Streamlining benefits administration through technology

Modernising Benefits in Asia Pacific — Part 5

By Jasmine Tan

Two growing concerns will play a part in modernising benefits program administration. Employee data security is critical, and employers must take steps to address privacy concerns. At the same time, advances in digitisation and machine learning have created an expectation of greater efficiency and reduced manual interventions.

Additionally, employers are looking to enable employee personalisation of their benefits programs — recent research has found that close to 40% of organisations in Asia Pacific are looking to provide meaningful benefit options while reducing complexity[1]. This will necessitate efficient and streamlined back-end administration processes.

The need to simplify, while still providing a consumer-grade experience, is pushing organisations towards new solutions that can boost their administration through technology and automation.
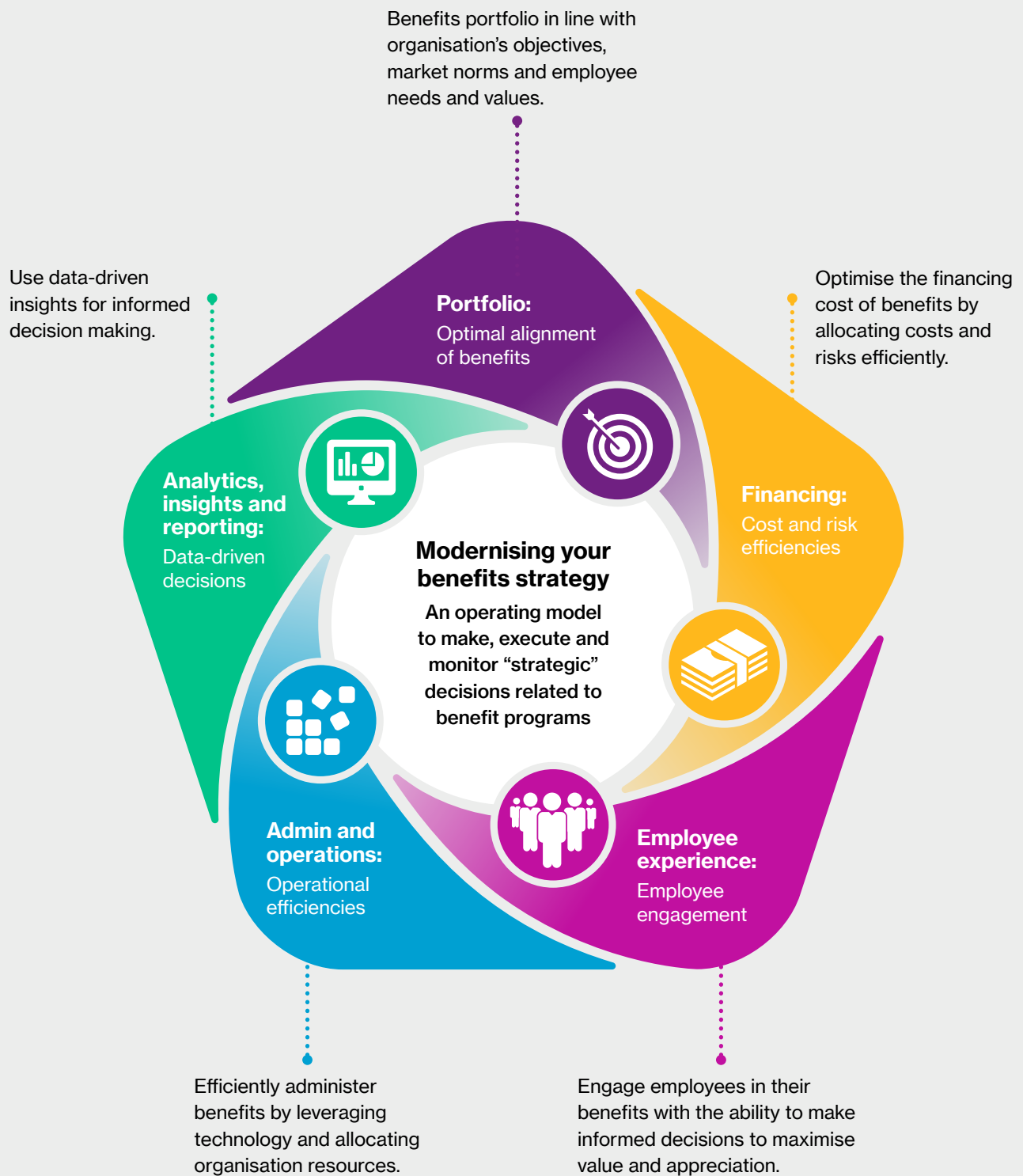
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This article is the fifth in a six-part series on modernising benefits using the framework of the Benefits Navigator (see page 2), which provides a look into how employers can create a benefits program that is aligned with the expectations of tomorrow's workforce.

