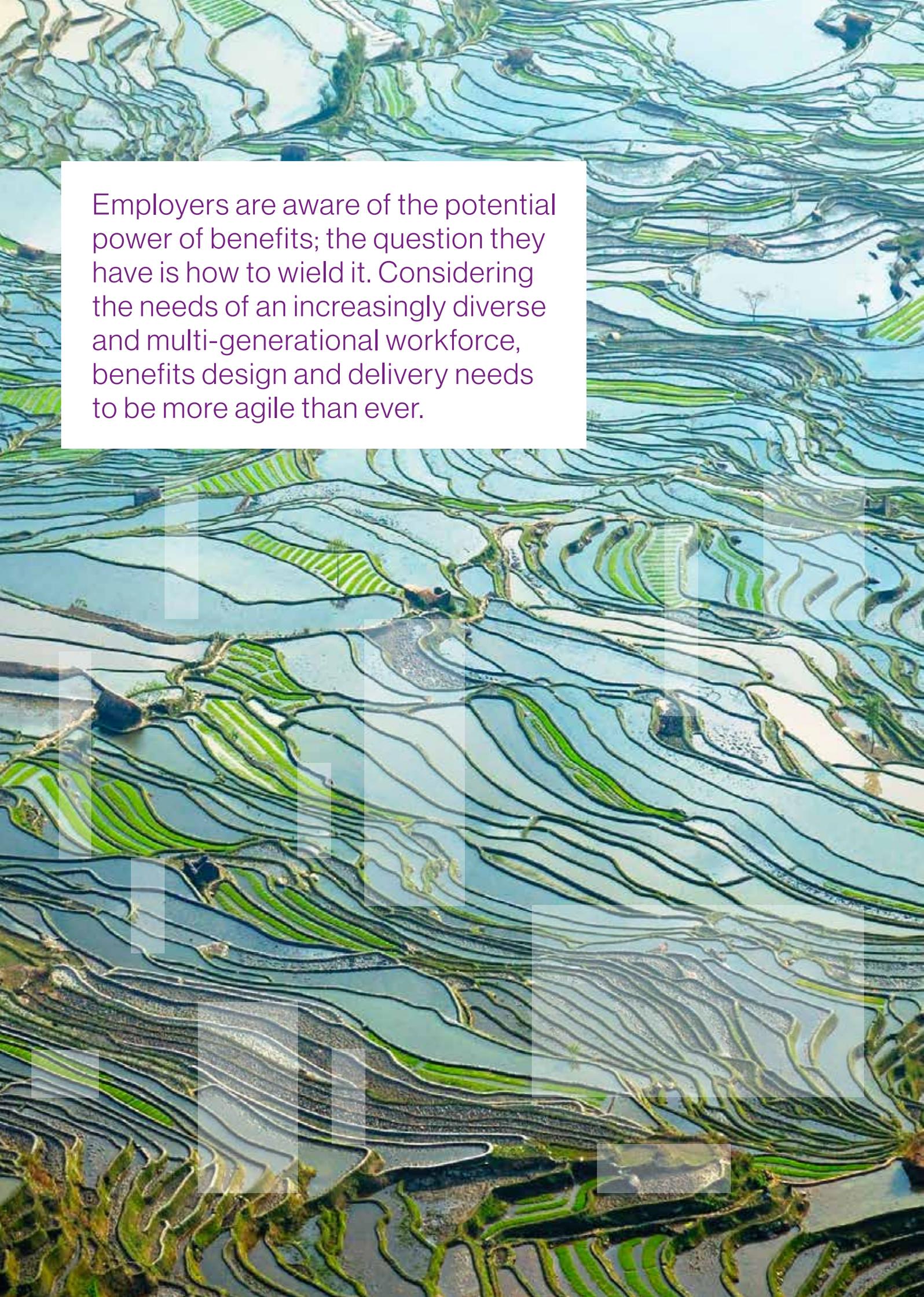


Benefit strategies for tomorrow's workforce

Insights from the 2017/2018 Australia Benefits Trends survey

An aerial photograph of terraced rice fields, showing a complex, winding pattern of green and blue. The terraces are filled with water, reflecting the sky, and are separated by narrow earthen paths. The overall scene is a vibrant, textured landscape. A white rectangular box is overlaid on the upper left portion of the image, containing text.

