subsidized relocation costs and visa sponsorship. Particularly in areas like the San Francisco Bay Area and New York, where cost of living is high and more competitors are vying for the same talent, these incentives allow employers to recruit from other markets more easily.



81% of employers offer an employee referral program

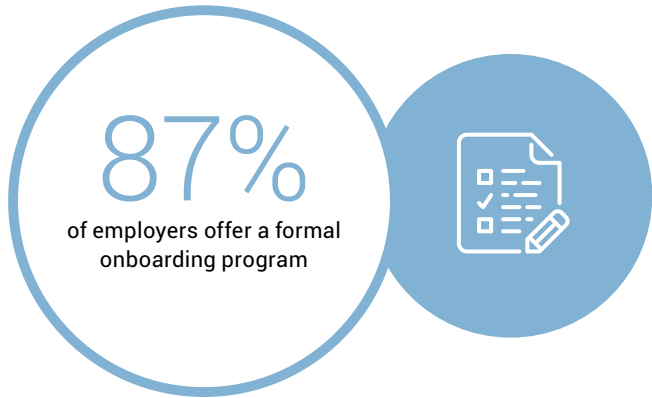


Tech is much more likely to offer relocation or housing vouchers to new hires, and to sponsor employees for work authorization in the U.S.



Onboarding

Strong onboarding programs remain a priority for employers of all sizes and are the first step in setting a positive foundation for employee engagement and satisfaction. Companies use a variety of methods to welcome and orient new employees spanning everything from manager orientations to welcome gifts and games.



A variety of onboarding activities are common

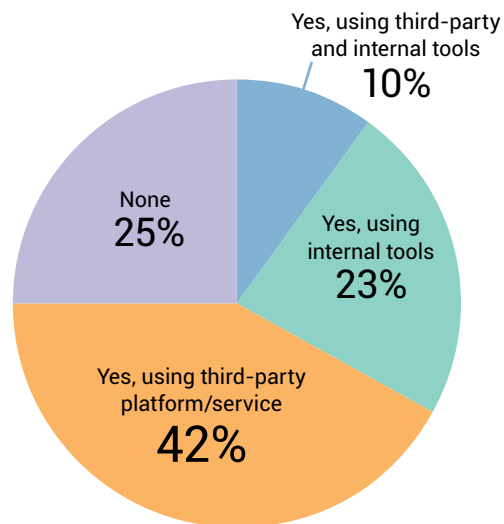
Company trivia	10%
Department overviews	70%
Regular check-ins	68%
Welcome gift with company swag	87%
1:1 with manager	80%
Completing onboarding paperwork	96%
Mentoring	32%
Office tour	94%
Welcome breakfast or lunch with a colleague or team	73%

Performance Management

While a large majority of employers report having a formal performance management program in place, there seems to be a shift in the methods they're using to evaluate performance when compared to 2016.

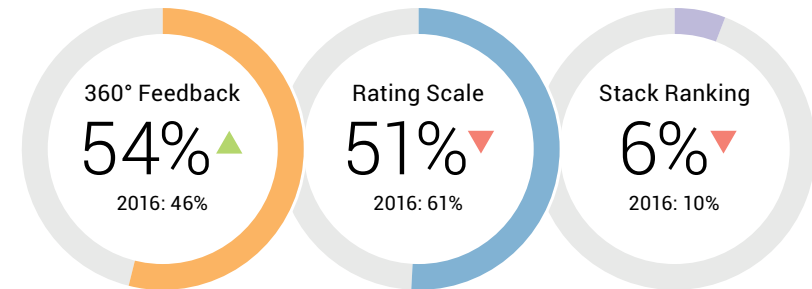
When it comes to assessment methods, the use of 360 degree feedback has grown by 12%, where the use of rating scales has decreased by 10%. Additionally, the focus of performance reviews has shifted away from individual goals (down by 16%) and more toward alignment with company values (up by 8%).

75% of employers have a formal performance management program

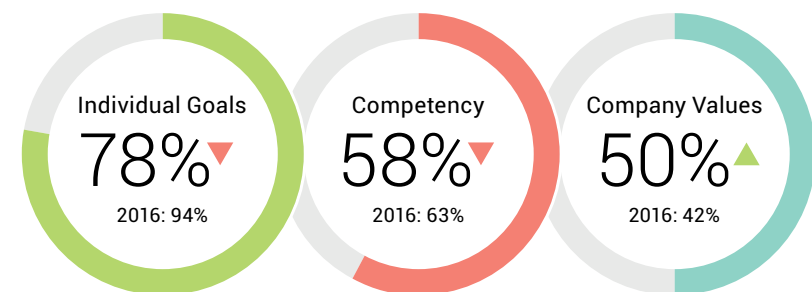


For a breakdown of performance management by company size, see Appendix.

