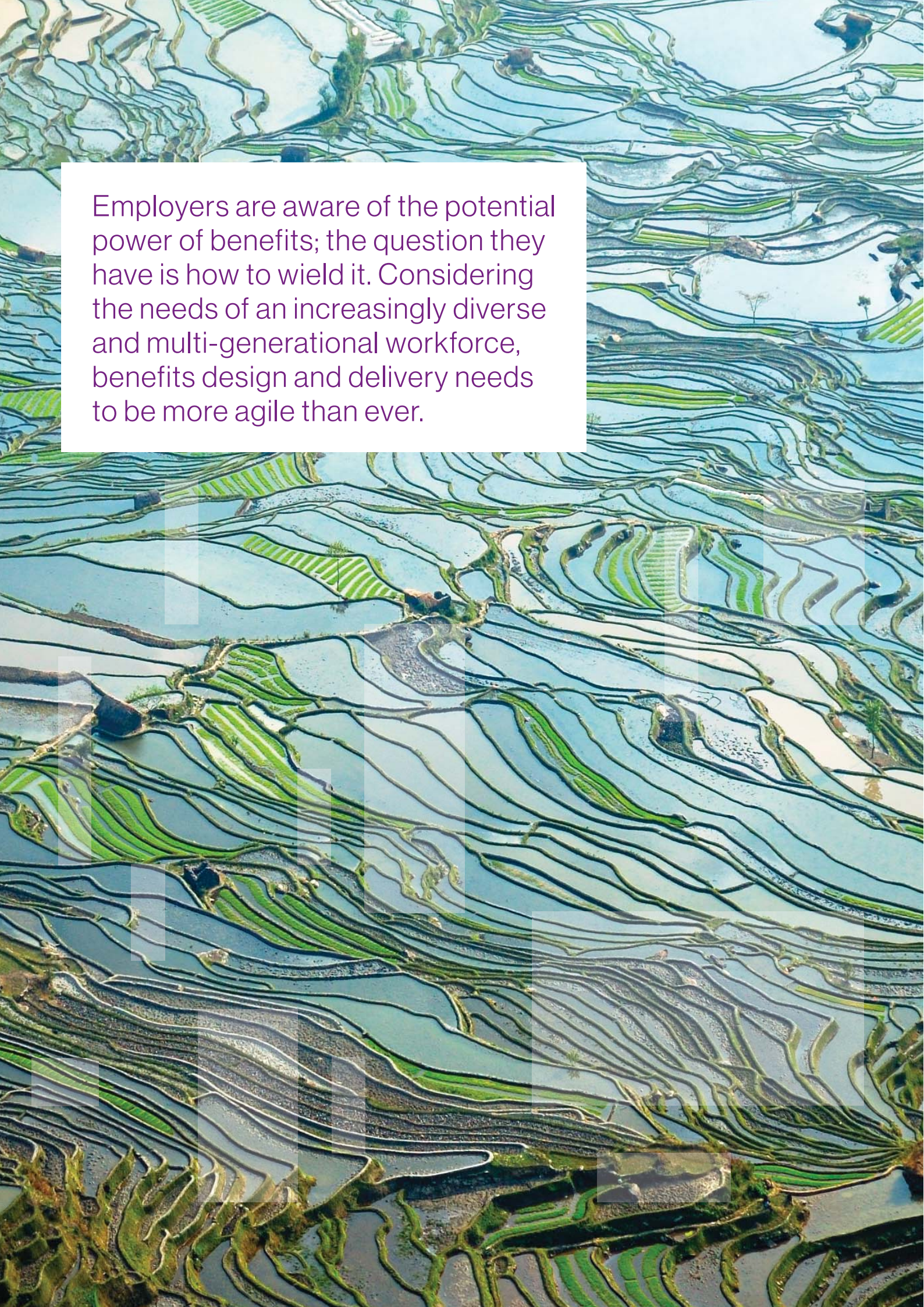


Benefit strategies for tomorrow's workforce

Insights from the 2017/2018 Asia Pacific Benefit Trends survey



Employers are aware of the potential power of benefits; the question they have is how to wield it. Considering the needs of an increasingly diverse and multi-generational workforce, benefits design and delivery needs to be more agile than ever.

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Executive summary

It's a period of significant change in the workplace. With rapid advances in technology changing the very nature of work, coupled with a sluggish economic backdrop and mounting financial and health anxieties for employees, it's no wonder most are looking for greater certainty. Employee benefits can play a vital role in helping to re-establish employees' sense of security, and boosting their engagement in the workplace.

The 2017/2018 Asia Pacific Benefit Trends Survey finds that employers are aware of the potential power of benefits; but the question they have is how to wield it. Considering the needs of an increasingly diverse and multi-generational workforce, benefits design and delivery needs to be more agile than ever. Communication and administration can be better aligned to the kind of technology experience that employees are used to seeing in other aspects of their lives. And finally, through appropriate well-being benefits, employers can effect real change in the lives of their employees, nudging them towards healthy behaviours and financial security, making them happier and more productive.

Employee benefits can play a vital role in helping to reestablish employees' sense of security, and boosting their engagement in the workplace.

Key findings

Trends in benefit strategy

- **Benefits matter.** Almost two-thirds (61%) of employers in Asia believe that their benefits package improves attraction and retention. A similar percentage (67%) believe that their benefits are highly valued (*Figure 1*, page 4) – however, only 45% of employees¹ say that their benefits package meets their needs.
- For employers, top priorities for benefits programs over the next three years are to focus on changing benefit designs to manage costs and influence behaviours (*Figure 2*, page 4).



Employer takeaways: Employers are taking a broader view than in the past on how benefits are designed – this means they will also have to be more thoughtful on how they prioritise resources and which initiatives they target.

Plan design trends

- **Beyond the core.** While traditional benefits continue to be the most prevalent in Asia – and viewed as the most important to employees (*Figure 4*, page 6) – three years into the future, employers are looking to expand the provision of non-traditional benefits such as family friendly programs as well as programs and workplace activities that support holistic employee well-being (*Figures 5 and 6*, page 7).
- When it comes to designing benefits, the majority of employers (86%) still focus on external benchmarking; however, a high percentage are also looking to the specific needs of their workforce (72%) suggesting a growing trend to personalise the benefits offering (*Figure 7*, page 8).



Employer takeaways: For employers to make their benefits truly relevant, measurement is key – but currently used in a limited way. Employers need reliable data to answer questions such as: Are benefits plans meeting worker needs, as well as business objectives? How do we measure success and monitor the performance of vendor partners?

Design and delivery

- **Personalisation is a watch word.** As employers focus more on the needs of their particular workforce, they discover that these needs are diverse. As such many are looking at plan designs that provide flexibility (*Figure 9*, page 10). By 2019, the majority (56%) of employers plan to offer some form of choice.
- Currently, cost (cited by 71% of employers), and administrative complexity (56%) are seen as the top barriers to implementing greater choice as employers look to provide a consumer-grade experience for their employees (*Figure 11*, page 11).



Employer takeaways: Are your tools best-in-class, do they match the type of consumer experience employees see in their everyday lives as they shop online, book experiences and share feedback?

¹ 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

Health and well-being

- **Health as a differentiator.** Asia Pacific employers are ambitious in their plans for their health and well-being strategies (*Figure 15*, page 14): in three years, 73% of employers plan to make their health and well-being a key competitive advantage.
- Yet engagement in health and well-being programs today is low, with only a minority of employees reporting that their employer promotes a healthy work environment (*Figure 17*, page 15)².
- Measurement of health outcomes is currently limited (*Figure 19*, page 17). While medical claims are most often used to inform program decisions, almost two in five do not even use this data. Most employers overlook metrics that may be easily available and would link the value of a healthy workforce to a broader set of business metrics.



Employer takeaways: There are a number of key levers to pull to build effective health programs (see page 17), including:

- Tailoring design to manage costs and drive healthy behaviours.
- Adding choice and flexibility so that employees get more value from their programs.
- Broadening focus from medical insurance with preventive care to a more holistic concept of health and well-being.

Financial well-being

- **Financial security continues to concern.** Some employers perceive this, with a quarter reporting that financial problems are common with their workforce and nearly 60% seeing it as an employer responsibility to help employees better manage their finances (*Figure 21*, page 18).
- Many employers are responding by adding financial well-being programs (*Figure 22*, page 19) and looking to enhance engagement and communication around their retirement plan (*Figure 23*, page 19).



Employer takeaways: By focusing on an appropriate employee engagement strategy, communication and education, employers can allay many fears around retirement security and financial planning that is contributing to employee anxiety today.