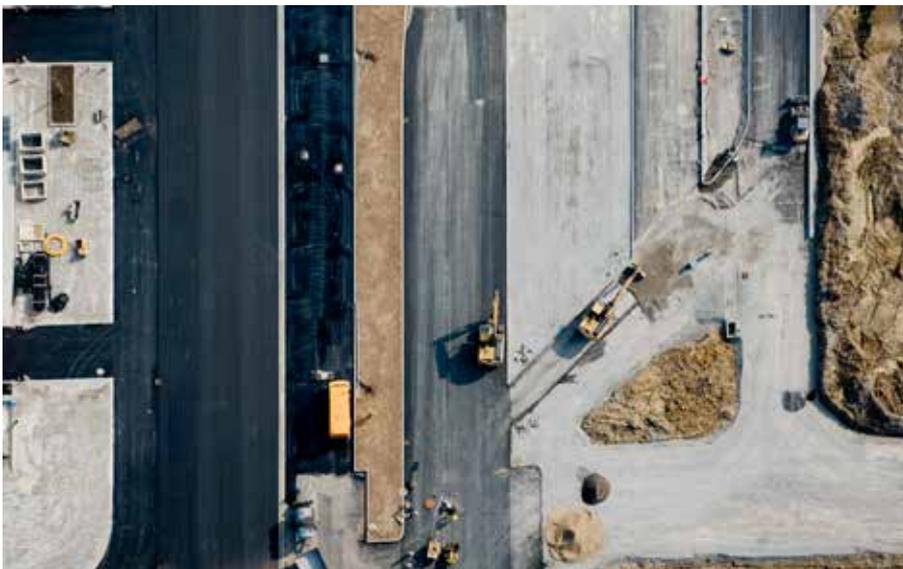
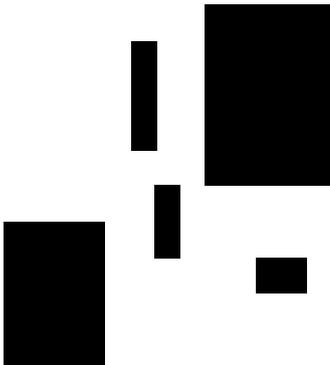
Employers are aware of the potential power of benefits; the question they have is how to wield it. Considering the needs of an increasingly diverse and multi-generational workforce, benefits design and delivery needs to be more agile than ever.

Benefit strategies for tomorrow's workforce

Insights from the 2017/2018 Australia Benefits Trends survey

Table of contents

Executive summary.....	2
Section 1. Benefits strategy.....	4
Section 2. Building a benefits portfolio.....	6
Section 3. Flexibility and choice.....	10
Section 4. Delivery and engagement.....	12
Section 5. Health and wellbeing.....	14
Section 6: Financial wellbeing.....	18
Conclusion.....	21



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 Australian findings from 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 wellbeing 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.** Over half (57%) of employers in Australia believe that their benefits package improves attraction and retention. A similar percentage (52%) 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*).

¹2017/2018 Global Benefits Attitudes Survey, Asia Pacific.



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 Australia – 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 programmes as well as programmes and workplace activities that support holistic employee wellbeing (*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 (73%) 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, employers plan to offer some form of choice, either through employee choice (37%), flexible benefits (33%) or additional voluntary benefits (50%).
- Currently, cost (cited by 74% 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?

Health and wellbeing

- **Health as a differentiator.** Australian employers are ambitious in their plans for their health and wellbeing strategies (*Figure 15*, page 14): in three years, 67% of employers plan to make their health and wellbeing a key competitive advantage.
- Yet engagement in health and wellbeing programmes today is lower, with 45% 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 programme decisions, only 17% currently 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 programmes (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 programmes.
- Broadening focus from medical insurance with preventive care to a more holistic concept of health and wellbeing.

Financial wellbeing

- **Financial security continues to concern.** Some employers perceive this, with one in 10 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 wellbeing programmes (*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

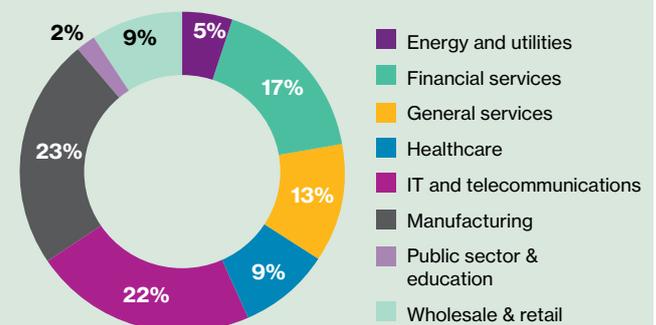
The 2017/2018 Asia Pacific Benefit Trends survey is the fifth in our biannual series. It focuses on high-level trends around benefit strategy, benefit design, health and wellness, retirement plans, benefit delivery and benefit cost.

