



Employers in Africa could be at a key crossroads on their benefits strategy

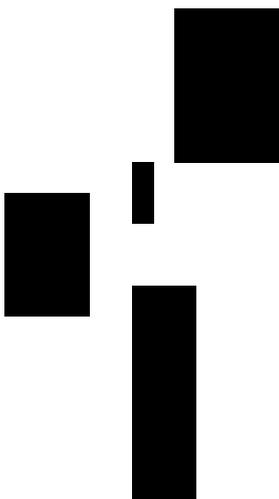
Highlights from the 2021/2022 Benefit Trends Survey – Africa

The events of the recent past have redefined many things about the way we work. It's forced employers the world over to confront how they define the workplace, how work gets done, and how they value success. Importantly, many are placing the employee experience at the centre of their strategies.

In Africa, this brings with it several challenges, most prominently that of the underlying infrastructure to support such a shift. However, it also poses a unique opportunity for employers to leap forward – as such, employers in Africa could be at a key crossroads when it comes to their benefit strategy.

Today:

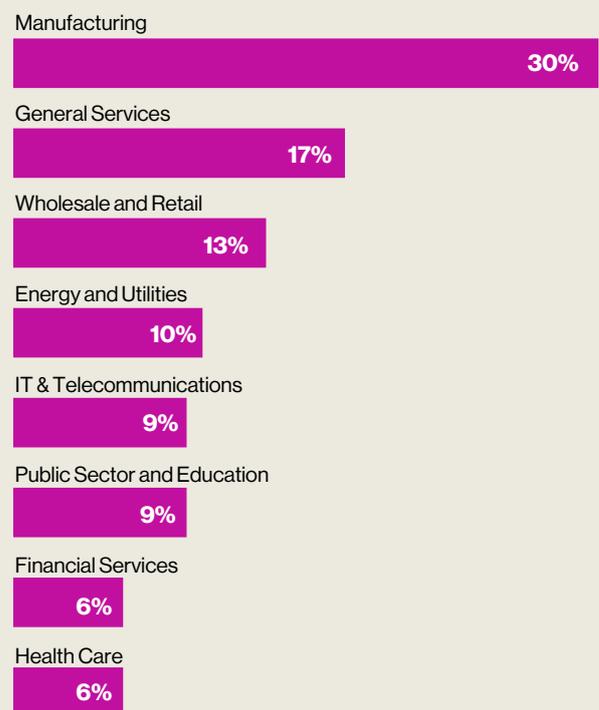
- Almost four in 10 employers in Africa not only have a strategy but one that they use to differentiate themselves from their competitors.
- Two-thirds use improved employee wellbeing as a top measure of success for their benefits strategy.
- African employers plan to enhance benefits across the board: 44% plan to add flexibility and choice, 52% support for mental health and 44% for financial wellbeing.
- 42% of employers said that they look to understand employee wants and needs as a top priority. Hand in hand with this, listening strategies are coming up as an emerging focus.



About the survey

The 2021/2022 Benefit Trends Survey was fielded between May and June, 2021, and covers responses from 122 employers in Africa, representing over 63,000 employees in the region.

Industry breakdown



What's driving the change in benefit strategy

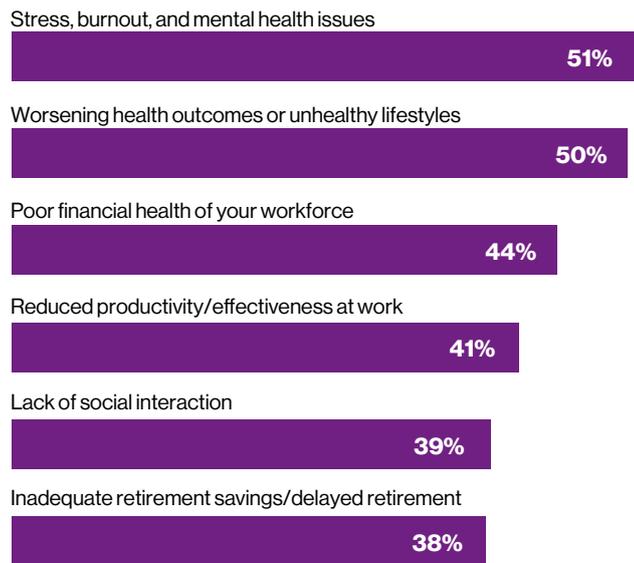
Today, the main workforce challenge facing employers in Africa is stress, burnout and mental health issues (Figure 1).

Interestingly, in Africa a top concern is also the poor financial health of the workforce, as cited by 44% of respondents. This was not the case in Europe, or in Asia, where it was cited by only 27%. This is a new concern that has sprung up for employees in Africa – an employer might decide to act by providing financial education courses, for example.

There are also many external forces driving the changes in benefit strategy (Figure 2).