About the survey

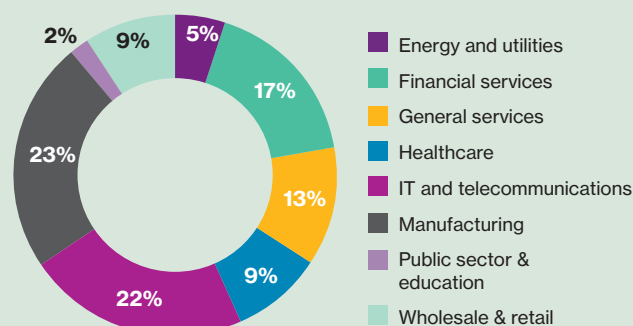
The 2017/2018 Asia Pacific Benefit Trends survey is the fifth in our biannual series. It focuses on high-level trends around benefit strategy, benefit design, health and wellness, retirement plans, benefit delivery and benefit cost.

This year's survey was conducted between April and June 2017, and received responses from 1,141 large Asia Pacific employers.

Respondents by country

North Asia	82	Greater China	351
Japan	25	China	115
South Korea	57	Hong Kong	102
Southeast Asia	511	Taiwan	134
Indonesia	55	South Asia	96
Malaysia	80	India	96
Philippines	150	Australasia	95
Singapore	96	Australia	46
Thailand	74	New Zealand	49
Vietnam	56	Other	6

Respondents by industry



² 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

Section 1.

Benefits strategy

Benefits are a key part of the employment deal

Employers across Asia Pacific are struggling to attract and retain talent, in particular critical-skill employees and high-potential talent³. An effective benefits package is an important piece of the puzzle: 61% of employers across the region feel that their benefits improve attraction and retention, and just over half said they improve employee engagement (Figure 1). Additionally, two-thirds said that they felt employees highly value their benefits package.

Benefits are widely seen as important to employees and can be an effective tool for employers across Asia Pacific. Yet employee appreciation of benefits remains low and there remain clear opportunities to derive greater value from employers benefit spend.

Priorities and challenges

While employers are aware of the value of benefit programs, they are facing a number of headwinds (for instance, rising benefit costs, a weakening global economy, rapidly changing technology and a changing workforce) that are posing challenges that require benefit design and delivery needs to be more agile than ever.

Against this backdrop, employers in Asia report that the top priorities for their benefit programs over the next three years are to focus on changing benefit designs to manage costs and influence behaviours (Figure 2).

Figure 1: **Employee benefits – strategic goals**

61%

Our benefits package improves attraction and retention

53%

Our benefits package improves employee engagement with their jobs

67%

Our employees highly value their benefits package

Note: Percentages indicate 'Strongly agree' or 'Agree'.

The employee perspective



Only **45%** of employees say their benefits package does indeed meet their needs.

Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

Figure 2: **Top priorities over the next three years**



78%

Review/revise benefit plan designs and strategies to **manage our benefit costs better**



75%

Review/revise benefit plan designs and strategies to **influence employee behaviours better**
(e.g., to save more, improve health)



66%

Greater governance and oversight of **our benefits programs**

Note: Percentages indicate 'Very important' or 'Important'.

³ 2016 Global Talent Management & Rewards Study.

This suggests that employers increasingly recognise that, while costs need attention, a simple strategy of cost containment can no longer be effective and that employee behaviour can itself be a cost driver. Short-term cost cutting can also erode investments in supporting growth in employee productivity over the long-term.

Consistent with the desire to manage costs, when asked about the greatest challenge in delivering benefit programs, the unanimous answer across the region was the increase in benefit costs (Figure 3).

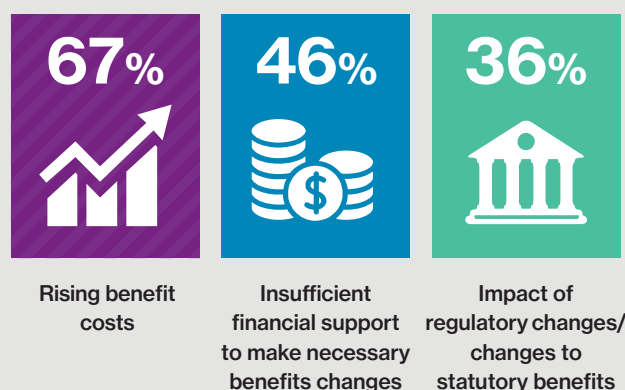
And our research bears this out: we find that approximately three in 10 (32%) employers spend 20% of payroll or more on benefits. Consistent with our survey two years ago, 27% said that they did not even know how much their organisation spent on benefits (in 2015, 22% said this).

When considering that benefits data is spread across multiple sources and often managed by different parties or vendors and recorded in different ways this is perhaps not surprising. However, if employers are concerned about rising benefit costs then one of their first steps should be understanding their current costs better, and the drivers behind those costs.

Over a third of employers (35%) cited the lack of data as a top challenge, and 42% reported a “lack of data” or “inappropriate technology”. We find that many organisations do struggle with these aspects today, and it’s likely to become even more important in the future as it pertains to using data and analytics to understand the workforce and designing a benefits package to better suit its particular needs.

Employers recognise that a simple strategy of cost containment can no longer be effective, and that employer behaviour itself can be a cost driver.

Figure 3: **Top challenges in delivering benefit programs**



Note: Percentages indicate 'To a very great extent' or 'To a great extent'.



Employer takeaway

How can employers achieve their aim to better manage costs, whilst simultaneously tailoring design to influence behaviours? Employers are looking to take a broader view on how benefits are designed – it’s no longer about simply offering what is in line with the market, but understanding the organisation, its workforce and its particular drivers for engagement and behaviour change in order to better connect with employees wants and needs. (See Section 2, Emerging trends: Internal focus, page 8, for more on how employers are taking into account internal issues to design their benefits.)

As their view broadens, employers will need to be thoughtful on where they prioritise resources and which initiatives they target.

Section 2.

Building a benefits portfolio

Emerging trends: Maintain core, add non-traditional benefits

While traditional benefits such as healthcare, accident and life insurance continue to be the most prevalent in Asia – and viewed as the most important to employees (*Figure 4*) – three years into the future, while employers are looking to maintain the provision of “core” or “traditional” benefits, they also plan to expand the provision of non-traditional benefits.





In particular we see:

1. **Employers are maintaining their core benefits** – with a focus on the use of plan design and appropriate financial incentives to deliver behaviour change and greater employer value.
2. **An expansion in the provision of family friendly programs**, such as child care (33%) and additional maternity leave (26%). These benefits are particularly likely to be attractive to younger employees, new parents and women (*Figure 5*).

3. **Employers recognise that financial well-being is a growing concern** amongst workers, and almost a third plan to implement programs that assist their employees with their financial security. Over two-thirds of employers also plan to offer retirement benefits, compared to 61% who do so today (*Figure 5*).
4. **Well-being benefits are on the rise.** And furthermore, employers understand that well-being can have dimensions beyond just the physical – while 66% of employers plan to implement activity-based well-being programs, this is closely followed by behavioural and emotional health (60%). Lifestyle risk management and chronic disease management are also picking up traction (*Figure 6*).

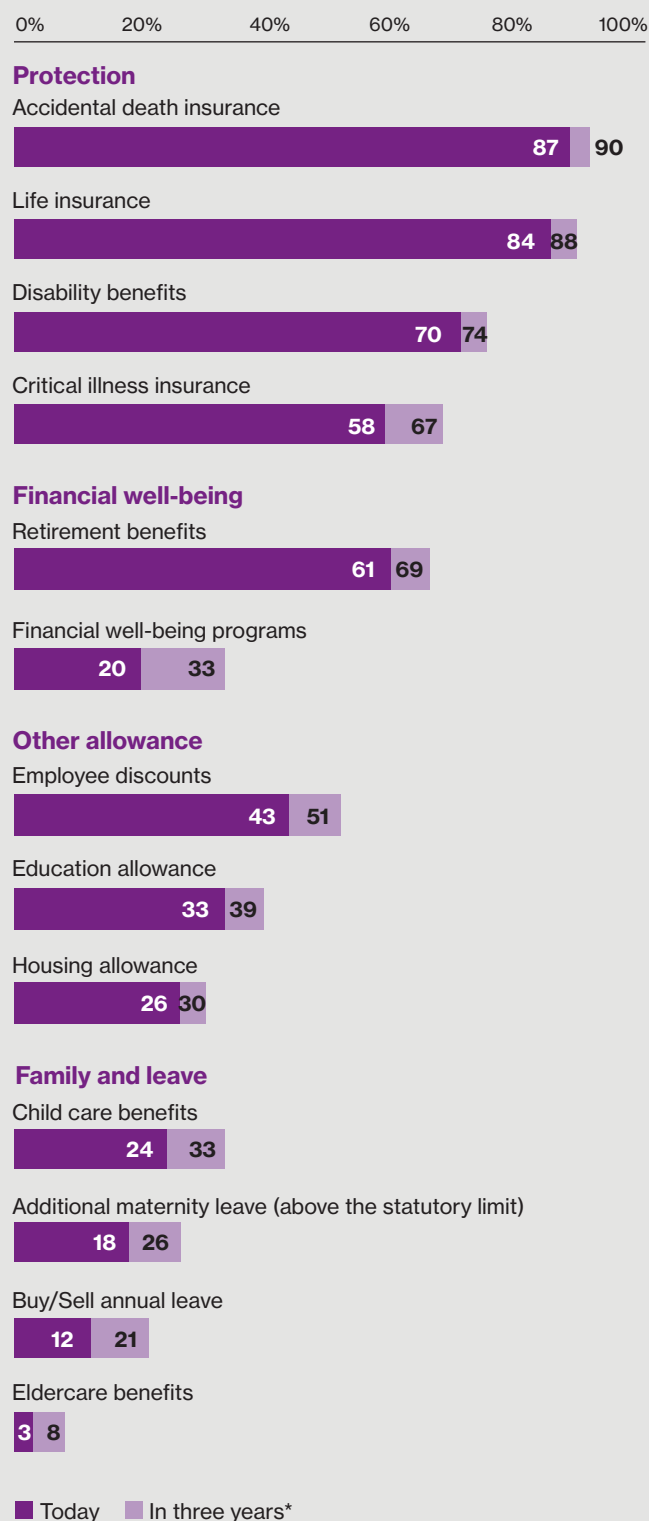
Three years into the future, employers plan to expand the provision of non-traditional benefits.