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 Australia 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: 57% of employers across the country feel that their benefits improve attraction and retention, and half said they improve employee engagement (Figure 1). Additionally, just over half 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 Australia. 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 programmes, they are facing a number of headwinds (for instance, rising benefit costs, 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, Australian employers report that the top priorities for their benefit programmes 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**

57% Our benefits package improves attraction and retention

50% Our benefits package improves employee engagement with their jobs

52% 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**



74% Review/revise benefit plan designs and strategies to **influence employee behaviours better**
(e.g., to save more, improve health)



67% All benefits information being available **in one place**

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 programmes, Australian companies strongly nominated the increase in benefit costs (Figure 3).

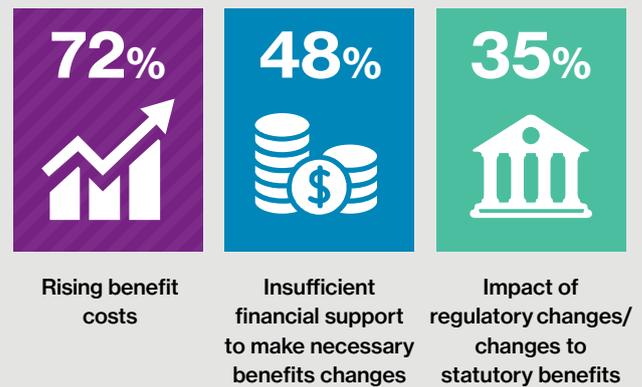
And our research bears this out: we find that approximately one in six (16%) employers spend 20% of payroll or more on benefits. However 24% of employers in Australia said they don't know their spending on benefits. This can often be confusing for employers to calculate and an area where it could be advantageous to seek professional guidance.

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.

Almost a quarter of employers (24%) cited the lack of data as a top challenge. 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, while 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

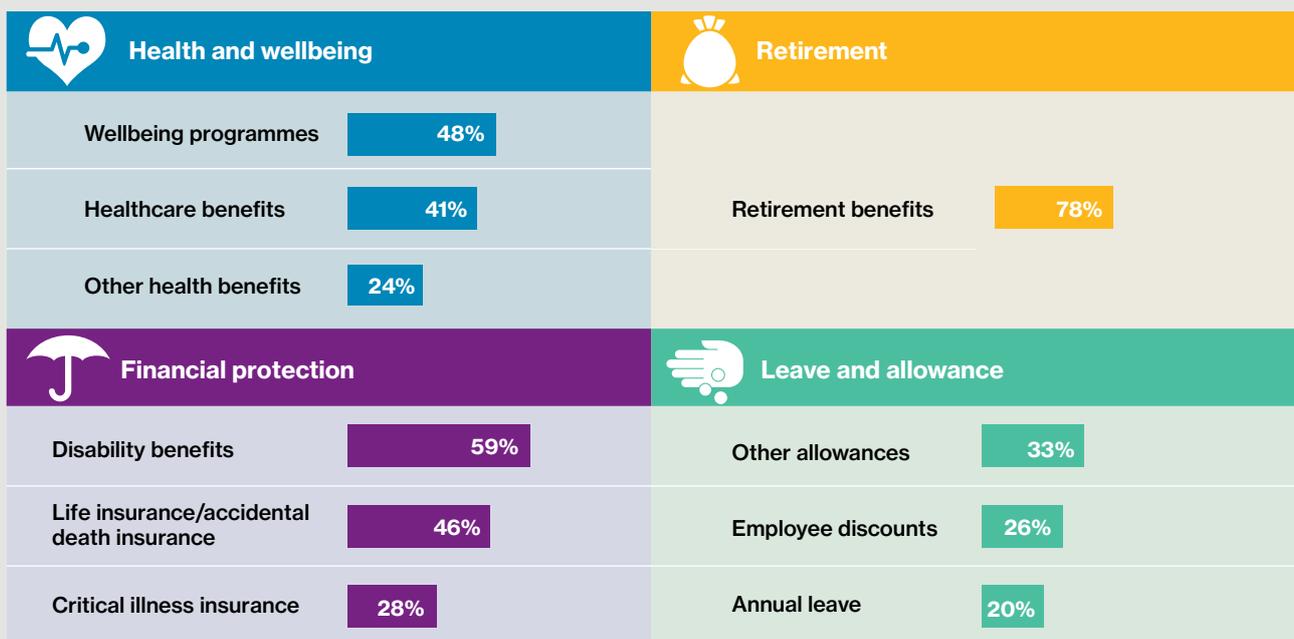
While traditional benefits such as retirement benefits, accident and life insurance and healthcare benefits continue to be the most prevalent in Australia – and viewed as the most important to employees (Figure 4) – three years into the future, employers are looking to maintain the provision of “core” or “traditional” benefits, but 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 additional maternity leave (53%) and to buy/sell annual leave (42%). These benefits are particularly likely to be attractive to younger employees, new parents and women (Figure 5).
3. **Employers recognise that financial wellbeing is a growing concern** among workers, and almost a half plan to implement programs that assist their employees with their financial security. (Figure 5).
4. **Wellbeing benefits are on the rise.** And furthermore, employers understand that wellbeing can have dimensions beyond just the physical – 74% of employers plan to offer behavioural and emotional health programmes, while 55% plan to implement activity-based well-being programs. Lifestyle risk management and chronic disease management are also picking up traction (Figure 6).