360° feedback is the most popular method to assess employee performance



Performance reviews are used to evaluate multiple dimensions of performance



Intriguing, right? Let's talk.

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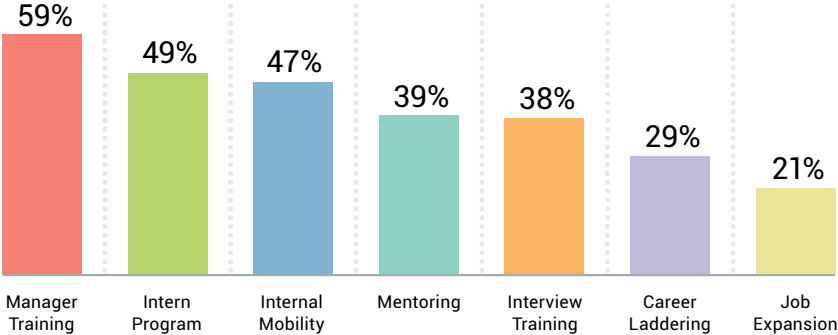
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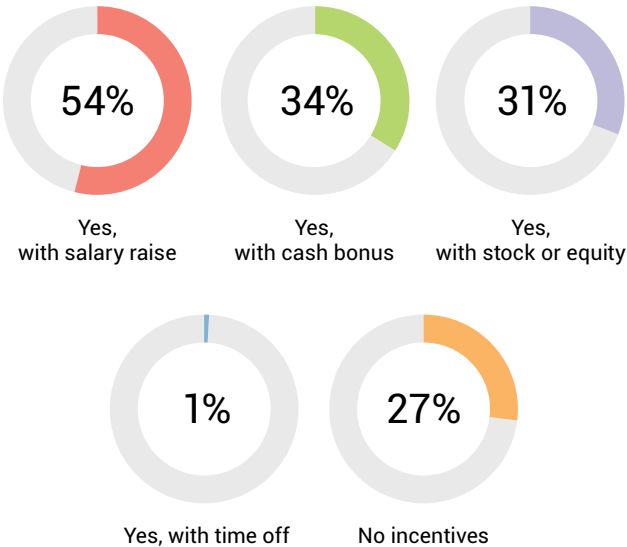
A variety of evaluation methods are used during performance reviews



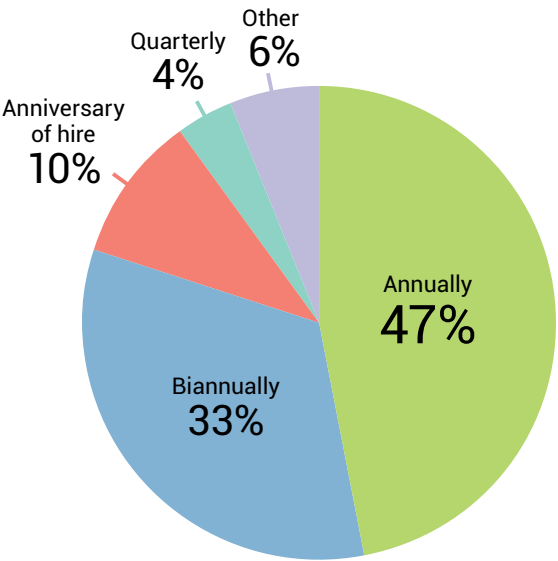
Leadership development opportunities are provided through various programs



