



**Gallagher**

Insurance | Risk Management | Consulting



DATA DRIVES DECISIONS™

# Energy

— 2023 —  
WORKFORCE  
TRENDS  
REPORT  
SERIES

Findings and insights from the 2023  
Benefits Strategy & Benchmarking Survey

US EDITION



## TABLE OF CONTENTS

- 3** INTRODUCTION
- 5** KEY TAKEAWAYS FOR ENERGY EMPLOYERS
- 6** ORGANIZATIONAL WELLBEING
- 8** PHYSICAL & EMOTIONAL WELLBEING
- 10** CAREER WELLBEING
- 12** FINANCIAL WELLBEING
- 14** FINAL REMARKS
- 15** ABOUT GALLAGHER

# Introduction

**Regulatory frameworks, economic fluctuations and geopolitical shifts are key dynamics confronted by energy employers.**

But workplace cultural differentiators, established and reinforced, can help to meet these demands by creating an experience that strengthens employees' attachment to the organization. In an industry where priorities and challenges vary based on competitive forces, demographics and regional differences, one consistent need is a framework for integrating total rewards and people strategies.

Wellbeing is at the center of **Gallagher Better Works<sup>SM</sup>**, our comprehensive approach that aligns the people strategy with overall business goals. It focuses on the full spectrum of organizational wellbeing—taking a strategic approach to investments in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of our Workforce Trends Report Series, this addendum highlights key findings and implications based on 112 energy organizations that participated in our 2023 Benefits Strategy & Benchmarking Survey. From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



**James Wright**

National Managing Director, Energy  
James\_Wright@ajg.com



**Kathleen Schulz**

Global Innovation Leader, Organizational Wellbeing  
Kathleen\_Schulz@ajg.com

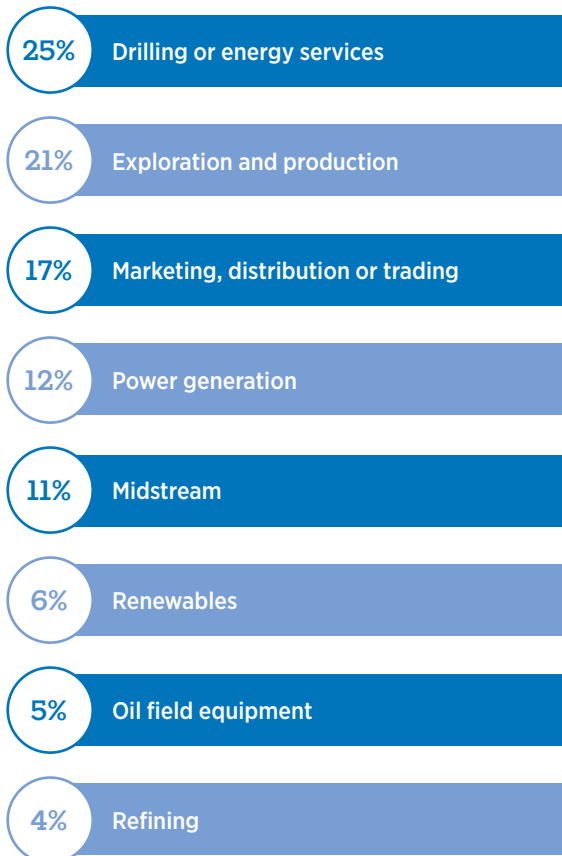
# Benefits Strategy & Benchmarking Survey Energy Participant Profile