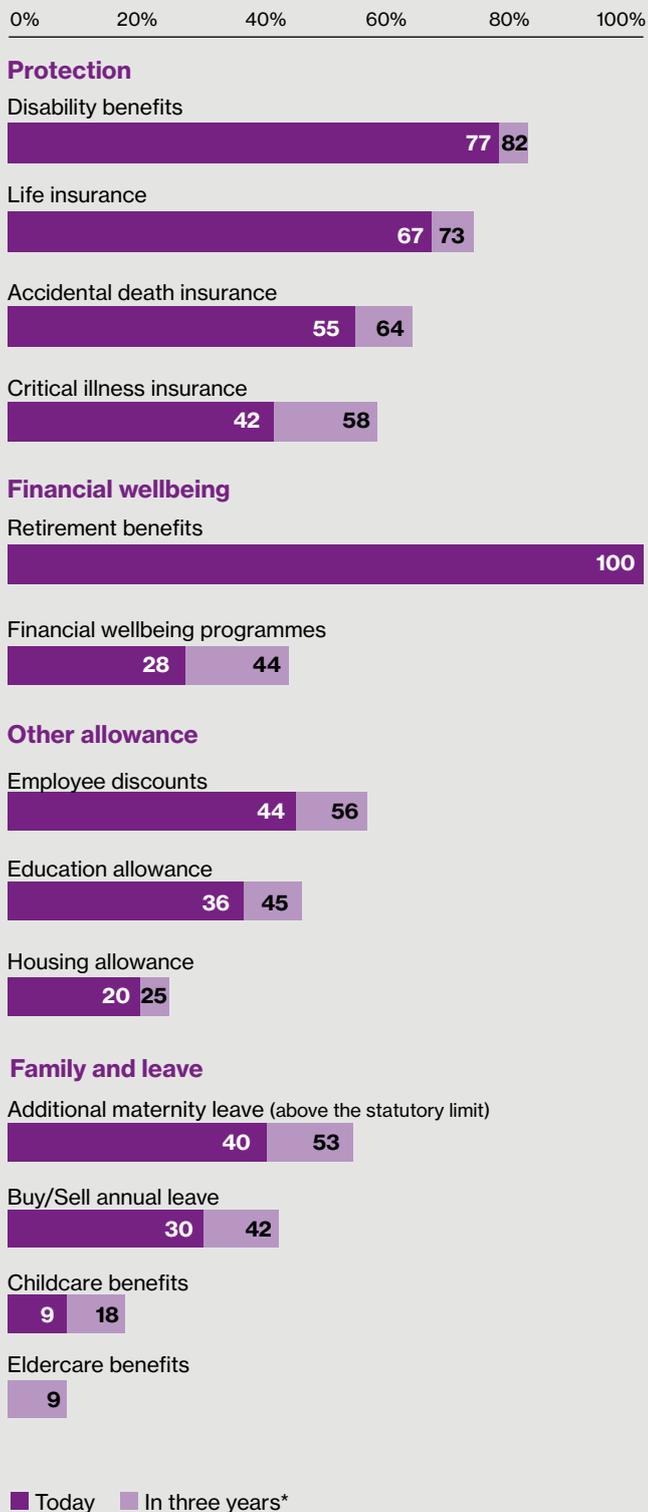
Three years into the future, employers plan to expand the provision of non-traditional benefits.

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



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



■ Today ■ In three years*

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.