Most employers (73%) tie employee performance to incentives



Most employers review compensation annually

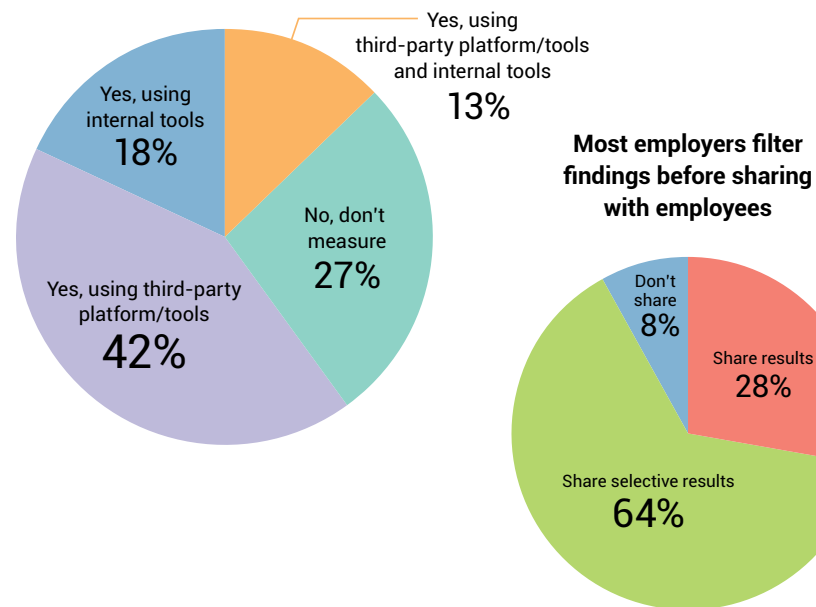


Employee Engagement

Measurement Strategy

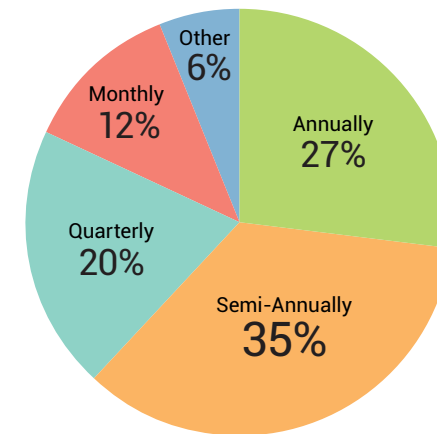
Understanding how employees feel about their company continues to be a priority. 73% of respondents report measuring employee engagement or satisfaction in some way, with a large number of them using third-party tools to do so. Companies are also becoming more transparent in sharing the findings of their engagement assessments. In 2019, 64% of companies report that they share selective results, which is up 5% from 2016.

73% of employers measure employee engagement/satisfaction



For a breakdown of who measures employee engagement by company size, see Appendix.

62% of employers measure employee engagement annually or semi-annually



Employers use various tools/platforms to measure employee engagement

Google Surveys / Forms	35%
Culture Amp	31%
Survey Monkey	22%
Other Tools	17%

A majority of employers use internal/external engagement benchmarks

External benchmarks	46%
Internal benchmarks across departments	64%
Internal benchmarks over time	69%

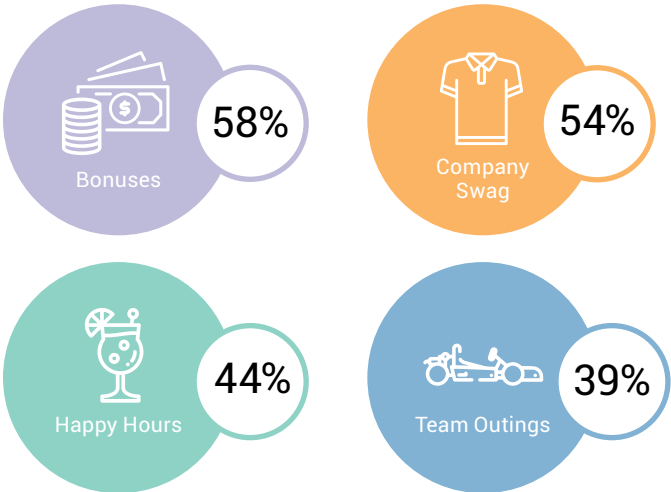
Recognition Strategy

A notable trend we see from this year's survey results is an 8% drop in the number of companies who offer formal employee recognition programs. Even with this decrease, one area that remains consistent is monetary rewards, typically in the form of bonuses, which continue to be the most popular method of recognition.



Of those employers with employee recognition programs in place...