Figure 4: How important are the following benefits to your employees?

 Health and well-being		 Retirement	
Healthcare benefits	84%		
Other health benefits	48%	Retirement benefits	45%
Well-being programs	35%		
 Financial protection		 Leave and allowance	
Life insurance/accidental death insurance	74%	Other allowances	35%
Disability benefits	51%	Employee discounts	20%
Critical illness insurance	48%	Annual leave	8%

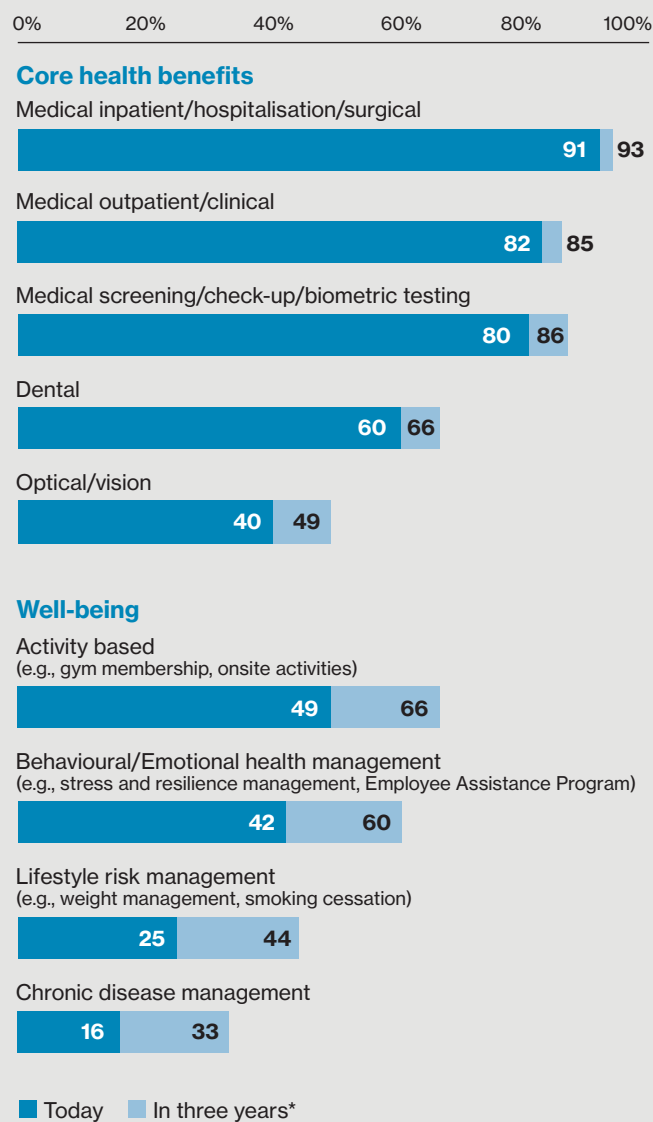
Note: Percentages indicate 'Very important' or 'Important'.

Figure 5: Risk and financial benefits



*Including 'In place in 2017', 'Planned for 2018' and 'Considering for 2019'.

Figure 6: Health and benefits



These trends reflect a focus by employers on using benefits to meet a broader variety of needs: to enhance the employment deal, better manage employee behaviours and align their benefit strategy with broader talent management strategies (such as diversity and inclusion practices), for instance.

Emerging trends: Internal focus

When it comes to designing benefits, the majority of employers (86%) still focus on external benchmarking (Figure 7); however, almost three-quarters are also examining the specific needs of their workforce.

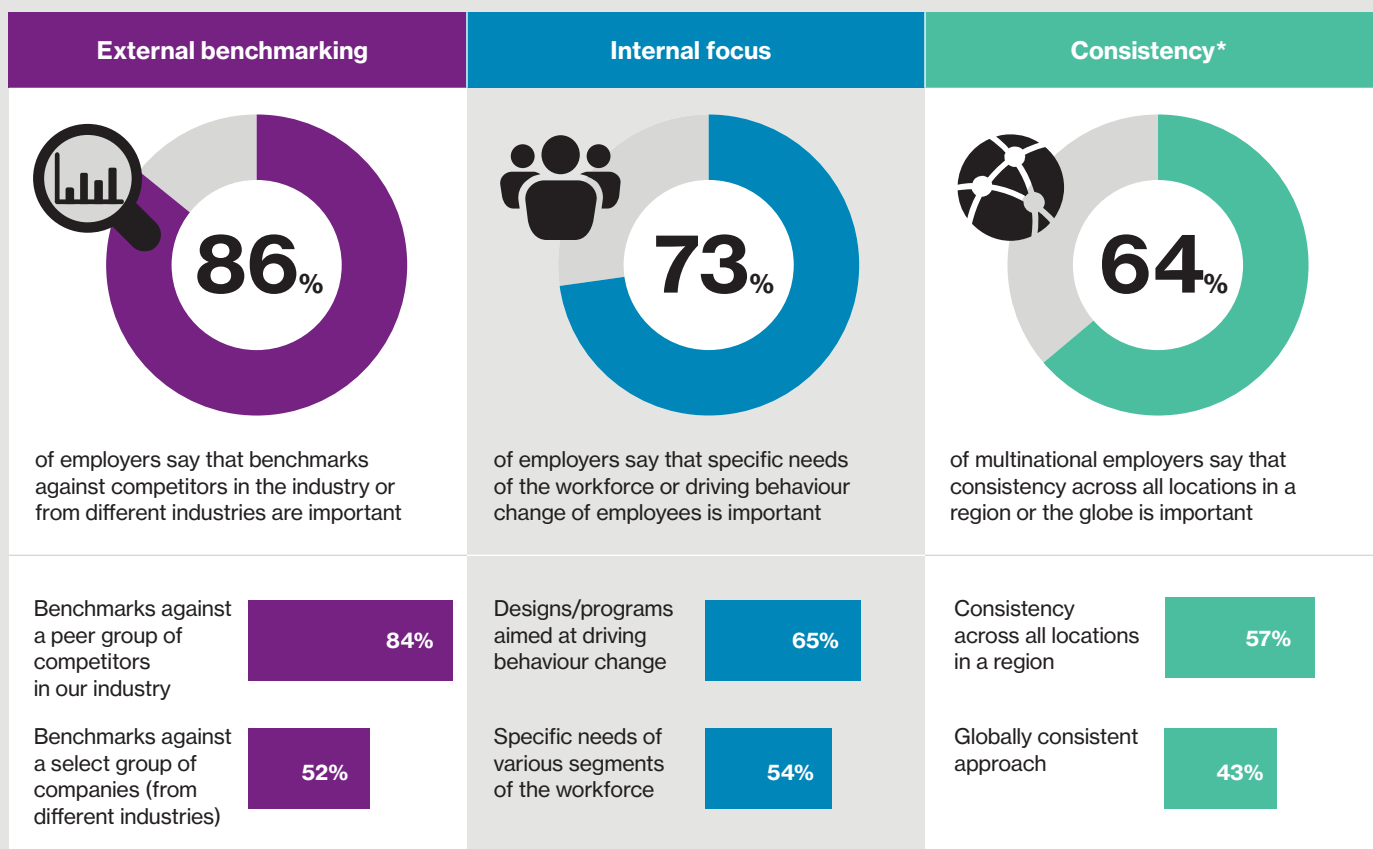
Employers are looking at their benefits programs taking into account industry standards, but with a greater focus on their own internal issues, to tailor benefits to meet employee wants and employers business needs.

With this move to a greater internal focus, the employee is increasingly being seen as a consumer. By segmenting their employees – just as they would their consumer base – there is enormous potential for employers to ensure the benefits they provide are relevant, timely and meet the diverse needs of their workforce.

Emerging trends: Where are employers heading?