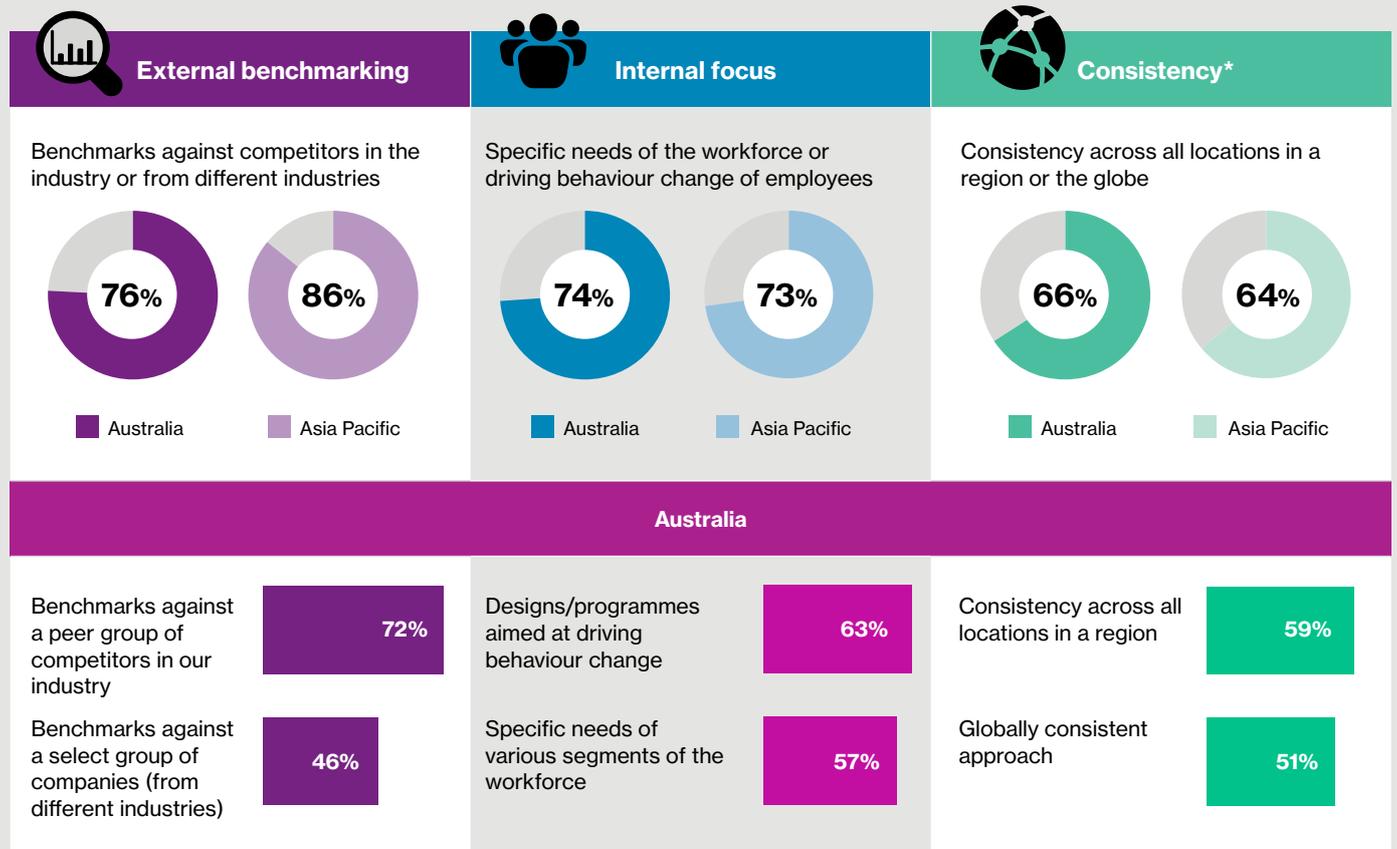
Employers are looking at their benefits programmes, taking into account industry standards, but with a greater focus on their own internal issues, to tailor benefits to meet employee wants and employer business needs.

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 wellbeing, buying and selling annual leave and broader health and wellbeing benefits
- Introduce greater flexibility and choice into their benefits programmes