Figure 1: **Employers' main concerns for their workforce**

To what extent is your organisation concerned about the following within your employee population in the next two years?



Note: "Not sure" excluded. Percentages indicate "To a great extent" or "To a very great extent".

Figure 2. **External influences on organisation's benefits strategy in the next two years in Africa**

#1	Tight labour markets
#2	Rising costs/ insurance premiums
#3	Organisation restructuring

In Africa, tight labour markets were deemed #1, and this was fairly consistent globally. However, while counterparts in other regions such as Europe and Asia are also concerned with factors such as I&D and increased remote workers, employers in Africa remain focused on operational concerns such as rising costs and organisational restructuring.

When it comes to their overall benefit strategy, only 39% of employers in Africa have a benefit strategy that they use to differentiate themselves from their competitors, although 60% say they want to be there in two years.

Objectives and success measures for employee benefits

Operational considerations and cost remain a focus when looking at key objectives for benefit strategies (Figure 3). Employers are still concerned about optimising cost and risk management and using internal resources efficiently.

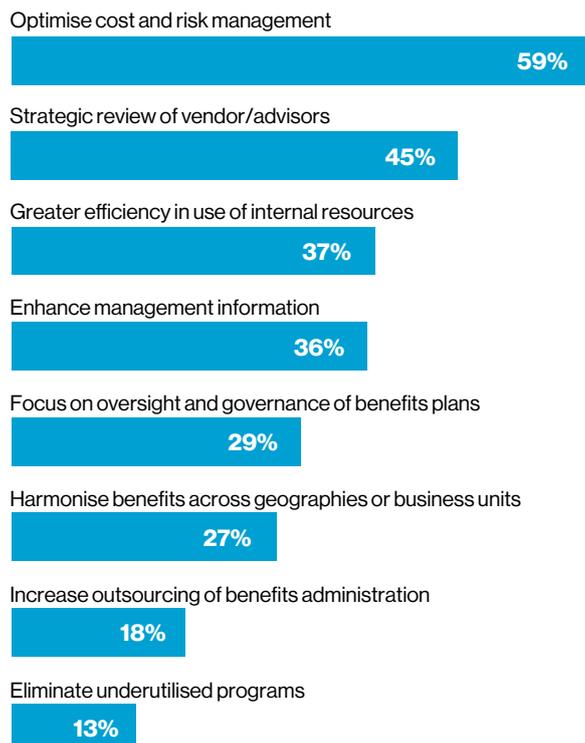
However, when looking at success measures, nonfinancial metrics made a much larger showing (Figure 4). Employers in Africa, like their counterparts in the rest of the world, said that improved employee wellbeing was a top measure of success of their benefits strategy.

Interestingly, employee retention is the second most-cited measure. When we link this to the tight labour market, this highlights the fact that benefits are part of the Employee Value Proposition and a way to attract and protect the “talent” capital.

Physical wellbeing remains the top priority for employers, although more are now starting to focus on emotional as well as financial wellbeing. This could be an opportunity to support employees in some of the growing financial concerns, still a nascent area for most benefit packages in Africa.

Figure 3: Key objectives for benefits strategy in the next two years

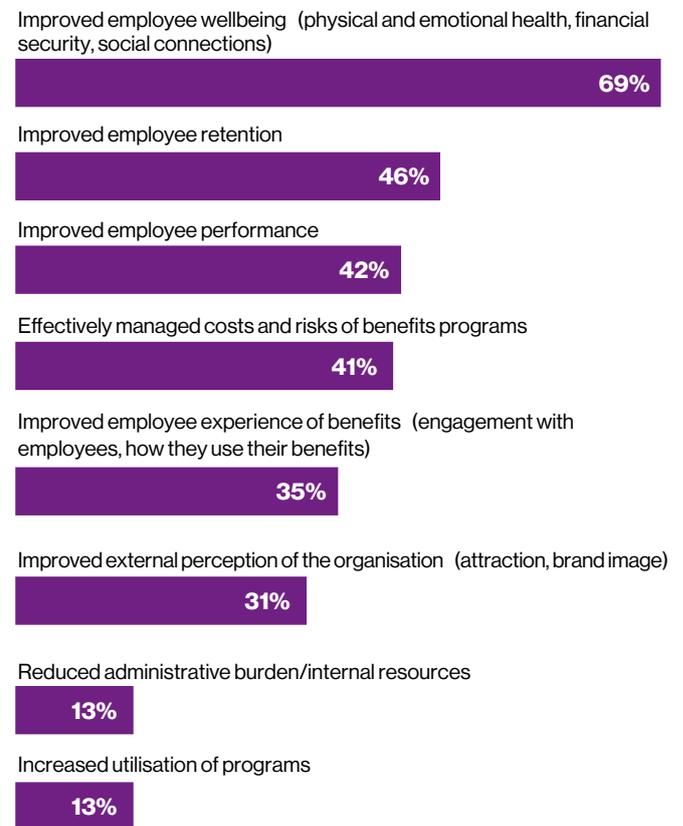
What are the key objectives for your organisation's benefit strategy in the next two years with respect to the management of benefits?