Hence, we see two main themes emerging: a broad move towards greater provision of non-traditional benefits and greater internal focus, on those programs which best meet the organisation's needs. The “right” answers will vary by employer. For some, a focus on digital strategies will be key. Others may choose a more traditional route depending on their workforce and business circumstances.

Figure 7: **Employers are increasingly focused on behaviour change**



*Sample: multinational companies

Note: Summary percentages represent the percentages of companies that indicate either of the two underlying features are important. Percentages indicate 'Very important' or 'Important'.



To understand these differences we grouped employers into four clusters, according to the actions they expect over the next three years (*Figure 8*).

Employers that are “consumer-focused” or “high-momentum” are more likely to:

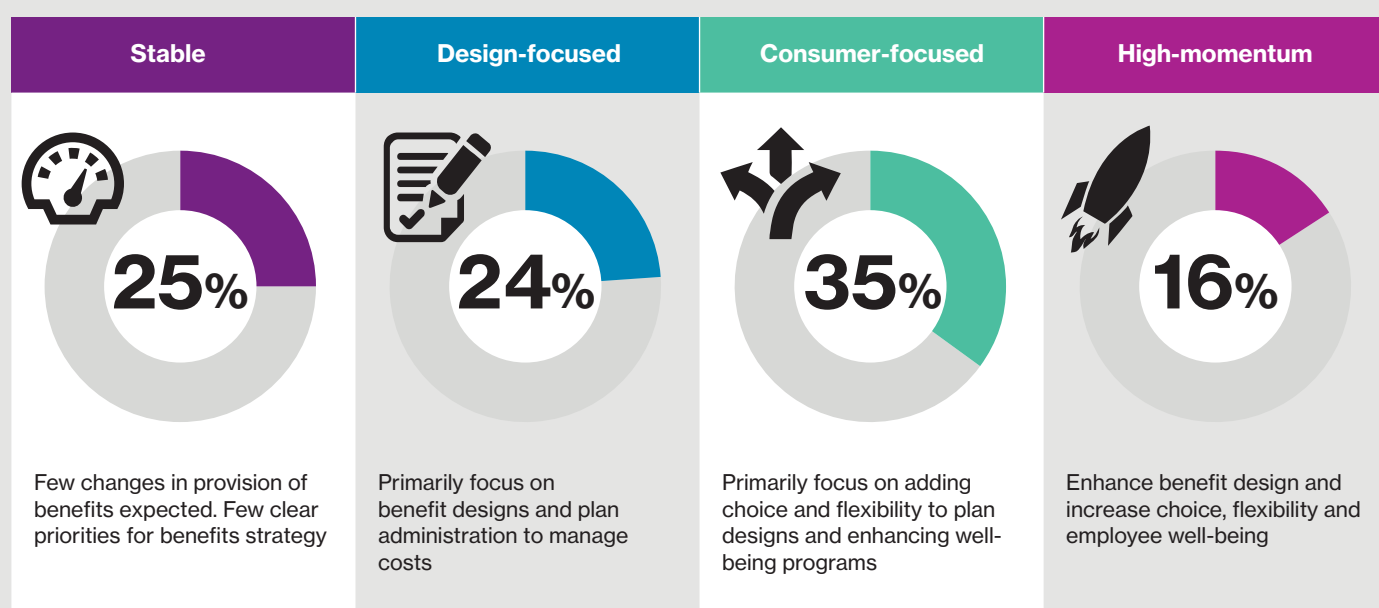
- Favour the use of technology, personalisation and social connections to create a digital engagement strategy
- Intend to expand provision of non-traditional benefits such as financial well-being, buying and selling annual leave and broader health and well-being benefits
- Introduce greater flexibility and choice into their benefits programs



Employer takeaway

There is no one-size-fits-all approach to delivering value from a benefits program, but what is clear is that understanding the needs of the employer and their workforce is critical. What motivates and engages employees around their health and financial security? Are benefit plans meeting employee needs and meeting business objectives? Are vendors delivering value-for-money and appropriate service, given the benefits strategy?

Figure 8: **Segmenting employers**



Section 3.

Flexibility and choice

As employers focus more on the needs of their particular workforce, they discover that these needs are diverse across age groups, nationalities, family status and employee type.

Many employers are hence looking at plan designs that provide employees the ability to choose their own benefits to some degree (*Figure 9*). By 2019, the majority (56%) of employers plan to offer some form of choice, either through employee choice, flexible benefits or additional voluntary benefits.

Looking at the employer segments from the previous section (see page 9), companies that fall into the “consumer-focused” or “high-momentum” groups are also more likely to be considering a movement towards flexibility.

And the rewards could be high for those that make this move (*Figure 10*): of those that currently offer flexibility, more than three-quarters said that it demonstrated to employees that the organisation recognises the diverse needs of the workforce, and promotes employee appreciation and understanding of their benefits. This has the added advantage of encouraging employees to become active managers of their own benefits as well. Almost two-thirds (63%) also said it helped with attraction and retention.

When we consider the findings of our survey two years ago, we saw the same trend of employers expecting to move towards greater benefit choice – however, this trend has been slower than anticipated. Another complexity we

The employee perspective



Only **40%** of employees agree that their employer benefits package offers them a wide variety of choice and flexibility to meet their needs.

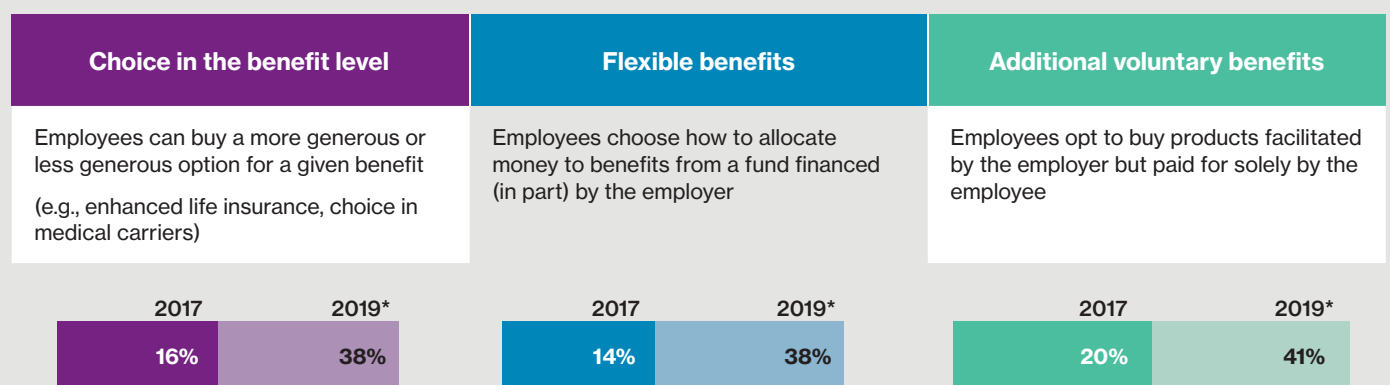
Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

have observed is a trend towards adding flexible benefit programs but finding afterwards that they do not to meet intended objectives, leading to a disillusionment with the program in general.

So what’s creating the roadblocks? A majority said cost (71%), or administrative complexity (56%) (*Figure 11*). Nevertheless, advances in technology are likely to reduce such barriers in the future: platforms available to roll out benefit choice and flexibility are increasingly cost effective and easy-to-administer.

Just over a third of employers also noted that concerns about too much choice were a barrier to effectively implementing these programs. Lack of clear communication could be a key reason for this; and providing appropriate decision-support tools could also help to help narrow choices to those that best match each employees’ personal or family needs.

Figure 9: **A quarter of employers are looking to increase flexibility for employees**



*Including ‘In place in 2017’, ‘Planned for 2018’ and ‘Considering for 2019’.

Employers are looking at plan designs that provide employees the ability to choose their own benefits to some degree.