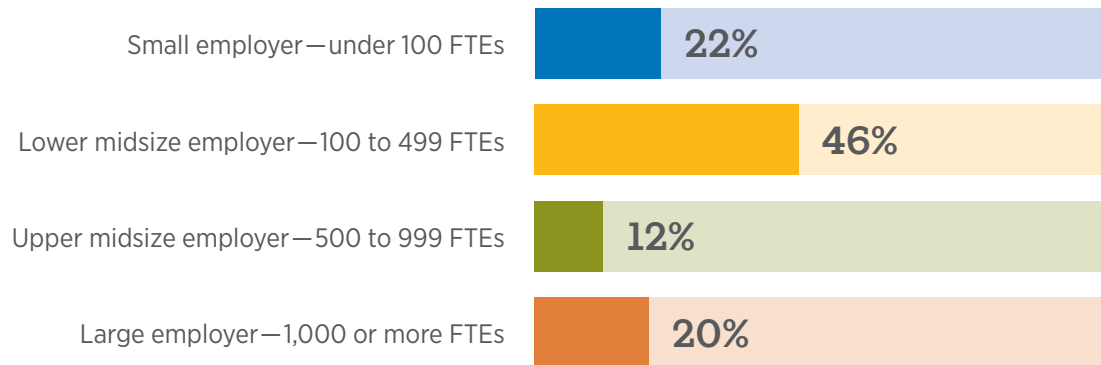
112

Energy organizations

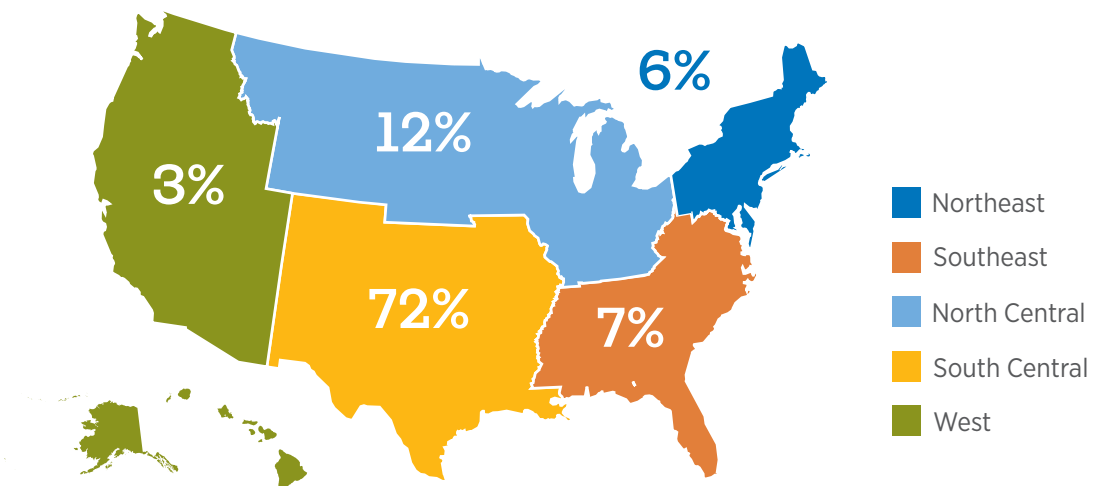
## Type of energy organization



## Workforce size—full-time equivalents (FTEs)



## Geography



# Key Takeaways for Energy Employers

## Organizational Wellbeing



Revisit the people strategy and apply HR technology to anticipate trends and enhance the employee experience.

## Physical & Emotional Wellbeing



Better use of data and the addition of voluntary options can increase benefits customization and help lower costs.

## Career Wellbeing



A dedicated platform for communicating with leaders and structured career development programs highlight opportunities for individual growth.

## Financial Wellbeing



A high-inflation environment raises financial stress for employees who want relief from money concerns.

# Organizational Wellbeing

---

## Data-enhanced HR insights help predict workforce trends and guide strategic decisions.

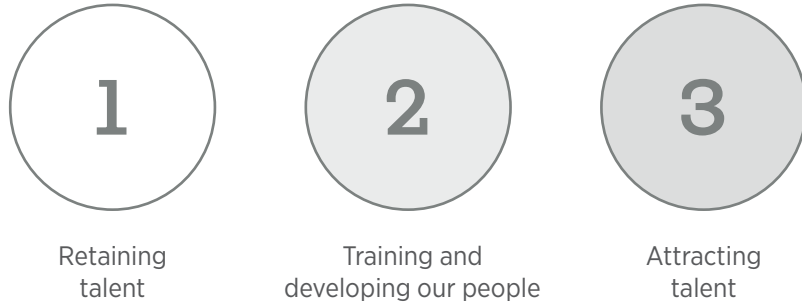
The role of HR is becoming more strategic than administrative in response to industry-wide transformation and shifting workforce dynamics. By focusing on retention and attraction, upskilling for large-scale energy transition, and adapting to regulatory changes, this pivotal function helps drive progress.