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The Benefits Navigator

Benefits portfolio in line with organisation's objectives, market norms and employee needs and values.

Use data-driven insights for informed decision making.

Optimise the financing cost of benefits by allocating costs and risks efficiently.

Portfolio:
Optimal alignment of benefits

Analytics, insights and reporting:
Data-driven decisions

Financing:
Cost and risk efficiencies

Modernising your benefits strategy
An operating model to make, execute and monitor "strategic" decisions related to benefit programs

Admin and operations:
Operational efficiencies

Employee experience:
Employee engagement

Efficiently administer benefits by leveraging technology and allocating organisation resources.

Engage employees in their benefits with the ability to make informed decisions to maximise value and appreciation.

The forces driving change

Employers have shown interest in leveraging flexibility and benefits choice as tools to attract and retain talent. Findings from our 2019/2020 Benefit Trends Survey show that employers understand that benefit programs have "evolved into a true attraction and retention tool". A user-friendly and streamlined benefits administration process will be crucial to fulfilling this goal.

In addition, there's a general drive towards adopting new technologies to improve productivity and efficiency; in Asia Pacific, 81% of organisations are now using automation to complete some tasks and processes. This is expected to grow to 92% in the next three years.[2]

Finally, the advent of COVID-19 and the unprecedented impact it caused to business operations is another driver of change. A more agile work environment with employees working remotely and changing employee profiles (e.g. contingent workers) has caused employers to not only explore new ways of working but also re-examine their current HR processes.

## Employee data considerations

The accumulation and consolidation of benefit utilisation data can potentially amass an enormous amount of information.

The accumulation and consolidation of benefit utilisation data can potentially amass an enormous amount of information. This invaluable resource holds clues to the needs and preferences of the workforce, providing direction for creating and delivering a benefits package that is truly relevant to employees.

However, this resource comes with its own challenges: recent cyberattacks on organisations have made it abundantly clear that the highest degree of care is needed in managing and using employees' personal data. Personal information, insurance claims and medical data can be misused, so organisations should view privacy and the "right to be forgotten" as critical components in dealing with the administration of employee benefits information. Employers must give utmost attention to cyber hygiene practices, establish safeguards to protect individual rights to data privacy and comply with government data and privacy legislations.