Note: A maximum of three options could be selected.

Figure 4: Improved employee wellbeing is the top measure of success for employers' benefits strategy

What are the key measures of success for your organisation's benefits strategy?



Note: A maximum of three options could be selected.



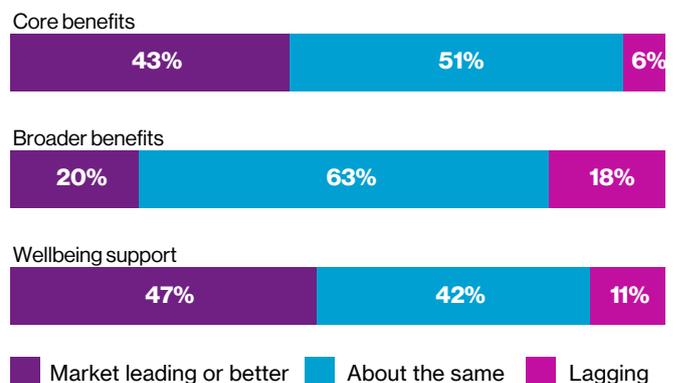
Benefit programs

More than four in 10 employers in Africa said that they felt their core benefits package was market leading (Figure 5). This will become increasingly important with retention being a key objective of the benefit strategy – however, only 20% said that their broader benefits were market-leading.

African employers seem to recognise the gaps in their benefits provision as many plan to enhance benefits across the board in the coming years. Significantly, 44% plan to add flexibility and choice, 52% support for mental health and 44% for financial wellbeing.

Figure 5: How the benefits package stacks up

To the best of your knowledge, how does the benefits package at your organisation compare with other organisations?



Note: "Don't offer" excluded. Percentages may not add up to 100% due to rounding.
Source: 2021 Benefit Trends Survey, Africa

The employee experience

There are some signs that African employers are starting to put employees at the centre of their benefits strategy; for instance, taking improvements in wellbeing as a key success metric. We see this again when we turn to analytics: 42% of employers said that they look to understand employee wants and needs as a top priority (Figure 6). Hand in hand with this, listening strategies are coming up as an emerging focus.

Figure 6: **Top priorities for analytics, insights and reporting**

Which of the following are top priorities for your organisation's benefits analytics, insights and reporting?



Note: A maximum of three options could be selected.
Source: 2021 Benefit Trends Survey, Africa

For more information about building a benefit strategy in Africa, please contact us:

Mélanie Birgé

Head, Health & Benefits, CEEMEA

melanie.birge@willistowerswatson.com

Jeremy Povey

Senior consultant, Health & Benefits, CEEMEA

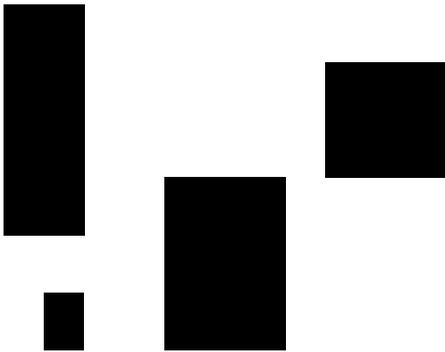
jeremy.povey@willistowerswatson.com

The way forward

The global pandemic has impacted employers and business the world over in varying degrees. In Africa, it could represent a unique opportunity to leapfrog some stages in their benefits strategy roadmap – to jump directly to a strategy driven by the employee experience, that is purposeful, holistic and allows them to be flexible where they need to be.

There will be challenges ahead, and in particular, employers can:

- Build a formal **benefits strategy** as part of the overall business strategy, supporting talent attraction and retention in an environment of tight labour markets.
- Undertake regular **benchmarking** in order to check their position compared to the market. These exercises might be difficult in some markets where data are not easily available.
- Have a holistic approach to **wellbeing**:
 - Physical wellbeing remains a concern and is well understood.
 - Mental wellbeing is an emerging concern and requires a delicate approach in order to open a discussion that is frequently seen as taboo.
 - Financial wellbeing is more than a compensation and salary increase discussion; and financial education and awareness might become a new way to support employees.
- Consider **broader benefits** such as lunch vouchers, flexibility, and days off, with more focus as they might be a low cost, high impact investment.
- **Listen to employees** needs and wishes. Traditionally, employers are reluctant to open a wide discussion, however, to modernise the relationship with employees on the continent, this is a must.



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, optimise 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.



willistowerswatson.com/social-media

Copyright © 2021 Willis Towers Watson. All rights reserved.

willistowerswatson.com

Willis Towers Watson