Keeping employees safe and healthy is both a moral obligation and an operational requirement for sustainability. Importantly, this goal also serves community wellbeing. Energy companies are using data-driven insights to identify patterns, trends and areas for improvement that can benefit all stakeholders.

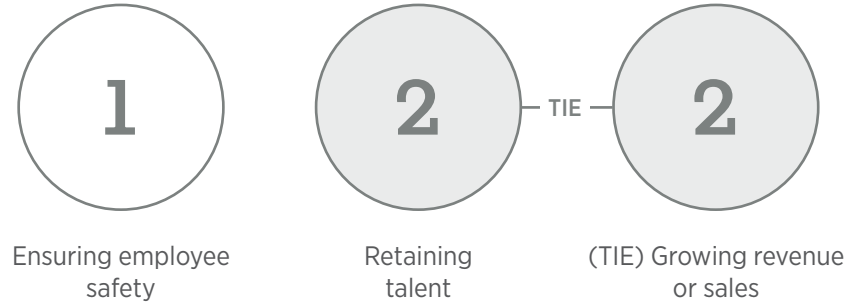
HR technologies generate sustainable change and reshape the industry through optimized processes, an enhanced employee experience and maximized organizational efficiency. Also, as AI-powered capabilities analyze large datasets, they uncover new patterns and predict workforce trends. Insights can help employers anticipate turnover and inform strategies for addressing potential skill gaps.



Top HR priorities



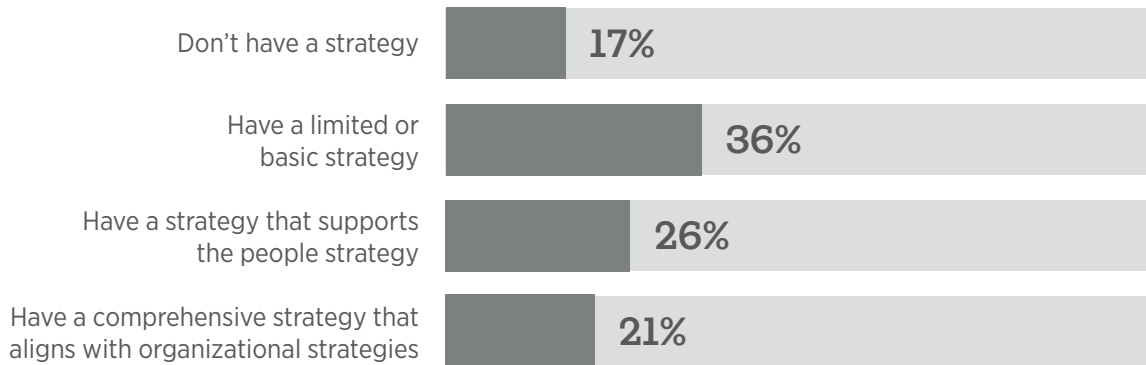
Top operational priorities



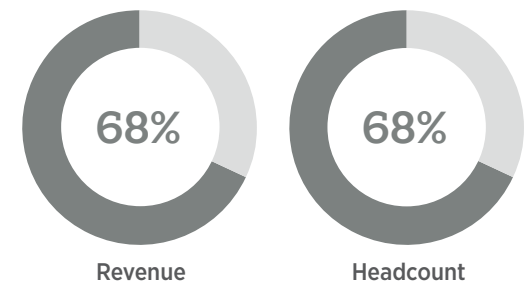
**55%** Expect to add and/or upgrade their HR tech solutions by 2025

Nearly **3 in 10** Had actual turnover of 20% or more in 2022

Strategic approach to HR technology



Expectations for growth by 2024



# Physical & Emotional Wellbeing

**Using preferred benefits and voluntary options can contain costs and increase individual choice.**

Middle ground between total rewards costs and employee expectations has eluded employers for years. A familiar sticking point for most is lowering the expense of rising healthcare coverage while keeping this benefit competitive.

This has added meaning in the energy industry. Physically and emotionally demanding work, exposure to hazardous conditions and remote locations require extra consideration.

