

## ESSENTIAL EMPLOYEE BENEFITS REVEALED

*If employers want to enhance the experience of their employees,  
new research finds that payroll should be a strategic priority*

**TORONTO (May 13, 2021)** – For years, employers have tried in vain to crack the code for attracting and retaining Generation Z and Millennial employees. The answer, as it turns out, lies in a business function that is too often overlooked — payroll.

While employers have frequently turned to ‘perks’ such as free lunches, casual dress, gym memberships and pet-friendly offices to try to connect with the next generation, the newly released *Canadian Payroll Association Essential Benefits Survey*, conducted among members of the online Angus Reid Forum, shows that younger workers are not as different from their older peers as originally thought. The foremost concern for Generation Z and Millennial employees when it comes to employment benefits is the same as previous generations: **accurate and timely pay**.

Nearly four out of five respondents reported consistent and accurate pay to be an essential benefit of employment that they would not work without. This result was consistent across all age demographics, with 78 per cent of Generation Z, 83 per cent of Millennials, 79 per cent of Generation X and 74 per cent of Baby Boomers identifying pay as essential. By comparison, health and dental benefits (61%), RRSP programs and pension plans (43%), flexible working arrangements (38%), training and development opportunities (35%), additional vacation time (30%) and work perks (12%) were all deemed to be essential by significantly fewer respondents.

### IMPACTS ON THE EMPLOYEE-EMPLOYER RELATIONSHIP

When pay is mismanaged, a breakdown in both trust and the overall relationship between employer and employee is more likely than when other benefits are similarly compromised.

Eighty-seven per cent of survey respondents said that if their pay were withdrawn, changed, frequently disrupted or compromised, they would trust their employer less or feel less valued by them. Only 36 per cent would feel this way if their work perks were withdrawn. Even in the midst of a global pandemic, the mismanagement or cancellation of health and dental benefits, would not have the same impact (74% would trust their employer less or feel less valued).

Among Millennial respondents, who make up a majority of the current workforce, 74 per cent reported that they would consider moving on from their employer and finding another job if consistent and accurate pay were not prioritized (versus an average of 66% across all age groups).

“Employee turnover is expensive, time consuming and affects morale, which is why employee retention is so important,” says Peter Tzanetakis, President of the Canadian Payroll Association. “Our research finds that investing in strong, professional payroll is one of the best ways to show employees that they, and the work they do, are valued.”

## **THE COVID-19 EFFECT**

Along with the nature of work, the pandemic has also changed how some benefits of employment are viewed by working Canadians. More than three-in-five Generation Z respondents reported that they place a higher importance on accurate and timely pay than they did before the COVID-19 pandemic. Meanwhile, a quarter of Millennial respondents feel that work perks have decreased in importance since the start of the pandemic.

“As an employer, I’ve learned that attracting and retaining employees is critical to the health of my business. Cracking the code when it comes to younger generations can provide a real strategic advantage,” says Manjit Minhas, CEO and Co-founder of Minhas Breweries, Distilleries and Wineries and star Dragon on CBC Dragons’ Den. “*The Canadian Payroll Association Essential Benefits Survey* clearly demonstrates that payroll holds a lot of power when it comes to building and maintaining a strong employer-employee relationship. While all benefits are important, payroll is the right of every worker and needs to be treated as such.”

The survey also revealed that overlooking consistent and accurate pay as an essential benefit has real-world consequences. Eighty per cent of respondents reported that accurate and consistent payroll gives them peace of mind. When asked what impact would result if they did not receive their pay when expected, 52 per cent of respondents would feel more stressed and 35 per cent would struggle to meet essential financial commitments.

It turns out that, no matter their age, payroll is a big part of the employer-employee relationship. If employers want to strengthen their relationships with all employees, ensuring that their payroll is managed professionally is absolutely essential.

## **SURVEY METHODOLOGY**

*The Canadian Payroll Association Essential Benefits Survey* was conducted, in English and French, from April 14-16, 2021 among 1,502 employed Canadians who are members of the online Angus Reid Forum panel. The sample was balanced and weighted on age, gender and region. For comparison purposes only, a sample of this size would yield a margin of error of +/- 2.5 percentage points, 19 times out of 20.

All respondents were provided with the following definition: “For the purposes of the following survey, ‘payroll’ refers to being paid accurately and on time (at a regular interval) such that you can budget for future expenses confidently and will not receive an unexpected income tax bill at the end of the year; and in a professional manner, such that errors in pay are infrequent and corrected quickly. For the purpose of this survey, pay does not in any way refer to how much one is paid (salary or wages).”

## **ABOUT THE CANADIAN PAYROLL ASSOCIATION**

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$1.02 trillion in wages and taxable benefits, and \$345 billion in statutory remittances while complying with more than 200 federal and provincial regulatory requirements. As the authoritative source of Canadian payroll compliance knowledge, the Association promotes payroll compliance through advocacy and education. For more information on the Association, visit [payroll.ca](http://payroll.ca).

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