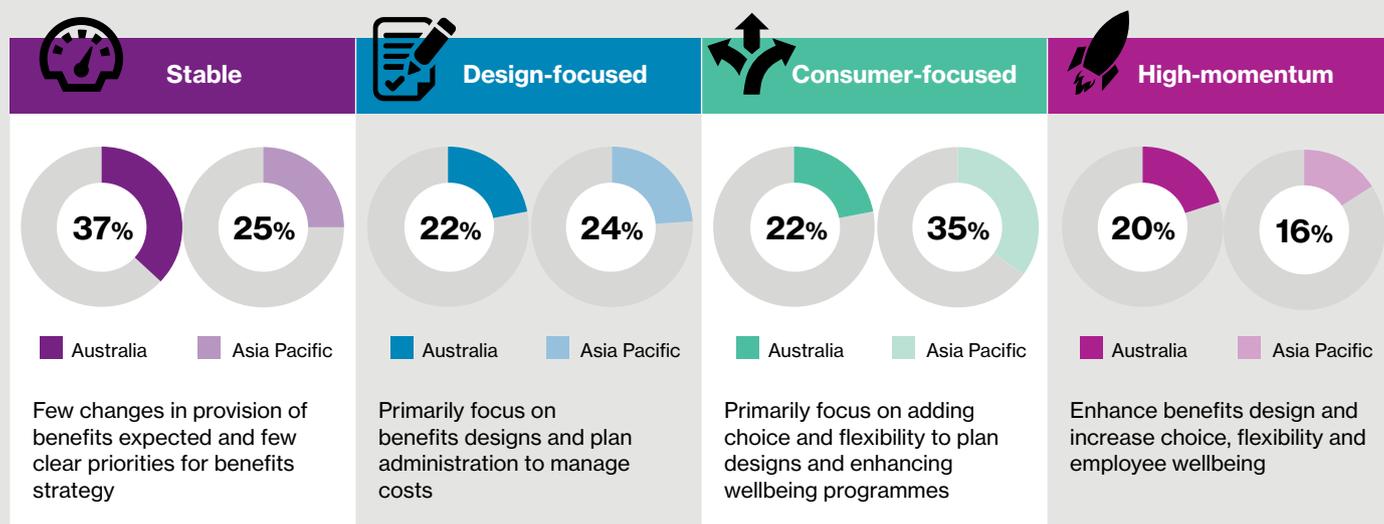
There is a reasonable spread across all four clusters, but nearly 40% of Australian employers are stable. This is 12 percentage points above the regional average and highlights the need for companies to develop a vision and strategy for their benefits programmes.



Employer takeaway

There is no one-size-fits-all approach to delivering value from a benefits programme, 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, employers plan to offer some form of choice, either through employee choice (37%), flexible benefits (33%) or additional voluntary benefits (50%).

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, around 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. 78% also said it helped with attraction and retention.

Another complexity we 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.

The employee perspective



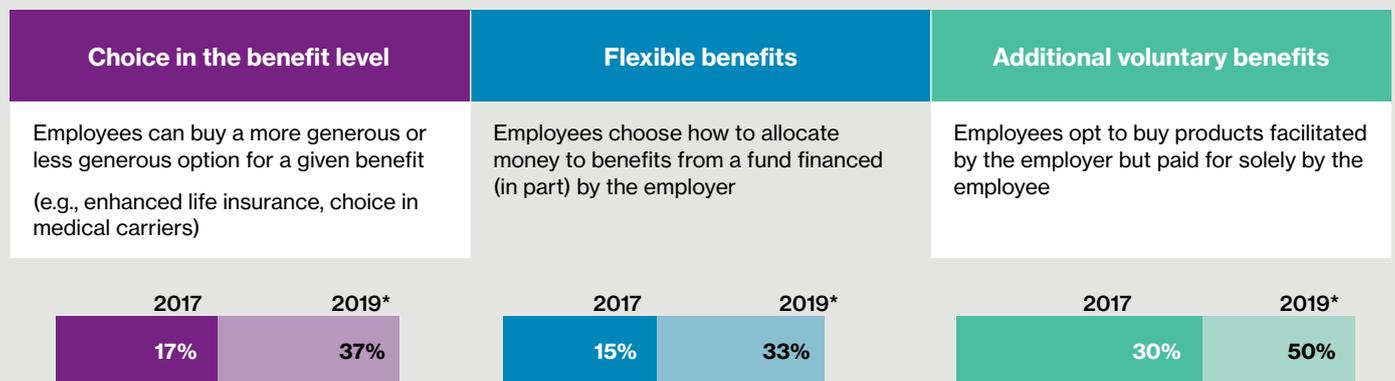
Only **40%** of employees agree that their employer benefits package offers them a wide variety of choice and flexibility to meet their needs.

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

So what’s creating the roadblocks? A majority said cost (74%), 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.