When injuries, illnesses and occupational risk are prevalent, promoting employee health, safety and vitality contributes to a happier and more engaged workforce. Managing costs and the wellbeing of a transient and multigenerational workforce, with diverse needs, involves advanced treatment options, sophisticated data applications and an evaluation of multiple vendors. Through a wide selection of worker-preferred benefits, and voluntary options that don't require employer funding, employers affirm the importance of individual choice.





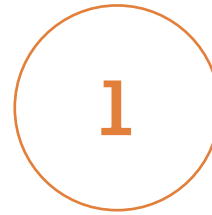
**64%** Increased their focus on employee emotional wellbeing in 2023

## Common emotional wellbeing initiatives

- 75%** Virtual or telephonic mental health counseling
- 42%** Diversity, equity and inclusion initiatives
- 33%** Stress management, resiliency or meditation programs
- 15%** Mental health training for managers, leaders and/or HR

**41%** Offer voluntary benefits to attract new employees to the organization

## Top healthcare cost-management challenges



High cost of medical services



High cost of specialty drugs

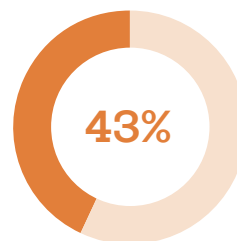


High cost of prescription drugs (non-specialty)

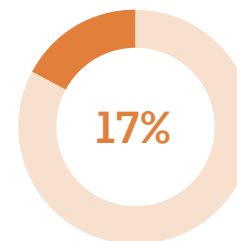
**1 in 2**

Increased employee cost sharing at the most recent renewal

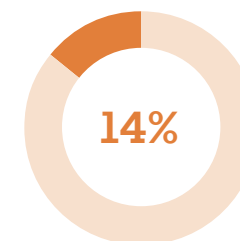
## Employee cost-sharing increases implemented



Health plan premiums



Deductibles



Out-of-pocket maximums

# Career Wellbeing

**A dedicated platform for communicating with leaders establishes a path for employee growth, mobility and engagement.**

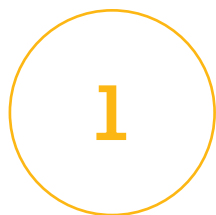
Engaged employees are more likely to prioritize safety and adhere to protocols. Communicating the reasons for following best practices and how individuals contribute to larger goals is often motivating, and helps inspire a sense of purpose.

Through engagement surveys employers can identify high-performing teams, recognize effective leadership practices and uncover opportunities to address challenges. Actively seeking employees' input on their concerns and implementing suggestions creates a culture of continuous enhancement, demonstrating the importance of the employee voice.

Another key to success is structuring programs to provide a pathway for growth and mobility, through enhanced skills and advancement opportunities. Regular check-ins with managers can verify a shared understanding of priorities and progress while allowing time for career path guidance.



### Top tactics used to improve employee engagement



Give timely and constructive feedback



Support employees in developing and pursuing a career path



Provide employee recognition for superior performance, which may include peer-to-peer

### Common career wellbeing initiatives



78%

Increased the importance of communicating about compensation and benefits in response to the economy