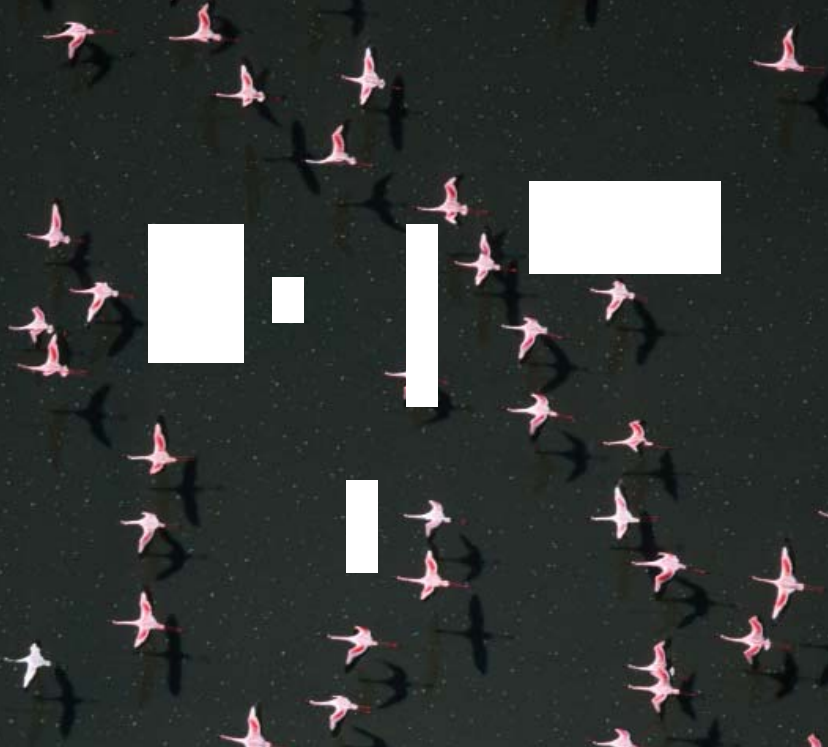
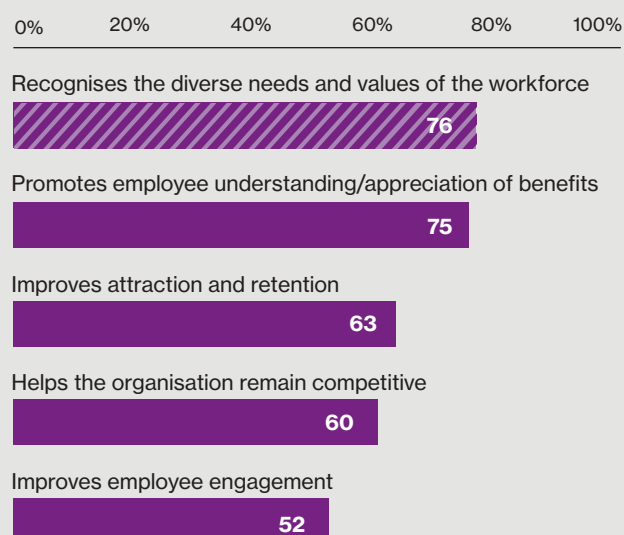
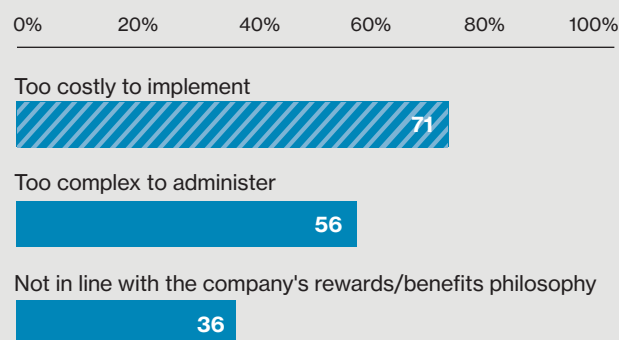


Figure 10: **Employers believe flexibility helps recognise diverse needs**



Sample: Employers offering any flexibility (employee choice) in the benefits package in 2017.

Figure 11: **Costs and complexity are the biggest barriers to choice**



Sample: Employers NOT offering any flexibility (employee choice) in the benefits package in 2017.



Employer takeaway

Companies can wield the rewards of greater flexibility and choice not just through more complex flexible benefit programs but through simpler choice in benefit levels or the addition of voluntary benefits – such solutions can also be more cost effective to implement and easier to administer.

When providing greater flexibility and choice, employers need to ensure they have the appropriate communication, platforms and administration in place to promote an experience that enhances employee engagement and does not lead to choice overload.

Section 4.

Delivery and engagement

Hand in hand with designing an effective benefit strategy comes enhancing the employee experience around it – as *Figure 2* (page 4) showed, a lack of employee engagement or understanding is a challenge for many employers, with around a quarter (27%) reporting either a “lack of engagement” or “poor understanding of benefits programs” as a key challenge.

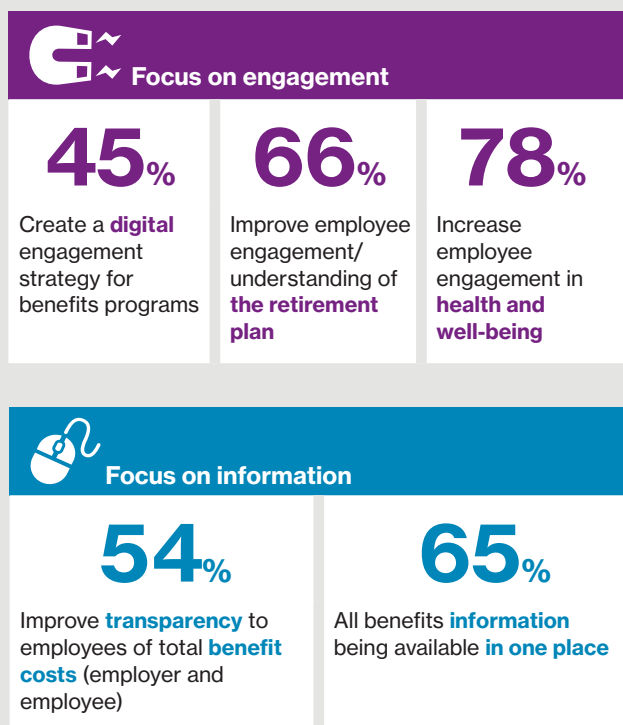
Almost half of employers aim to create a digital engagement strategy (*Figure 12*); 66% are focusing on improving employee engagement/understanding of their retirement plan, and over three-quarters on increasing employee engagement in health and well-being.

The focus on digital continues to be an emphasis of communication strategies (*Figure 13*) – while the majority look to enhance existing strategies, many are also looking at increasing their focus on online information (52%), digital communication (49%) or use of mobile apps (46%).

Today, the adoption of technology by employers in their health and well-being programs is relatively limited, but it is expected to grow markedly (*Figure 14*). Nearly half of employers plan to provide access to a health portal, or new apps and technologies that promote healthier living in the future and six in 10 are looking to gather more information and employee feedback on the effectiveness of health and well-being programs.

Social media and connecting employees at the workplace, through personal stories and affinity groups, can be key to a successful engagement strategy. Previous Willis Towers Watson research⁴ has found that employers in all regions see building a healthy workplace culture as an effective way – if not the primary way – to boost employees’ engagement in health. To get messages across, employers can use multiple communication channels, such as posters, social networks, mobile apps and other technologies. Celebrate successes, use social rewards and publicise individuals’ workplace achievements.

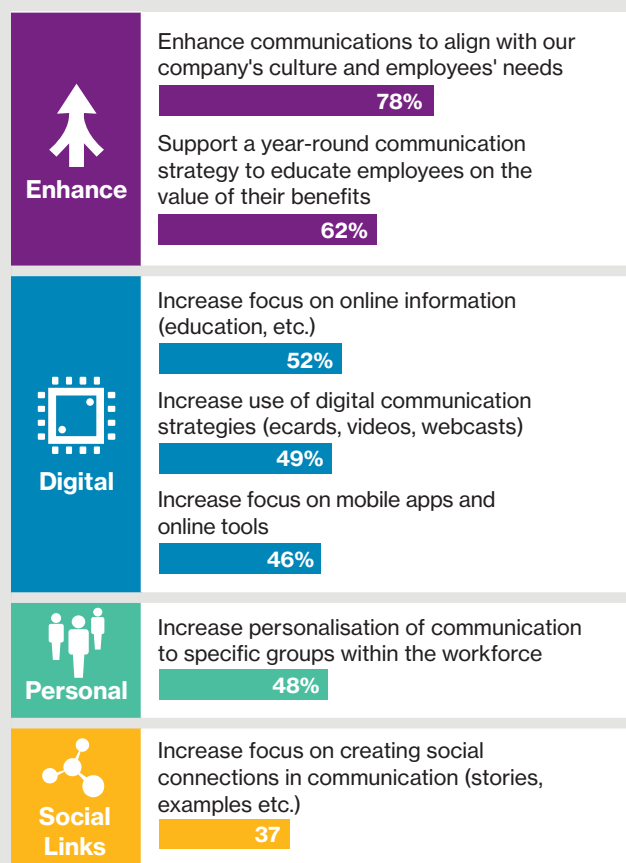
Figure 12: **Focus on engagement and information**



Note: Percentages indicate 'Very important' or 'Important'.


⁴ 2015/2016 Asia Pacific Staying@Work Survey


Figure 13: **Communication actions**



Note: Percentages indicate 'Very important' or 'Important'.

Figure 14: **Employee engagement: health and well-being programs**

 Social links		
	Today	In three years*
Routinely ask for employee feedback to enhance program offerings	32%	60%
Use employee testimonials and/or personal stories to communicate the importance of health and well-being	19%	46%

 Digital		
	Today	In three years*
Provide access to a portal to deliver health information or for tracking program activity and incentives	19%	47%
Offer access to apps or new technologies for healthy lifestyles and to manage chronic conditions	12%	38%

*Including 'In place in 2017', 'Planned for 2018' and 'Considering for 2019'.