...many use more traditional methods to recognize and reward employees



...and many find unique and creative ways to recognize and reward employees



Other HR Topics

Diversity & Inclusion

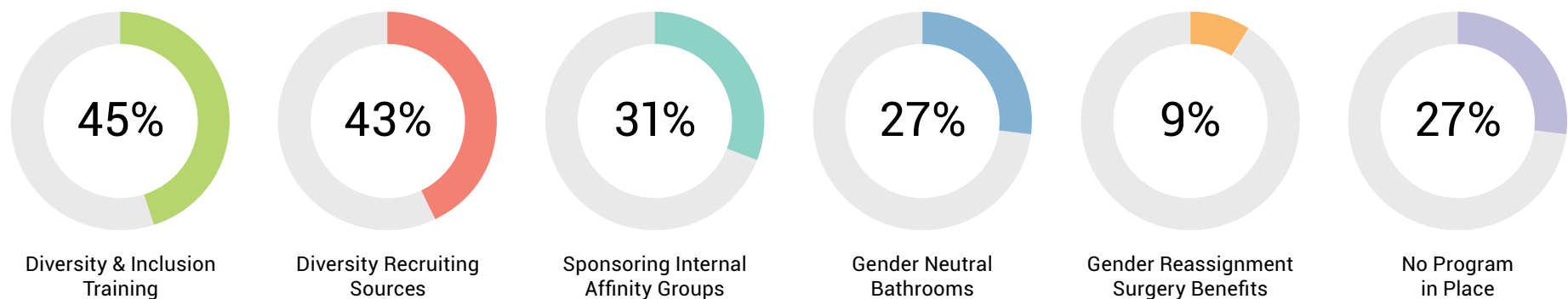
A hot topic in the media and even in the political arena, diversifying the workplace and ensuring the wellbeing of underrepresented groups is also top of mind for savvy HR teams.

This year, 70% of responding employers indicated having some form of diversity and inclusion (D&I) program or initiative in place. The most popular tactic, with 45% of companies adopting it, is offering D&I training (up 13% from 2017). In close second, 43% of companies report using diversity recruiting sources to meet their diversity recruiting goals.

A focus on D&I has also made an impact on the types of benefits employers are offering. 9% of companies report offering benefits for gender reassignment surgery, which is up 6% from 2017.



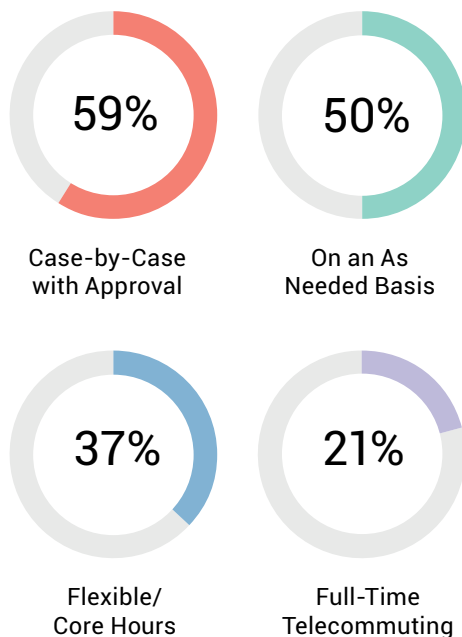
70% of employers foster diversity and inclusion in the workplace using a variety of programs



Working from Home

Allowing telecommuting continues to be a popular way for companies to not only expand the talent pool by tapping into remote workers, but also differentiate themselves with the kind of flexible policies employees are looking for when considering job offers. The most popular policy is to support telecommuting on a case-by-case basis with manager approval, which is up 19% in 2019 (59% vs. 40% in 2017). In close second, a fully flexible or “as needed” policy for working from home is up 14% in 2019 (50% vs. 36% in 2017).

Employers support telecommuting in a variety of ways



For a breakdown of telecommuting policies by company size, see Appendix.

Volunteerism & Charitable Giving

To engage employees, reinforce cultural values, and impact community wellbeing, employers are offering more ways to get involved and give back. Volunteer opportunities and charitable giving policies are gaining momentum for this reason. While 41% of companies support charitable community events, 28% also offer employees paid time off to volunteer for various causes.



Want the full picture? Talk to us.