A quarter of Australian 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



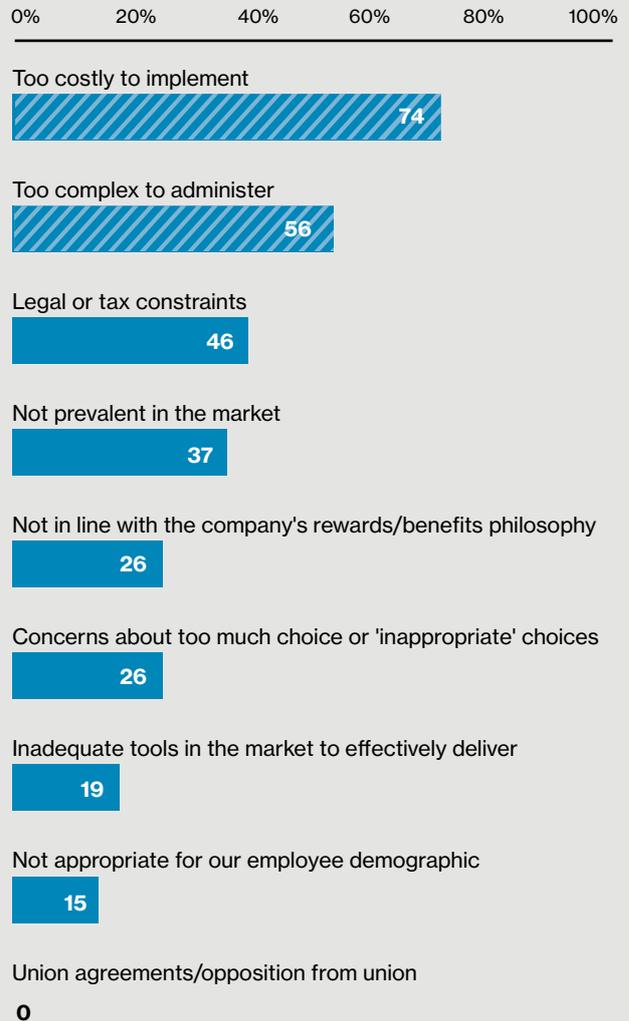
*Including ‘In place in 2017’, ‘Planned for 2018’ and ‘Considering for 2019’.

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 programmes 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 .

Just over a third of employers aim to create a digital engagement strategy (Figure 12); 62% are focusing on improving employee engagement/understanding of their retirement plan, and 81% on increasing employee engagement in health and wellbeing.

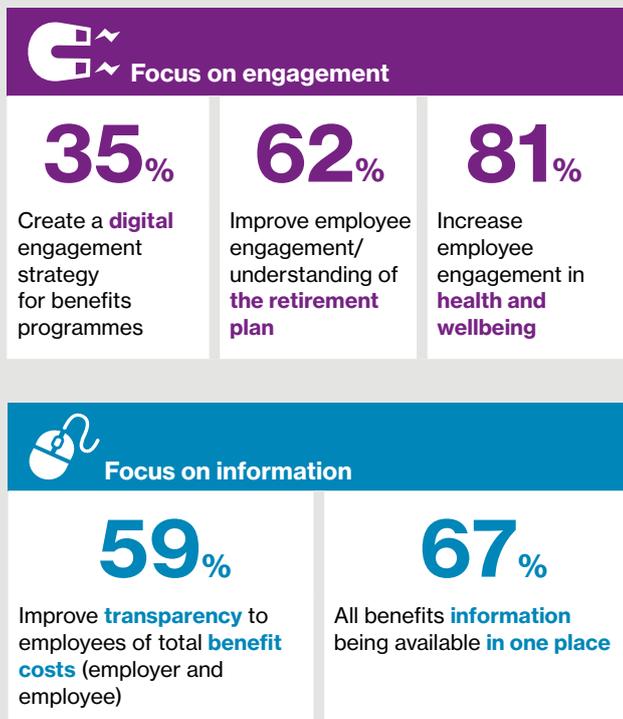
The focus on digital continues to be an emphasis of communication strategies (Figure 13) – while the majority look to enhance existing strategies, many are also looking at increasing their focus on online information (43%), digital communication (43%) or use of mobile apps (39%).

Today, the adoption of technology by employers in their health and wellbeing programmes is relatively limited, but it is expected to grow markedly (Figure 14). More than 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 wellbeing programmes.

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, as well as celebrate successes, use social rewards and publicise individuals' workplace achievements.