Employer takeaway

Employers are looking to build employee engagement via increased use of digital and online technology, particularly to connect employees to each other, which employers are in a unique position to do. They are mostly looking to do so through an increased use of web-enabled technology, which is clearly required to reflect the changes we see elsewhere in society.

But whilst the move online is required to keep pace with how employees are managing other aspects of their lives, will employer tools be able to keep pace with the tools individuals use elsewhere? Will these tools be able to provide a consumer-grade experience?

Nearly half of employers plan to provide access to a health portal, or new apps and technologies that promote healthier living in the future.

Section 5.

Health and well-being

Health and well-being as a key differentiator

Asia Pacific employers are ambitious in their plans for their health and well-being strategies (*Figure 15*): in three years, 73% of employers plan to make their health and well-being a key competitive advantage.

Previous Willis Towers Watson research⁵ has found that nine in 10 employers identified the improvement in employee well-being as a core part of their broader health strategy – it's not just an afterthought. This commitment shows a belief that these programs can reduce employee health risks and improve overall health and wellness, in turn leading to better business outcomes.

However, the road will likely be long – today, 36% do not even have a formally articulated strategy.

Challenges: Costs, lifestyle risks and low engagement

As discussed in Section 1, a major challenge for employers centres on cost – and medical costs are a growing proportion of this. Growing lifestyle health risks add to these concerns (*Figure 16*) – and, consistent with our research⁶ over a number of years, the 2017 survey showed

A large proportion of benefit cost comprises costs relating to health care. The medical cost trend in Asia Pacific is projected to grow at **8.6%** in 2017, and **five out of 10** health insurers expect this trend to continue to climb over the next three years.



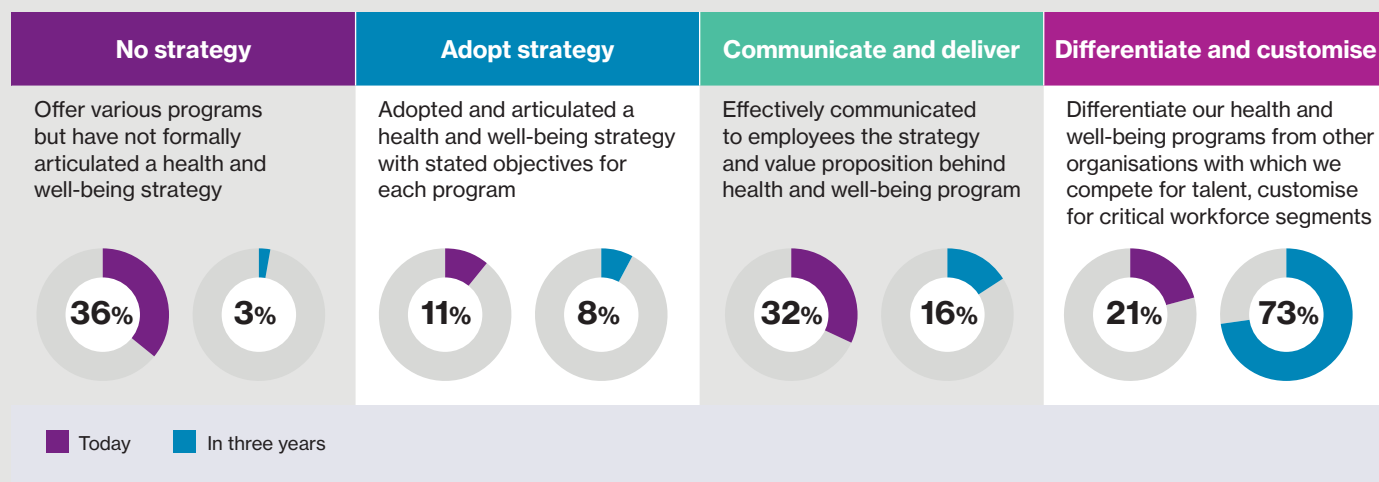
Source: 2017 Global Medical Trends Survey.

that stress and lack of physical activity are identified as top risks among employees in Asia Pacific.

Employers are increasingly aware that health goes beyond simply treating the sick and providing hospitalisation benefits or disease management programs. There's value in encouraging healthy behaviours and awareness that prevention is better than cure and much of the incidence of disease can be avoided – and, increasingly, this is the role that employees want their employers to play.

Yet engagement in health and well-being programs today is low, with only a minority of employees reporting that their employer promotes a healthy work environment (*Figure 17*).

Figure 15: Employers plan to make their health and well-being programs a key competitive advantage



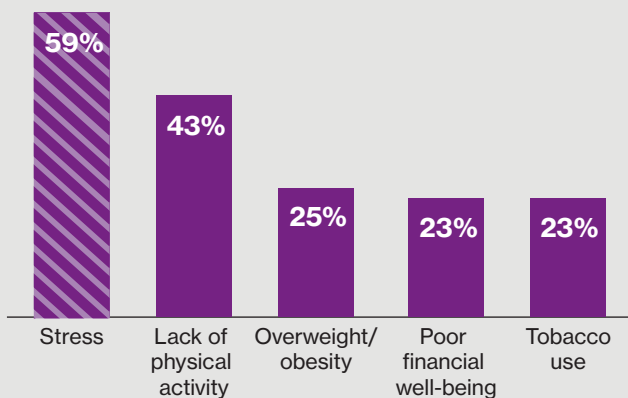
⁵ 2015/2016 Asia Pacific Staying@Work Survey.

⁶ *ibid.*

Today, only a minority of employees report that their employer promotes a healthy work environment.



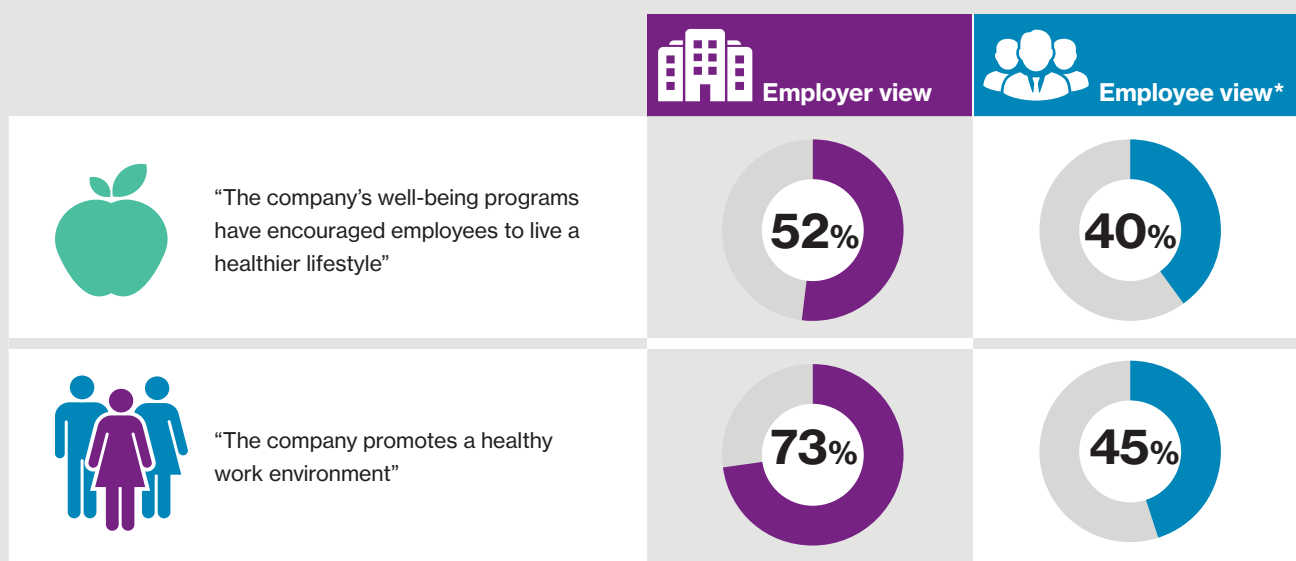
Figure 16: **Leading employee health risks**



36% of employers are taking actions to reduce work-related stress

Note: Percentage indicates 'In place in 2017'.

Figure 17: **The engagement challenge**



Note: Percentages indicate 'Strongly agree' or 'Agree'.

*Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

To deliver the behaviour change that employers (and employees) want, it's not enough to simply provide programs. The culture of health and well-being in the workplace is a critical supporting factor and one which requires attention.

Building a high performing health program: A broad focus on health and well-being

There is an increasing recognition amongst employers that to truly tackle rising healthcare costs they need to broaden their focus from traditional medical benefits to embrace a more holistic definition of health and well-being (Figure 6, page 7).

Lifestyle risk management programs are expected to increase from offered by a quarter of employers today to nearly a half in three years' time; and activity-based benefits from half to two-thirds. Programs to support managing stress and mental health is expected to increase from 42% of employers today to 60% in three years.