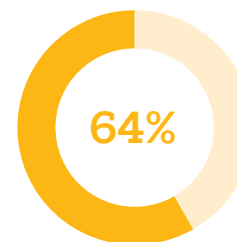
Nearly **2 in 3**

Consider their workforce highly engaged

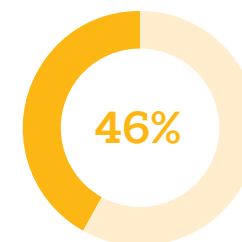
49%

Have conducted an engagement survey since 2021

### Total rewards enhanced to support recruitment and retention



Base salary



Variable compensation or bonus programs

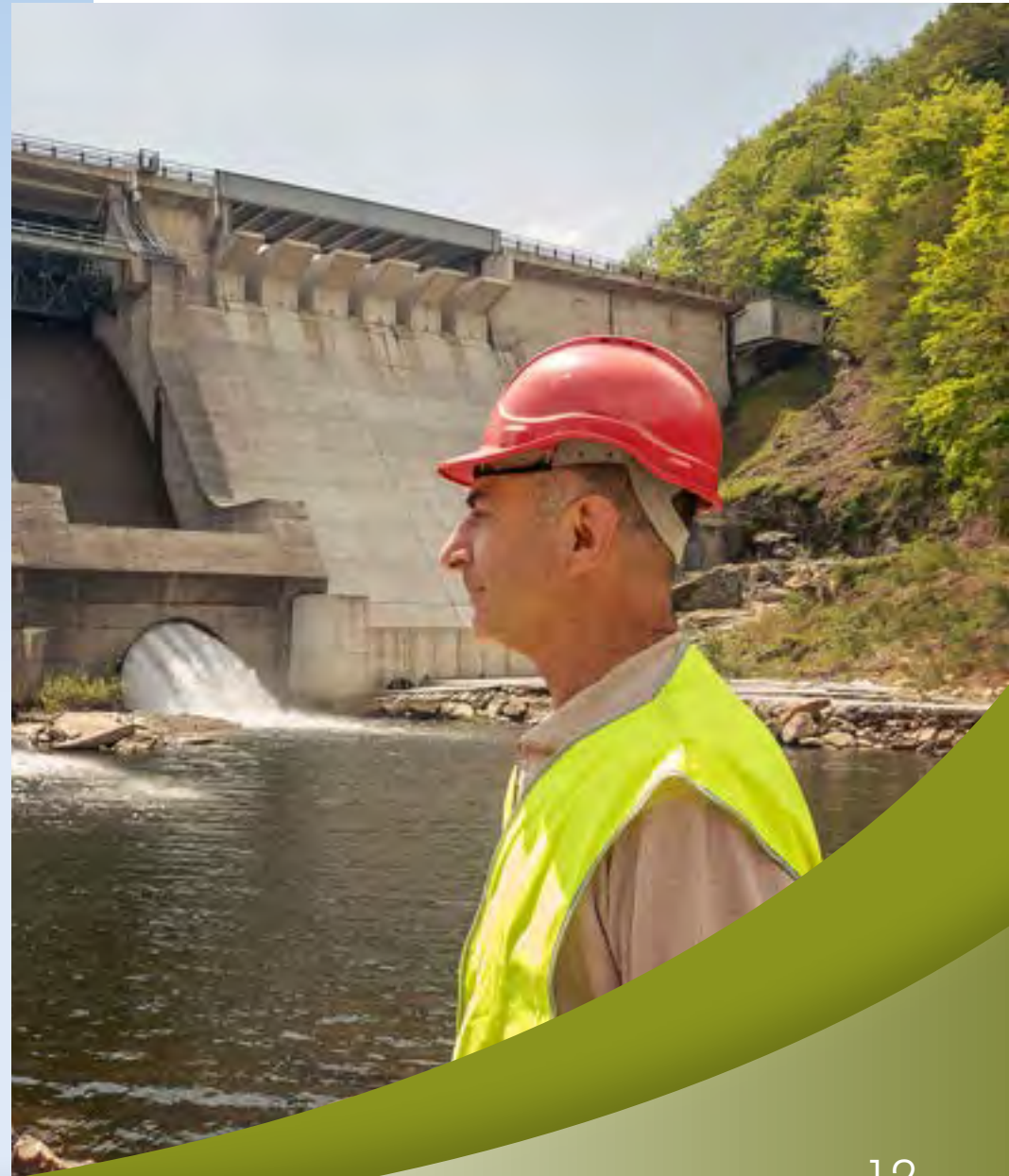
# Financial Wellbeing

## Rising financial stress among the workforce affects employers, and both are looking for help.

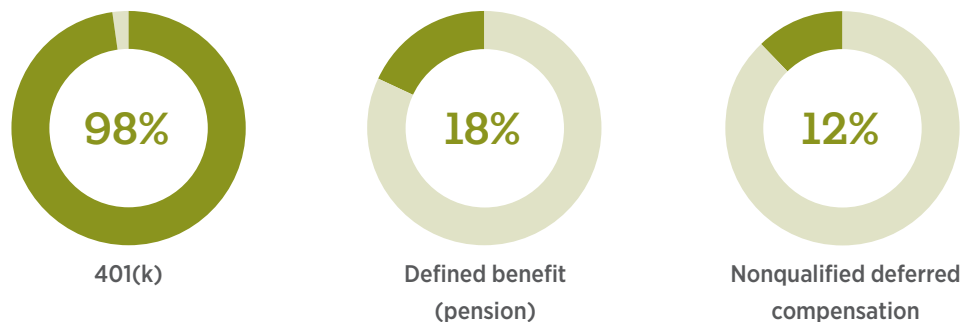
Across income levels, employees need help making the most of their money. They face financial concerns ranging from budgeting and debt reduction to funding a secure retirement and managing wealth. When saving and spending challenges compete, as they often do, financial wellbeing support helps employees make better decisions.