Streamlining and automating benefits databases into one robust technological solution, rather than across a variety of tools can help: an integrated system grants HR managers greater control over who can access the information and cuts down on the number of people involved in processing employee data, thereby reducing the risk of a breach of data privacy.
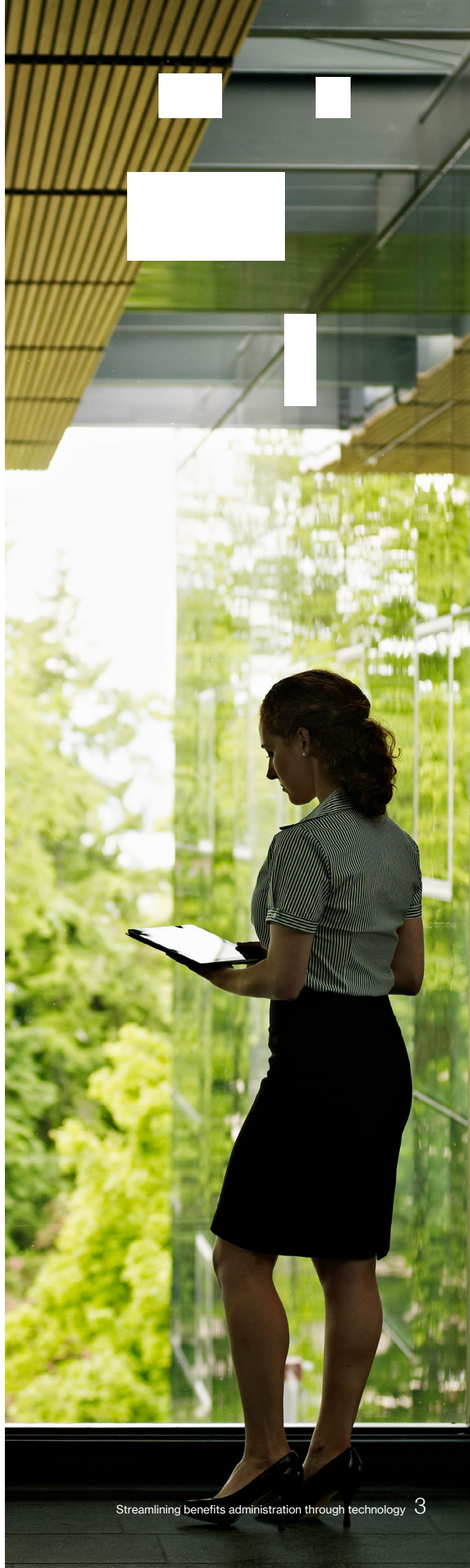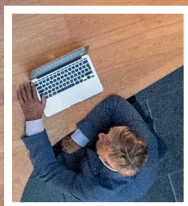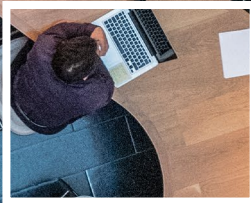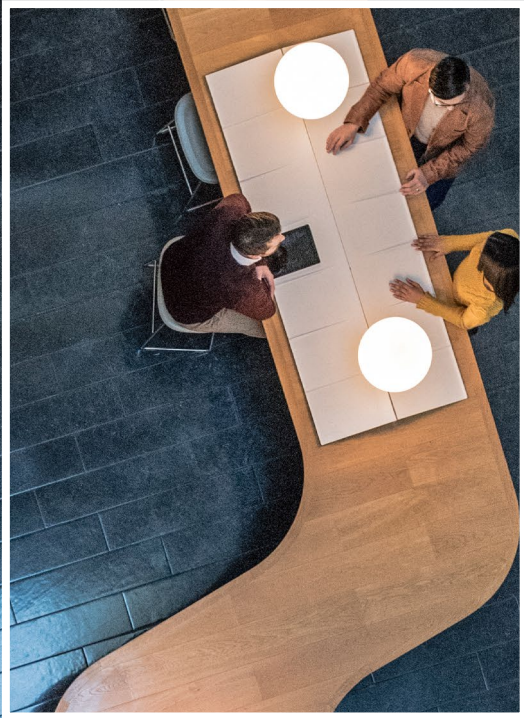
Efficiency and experience gains

By leveraging a secure, integrated solution to support key processes, employers and employees stand to gain a more efficient and intuitive experience with benefits programs and systems.

For employers, automation can greatly improve accuracy, compliance, performance management and analytics. When implemented properly, organisations can benefit from lowering operating costs or reallocating resources more efficiently, freeing up HR managers to devote more time to value-generating tasks, such as benefits review and optimisation.

For employees, an integrated system can help to provide a consumer-grade online experience, allowing them to take full advantage of their benefits program. This experience could include functions such as the ability to access their benefits program at any time, a simple interface for selecting or modifying selected benefits, real time visibility and modification of preferences and a reduction in paperwork.

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Technology is changing — and will continue to change — how benefits are being administered and delivered, increasing efficiency and sophistication, improving compliance, generating better analytics and making it possible for HR to take a more active, strategic role.

COVID-19 and the need for faster, simpler claims

As the pandemic continues to apply pressure on healthcare infrastructure, the importance of condensing lengthy insurance claims processes grows in importance. A quick turnaround time between submitting and processing claims can help alleviate financial burdens in difficult times, for both employees and their families.

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Current processes take time, with numerous points where delays and friction are possible, creating a frustrating experience for employees and potentially risking delay of critical care. Through analysis of common points of friction, correction of common causes of delay and better integration, benefit programs can deliver a smoother experience. At the same time, these changes also reduce the time required for mundane tasks.

Preparing for the "new normal"

The COVID-19 outbreak has pushed organisations to review and consider changes to business processes at a faster pace. Employers need to react with agility and urgency when it comes to protecting human capital.

Modernising benefits administration ultimately is about making it easier for employees to access their benefits information and encourage effective usage of the programs, while also streamlining processes for employers. As the world moves into a "new normal", employers must adapt to engage the changing workforce and workplace dynamics, while complying with public health and safety measures. Benefits administration is a key area in which organisations must modernise to thrive in the future of work and the post-pandemic environment.

We can help: Benefits Engine

To help in the journey towards modernising your benefits administration, Willis Towers Watson offers Benefits Engine, a proprietary administration platform that supports back-office needs by automating some key functions, including:

- Case management and tracking
- Policy administration and renewals
- Population data management
- Premium invoice reconciliation
- Claims analysis

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References

[1] Willis Towers Watson 2019/2020 Benefit Trends Survey — Asia Pacific

[2] 2019 Pathways to Digital Enablement Survey

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

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