Building a high performing health program: Delivery

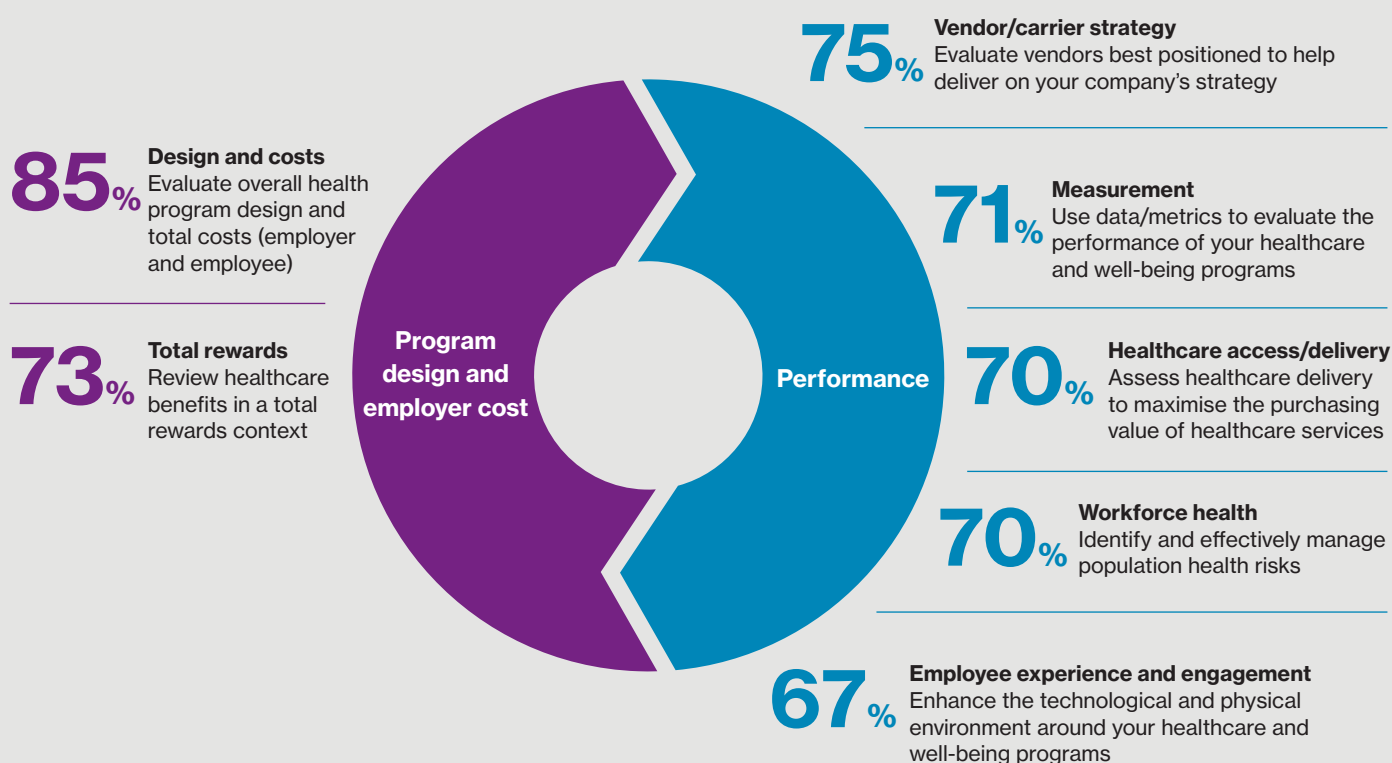
Employers have a number of levers to pull to build high-performing health and well-being programs (Figure 18). Traditionally, the focus has been on design and cost but there is growing interest in a wider range of priorities to improve performance.

The key priorities across the region are:

- Tailor designs to manage costs (85%) and to manage healthcare benefits in a total rewards context (73%).
- Work with vendors to support delivery (75%).
- Look to maximise the value of healthcare access and delivery (70%).
- Look to enhance the employee experience and engagement (67%).

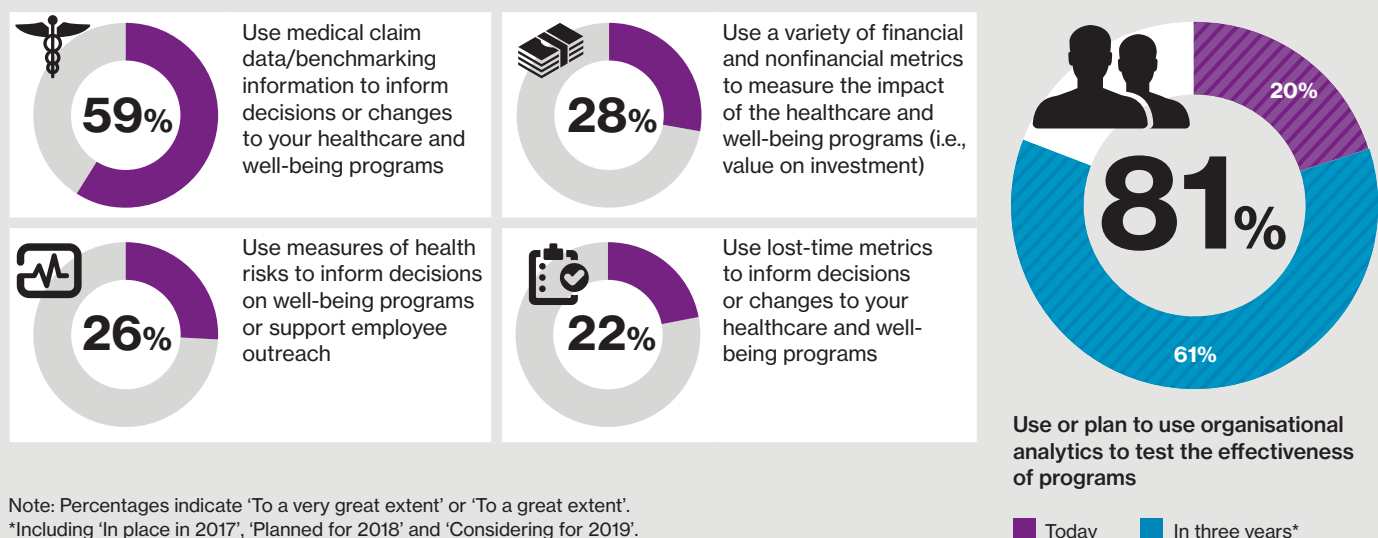
As we see with benefits as a whole (Figure 9, page 10), employers are looking to provide greater choice and flexibility within healthcare programs, so as to ensure employees get more value from their benefit spend. Approximately half of employers regard it as an important component in enhancing member experience with their healthcare benefits over the next three years.

Figure 18: **Employers have a broad set of priorities for their health and well-being programs**



Note: Percentages indicate 'Very important' or 'Important'.

Figure 19: You can't manage what you don't measure



Building a high performing health program: Measurement

Employers can ensure that their programs and activities are most effective by tracking outcomes. From *Figure 18*, we can see that 71% of employers are seeking to evaluate the success of their programs over the next few years. Yet *Figure 19* highlights that measurement is currently limited. Even the data that is most used to inform program decisions – medical claims – is cited by only 59% of employers.

Medical claims data is very readily available and can provide significant insight into the utilisation of medical services, and what exactly drives cost. Other metrics that may also be easily available are overlooked by employers. Nevertheless, whilst lagging today it is a key area of focus for the immediate future.

To truly address employee needs in a relevant way and to deliver the information and value the business requires, capturing and utilising a wider source of performance metrics is critical (e.g., program performance metrics, health risk appraisal data or lost-time metrics) and a vital component to the success of health and well-being programs.



Employer takeaway

How can employers build effective health programs?

- Tailor designs to manage costs, reduce lifestyle risks and drive behaviours
- Broaden the focus to a more holistic view of health and well-being
- Build a culture of health to support employee engagement in health and well-being programs
- Add choice and flexibility so employees get more value from their programs
- Work with vendors to optimise delivery
- Focus on measurement to inform decisions and identify new directions

Section 6:

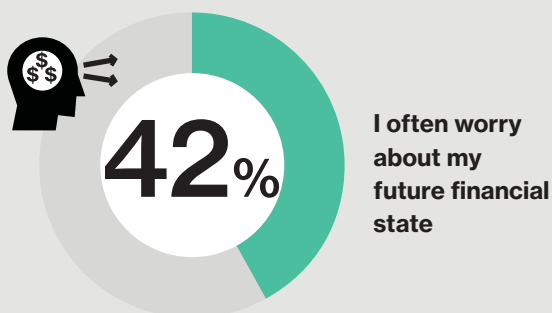
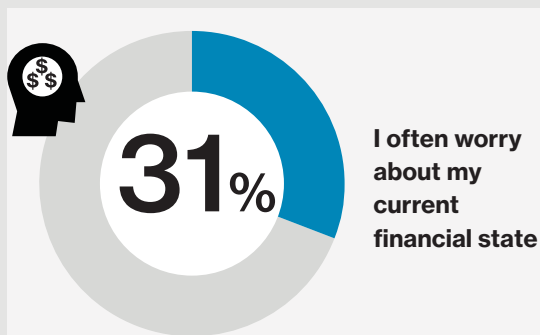
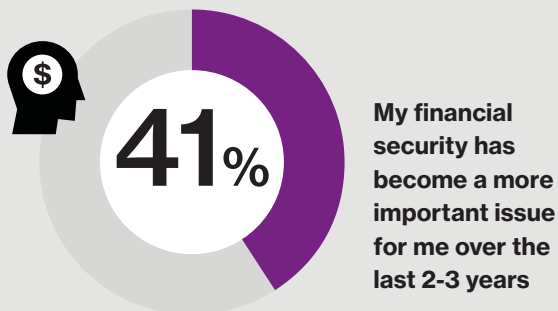
Financial well-being

Financial security continues to be a concern among employees (Figure 20).