Susceptibility to economic fluctuations in the energy industry can affect job stability, and unpredictable income may cause budgeting and planning challenges for employees. However, financial education and tools often go a long way in helping employees effectively manage variable income.

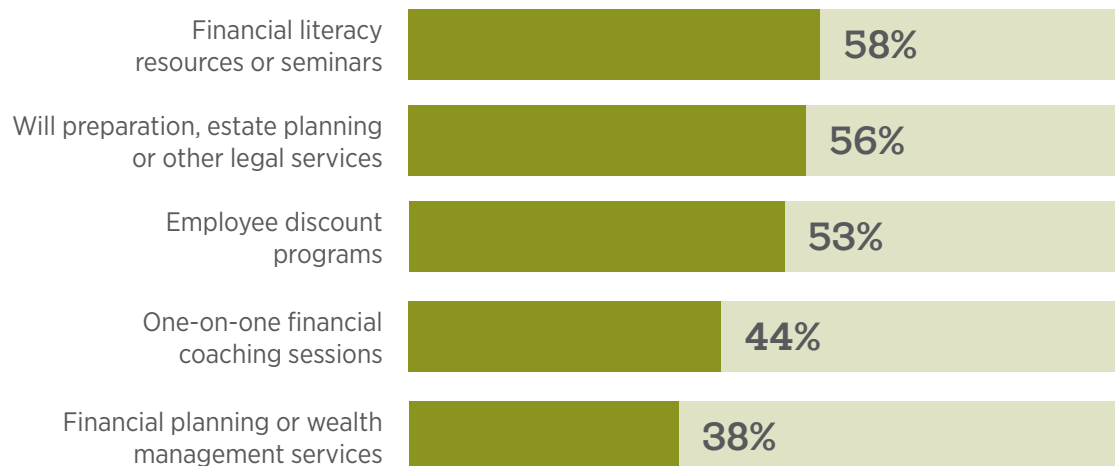
Strategies that address savings and investments, using retirement planning resources, are an important complement to guidance on managing near-term spending. Together, they help employees make more informed decisions, now and in the future.



### Active retirement plans offered



### Common financial wellbeing initiatives

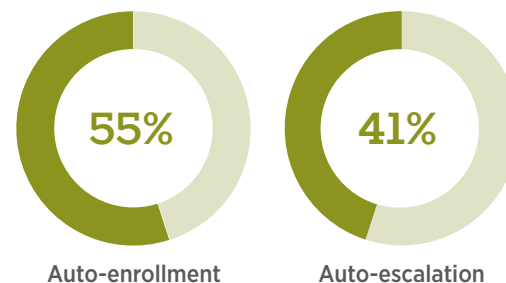


**92%** Have a retirement program

**47%** Offer immediate retirement plan vesting

About **9 in 10** Match employee contributions

### Methods used to promote better savings habits



# Final Remarks

---

Commitment to the health, safety and wellbeing of the workforce powers operational and organizational success. By considering benefits, compensation and retirement offerings together with talent acquisition requirements, energy employers can address unique challenges within their dynamic sector and create a holistic approach to employee wellbeing.

Engagement improves when employers maximize the potential of HR technology. Deeper data insights, optimized communication and streamlined administrative processes help personalize benefits for distinct multigenerational needs.

As industry innovation accelerates, leaders take on a more vital role in shaping organizational wellbeing. Providing open communication channels and installing peer support networks is a priority. Unified processes and practices can then enhance employee satisfaction while driving productivity and progress toward common goals.

For additional insights and custom benchmarking on the latest trends impacting energy employers, contact your local Gallagher consultant.