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Appendix

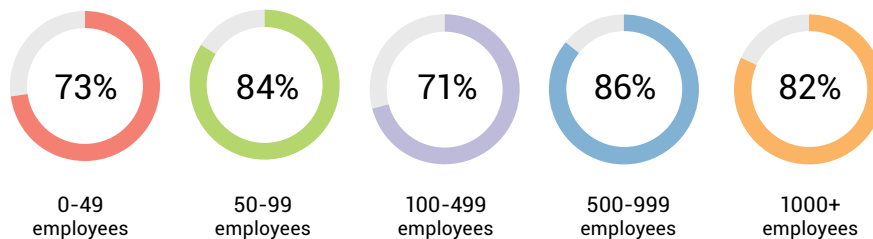
Telecommuting Policies by Company Size

	Case-by-Case with Approval	As Needed	Flexible/ Core Hours	Full-Time Telecommuting
0-49 EMPLOYEES	★ 50%	48%	29%	17%
50-99 EMPLOYEES	60%	★ 73%	38%	23%
100-499 EMPLOYEES	★ 63%	46%	37%	19%
500-999 EMPLOYEES	★ 61%	39%	48%	35%
1000+ EMPLOYEES	★ 46%	46%	38%	23%

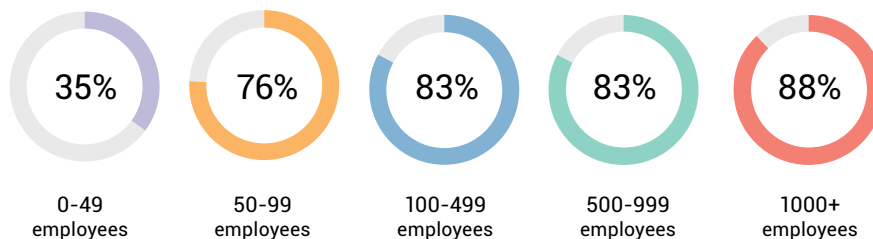
Diversity & Inclusion Policies by Company Size

	Diversity & Inclusion Training	Diversity Recruiting Sources	Sponsoring Internal Affinity Groups	Gender Neutral Bathrooms	Gender Reassignment Surgery Benefits	No Program in Place
0-49 EMPLOYEES	21%	29%	8%	19%	5%	★ 52%
50-99 EMPLOYEES	28%	38%	23%	35%	6%	★ 40%
100-499 EMPLOYEES	★ 56%	48%	41%	28%	7%	24%
500-999 EMPLOYEES	★ 61%	48%	48%	22%	13%	13%
1000+ EMPLOYEES	★ 46%	46%	23%	38%	44%	8%

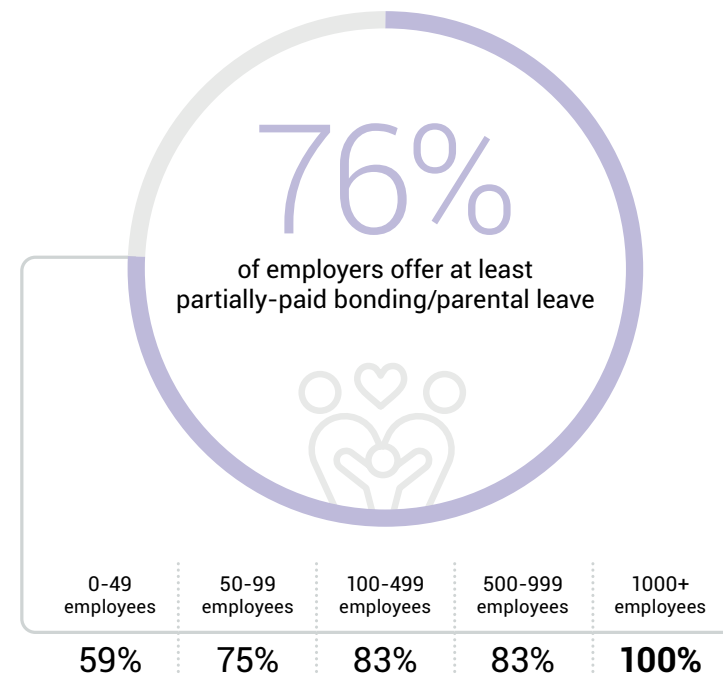
Employee Engagement/Satisfaction by Company Size



Performance Management by Company Size



Paid Bonding/Parental Leave by Company Size





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Helping great companies become great big companies

Sequoia has everything people-first companies need to grow smartly and confidently. We know how important it is to attract and retain talent, scale your operations, and get a meaningful return on your investment in your employees. With benchmarked benefits and the highest-rated mobile app in the industry, we'll ease your administrative burdens and help you elevate your employee experience.



Domestic Benefits



Retirement



Wellbeing



Risk Management



Global Benefits

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