Employers themselves perceive this, with a quarter reporting that financial problems are common with their workforce and 60% seeing it as an employer responsibility to help employees better manage their finances (Figure 21).

Many employers are responding by adding financial well-being programs (Figure 22) and looking to enhance engagement and communication around their retirement plan (Figure 23).

Figure 20: **Employee view: Financial security continues to concern**



Note: Percentages indicate 'Strongly agree' or 'Agree'.
Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.



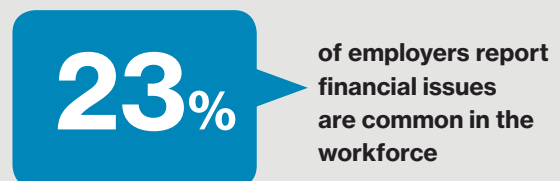
Employer takeaway

Financial worries are bearing down on employees in Asia today, many of whom are less and less confident about being able to sustain their standard of living into retirement. This anxiety can be compounded from a lack of financial education and awareness.

This is an area in which employers can play a key role, through the use of decision support and planning tools, as well as education and communication programs – and it's increasingly a role that employees are coming to expect.

Figure 21: **Tackling employee financial issues... an employer role?**

Low financial well-being is prevalent among employees



“Employers should take an active role in encouraging their employees to manage their personal finances better.”

58%
agreed or strongly agreed with the statement.



Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

Figure 22: **Employers are looking to expand provision around financial well-being**

Long-term financial well-being:

More than half of companies have retirement benefits in place today and about one in 10 employers are planning or considering adding a program by 2019.

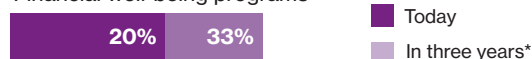


Personal financial well-being: One third of employers will provide financial well-being programs by 2019, an increase of increase of more than 10 percentage points from 2017.

Retirement benefits



Financial well-being programs



*Including 'In place in 2017', 'Planned for 2018' and 'Considering for 2019'.

Figure 23: **Companies plan to focus on engagement and communication for their retirement plan**



Engagement and communication

Improve engagement/understanding of the plan

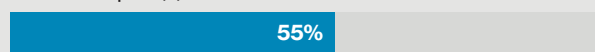


Improve employee appreciation of the plan



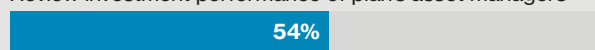
Risk

Assess level of financial or operational risk in your retirement plan(s)



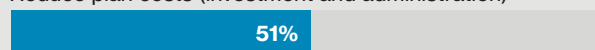
Investment performance

Review investment performance of plan's asset managers

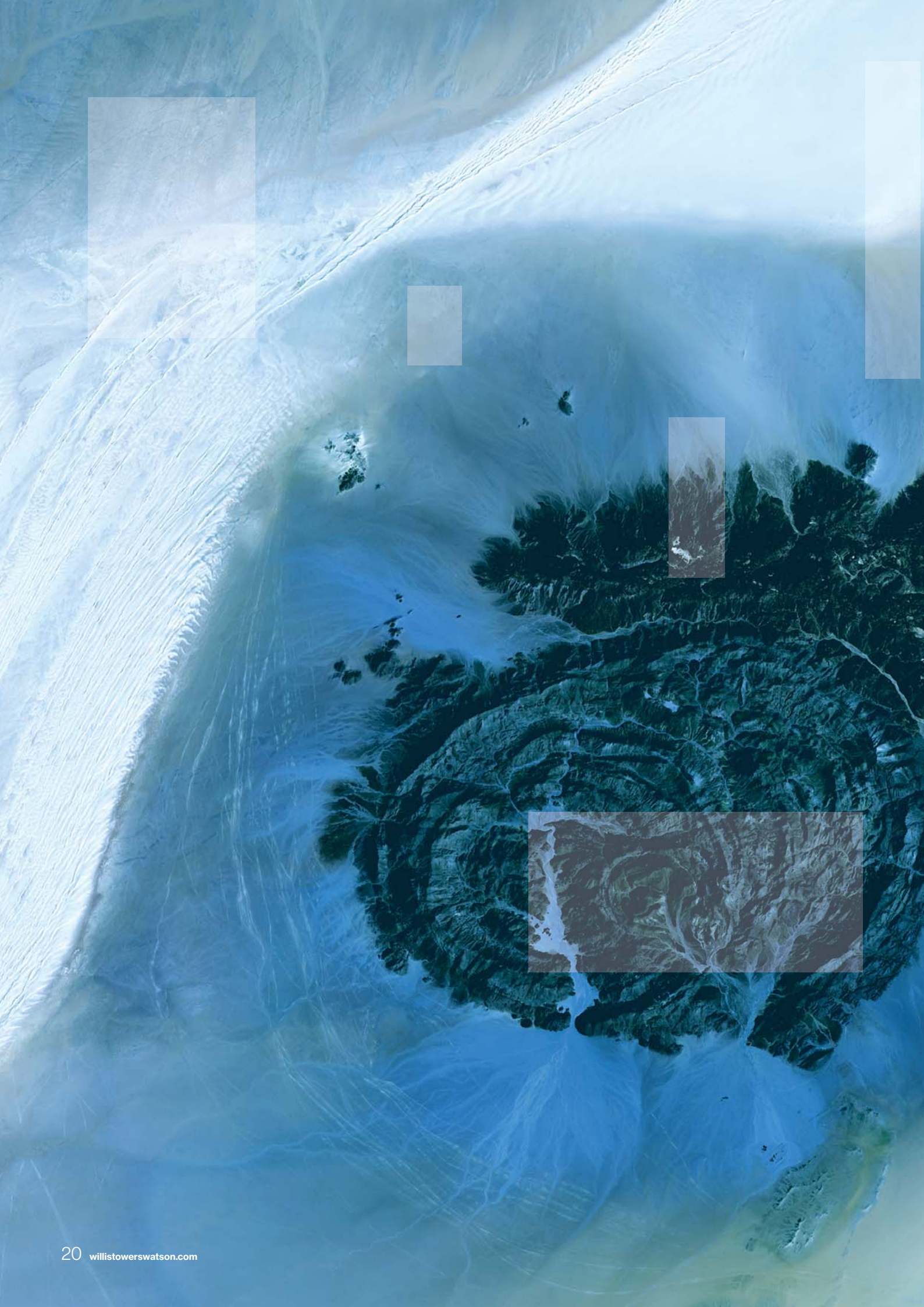


Cost

Reduce plan costs (investment and administration)



Note: Percentages indicate 'Very important' or 'Important'.



Conclusion

While the formula for an effective benefits strategy will vary from organisation to organisation, one thing is clear: benefits can be used as a powerful tool to attract, retain and engage employees. Used correctly, they can improve the lives of employees and cause them to view their employer as truly caring about them. And while each road map towards this goal will be different, we can draw out a few universal rules:

- **Look inward.** When designing your benefits, avoid simply benchmarking with the market and “keeping up with the Joneses”. There’s a unique opportunity to find out what makes your workforce tick — tap into it, plan accordingly, and the rewards will be high.
- **Harness the power of data.** When trying to evaluate your workforce, make use of the many metrics at your disposal. Monitoring, measurement and evaluation are a limited priority, but one that employers will have to deepen their focus on to fulfil their plans for the future.
- **Segment and personalise.** Once you have a better understanding of your particular workforce, you can design your benefits to be more relevant as well as providing greater flexibility and choice. This should be coupled with appropriate communication and administration so that employee engagement is enhanced, but employees do not struggle with choice overload.
- **Use technology to engage.** While appetite for technology will vary from company to company, by and large, employees look for their work experiences to reflect their personal experiences. Employers can build employee engagement, and connect employees together, through thoughtful use of social media, digital and online technology.
- **Broaden your benefits** to include a truly holistic view of well-being — one that includes the emotional, physical as well as the financial. Employees are currently stressed on many fronts, and a focus on long-term change (rather than band aid fixes and other unintegrated solutions) will go a long way and likely reap rewards for years to come.



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