# About Gallagher

## People are your organization's greatest asset.

But daily hardships—like economic uncertainty, personal and family health concerns, and insufficient resources or staffing at work—can take a toll on your people and leave your business struggling with hindered productivity, heightened disengagement and strained retention.

That's why every aspect of your benefits and compensation program needs to work in concert to promote overall employee wellbeing. Offering robust medical coverage and a competitive retirement plan isn't enough in today's hyper-competitive labor market.

As employees across all geographies, industries and employer types navigate the ever-changing world, organizations must critically evaluate their people's experience in the workplace—finding unique ways to engage teams, establish authentic connections and support employee wellbeing overall.

Doing so can help your business attract top talent, motivate employees and shift the organizational culture so employees feel differently about their work. When organizations find ways to reduce burnout and increase productivity among their people, business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better Works<sup>SM</sup>—a comprehensive approach for strategically investing in benefits, compensation, retirement, employee communication and workplace culture so you can support your people's physical and emotional health, financial confidence and career growth at the right cost structures.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher offers you data-driven insights—allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk.

Even in times of uncertainty, Gallagher's consultants are here to help you optimize your profitability with a strategy rooted in the wellbeing of your people—so you can face the future with confidence.



# TERMS OF USE

The intent of this Survey is to provide you with general information regarding current practice within the employee benefits environment. The data does not constitute recommendations or other advice regarding employee benefit programs, and the user is in no way obligated to accept or implement any information for use within their organization(s). The decision to utilize any information provided rests solely with the user, and application of the data contained does not guarantee compliance with applicable laws or regulations regarding employee benefits. Information provided by the Survey, even if generally applicable, cannot possibly take into account all of the various factors that may affect a specific individual or situation. Additionally, practices described within the Survey should not be construed as, nor are they intended to provide, legal advice.

The Website and the Content do not constitute accounting, consulting, investment, insurance, legal, tax or any other type of professional advice, and should be used only in conjunction with the services of a Gallagher consultant and any other appropriate professional advisors who have full knowledge of the user's situation.

Gallagher does not represent or warrant that the Content will be correct, accurate, timely or otherwise reliable. Gallagher may make changes to the Content at any time. Gallagher assumes no responsibility of any kind, oral or written, express or implied, including but not limited to fitness for a particular purpose, accuracy, omissions and completeness of information. Gallagher shall in no event whatsoever be liable to licensee or any other party for any indirect, special, consequential, incidental, or similar damages, including damages for lost data or economic loss, even if Gallagher has been notified of the possibility of such loss. For the purposes of this section the term "Gallagher" shall be construed so as to include Gallagher Surveys as a marketing division and/or Gallagher Benefit Services, Inc. and its affiliates.

**Gallagher Fiduciary Advisors, LLC ("GFA")** is an SEC Registered Investment Advisor that provides retirement, investment advisory, discretionary/named and independent fiduciary services. **GFA** is a limited liability company with Gallagher Benefit Services, Inc. as its single member. **GFA** may pay referral fees or other remuneration to employees of AJG or its affiliates or to independent contractors; such payments do not change our fee. Neither Arthur J. Gallagher & Co., **GFA**, their affiliates nor representatives provide accounting, legal or tax advice.

Securities may be offered through **Triad Advisors, LLC ("Triad")**, member FINRA/SIPC. **Triad** is separately owned and other entities and/or marketing names, products or services referenced here are independent of **Triad**. Neither **Triad** nor their affiliates provide accounting, legal or tax advice. GFA/Triad CD (6056032)(exp102025).

For institutional use only. Not for public distribution. All rights reserved. No part of this book, including the text, data, graphics, interior design and cover design may be reproduced or transmitted in any form, without explicit consent from Arthur J. Gallagher & Co.



## Gallagher

Insurance | Risk Management | Consulting

**AJG.com** The Gallagher Way. Since 1927.



"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC. Arthur J. Gallagher & Co. was named one of the World's Most Ethical Companies® for 2023. Participants pay a \$3,500 application fee to be considered for this award. For full criteria and details of the evaluation and scoring process, please visit [FAQs—worldsmostethicalcompanies.com](https://www.worldsmostethicalcompanies.com).