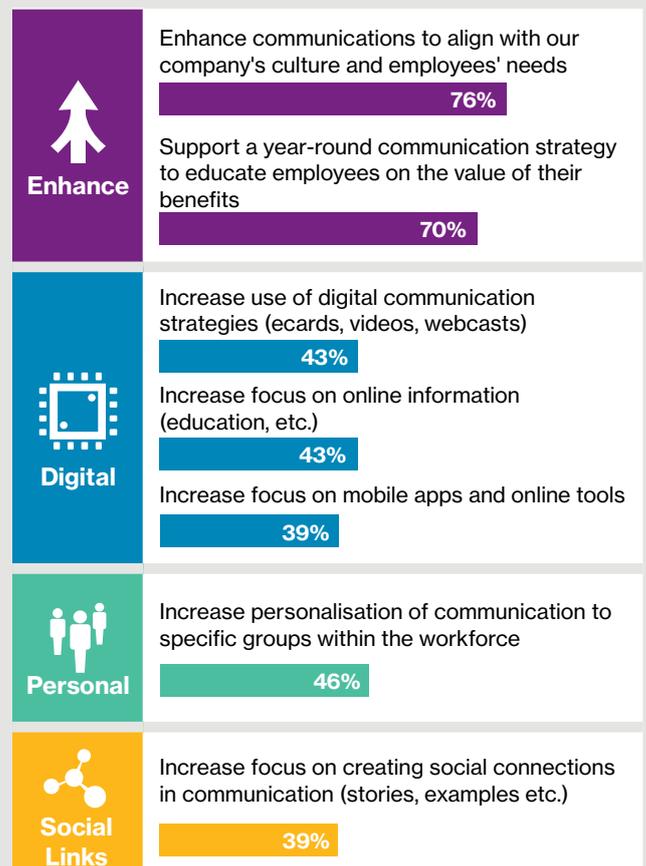
Figure 12: Focus on engagement and information



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

⁴2015/2016 Asia Pacific Staying@Work Survey

Figure 13: Communication actions



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

Figure 14: **Employee engagement: health and wellbeing programmes**

 Social links		
	Today	In three years*
Routinely ask for employee feedback to enhance programme offerings	29%	61%
Use employee testimonials and/or personal stories to communicate the importance of health and wellbeing	23%	38%

 Digital		
	Today	In three years*
Provide access to a portal to deliver health information or for tracking programme activity and incentives	25%	58%
Offer access to apps or new technologies for healthy lifestyles and to manage chronic conditions	12%	41%

*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 while 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 wellbeing

Health and wellbeing as a key differentiator

Australian employers are ambitious in their plans for their health and wellbeing strategies (*Figure 15*): in three years, 67% of employers plan to make their health and wellbeing a key competitive advantage.

Previous Willis Towers Watson research⁵ has found that nine in 10 employers identified the improvement in employee wellbeing as a core part of their broader health strategy – it's not just an afterthought. This commitment shows a belief that these programmes 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, 56% of Australian companies 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 that stress and lack of physical activity are identified as top

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.

risks among employees in Australia.

Employers are increasingly aware that health goes beyond simply treating the sick and providing hospitalisation benefits or disease management programmes. 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 low number of employees reporting that their employer promotes a healthy work environment (*Figure 17*). As a response many organisations are looking to boost financial wellbeing, with 20% of Australian employers looking to significantly expand their programmes over the next three years (*Figure 8*, page 9).

Figure 15: **Employers plan to make their health and wellbeing programmes a key competitive advantage**



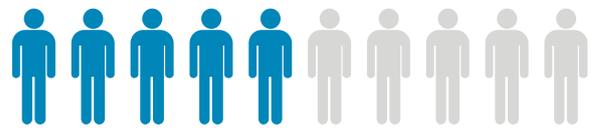
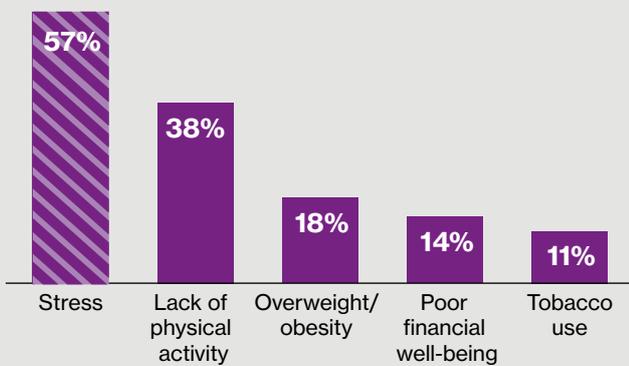
⁵ 2015/2016 Asia Pacific Staying@Work Survey.

⁶ *ibid.*

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



Figure 16: **Leading employee health risks**



50% 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 programmes. The culture of health and wellbeing in the workplace is a critical supporting factor and one which requires attention.

Building a high performing health programme: A broad focus on health and wellbeing

There is an increasing recognition among 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 wellbeing (Figure 6, page 7).

Lifestyle risk management programmes are expected to increase from offered by a quarter of employers today to half in three years' time; and activity-based benefits from 36% to 55%. Programmes to support managing stress and mental health is expected to increase from 67% of employers today to 74% in three years.

Building a high performing health programme: Delivery

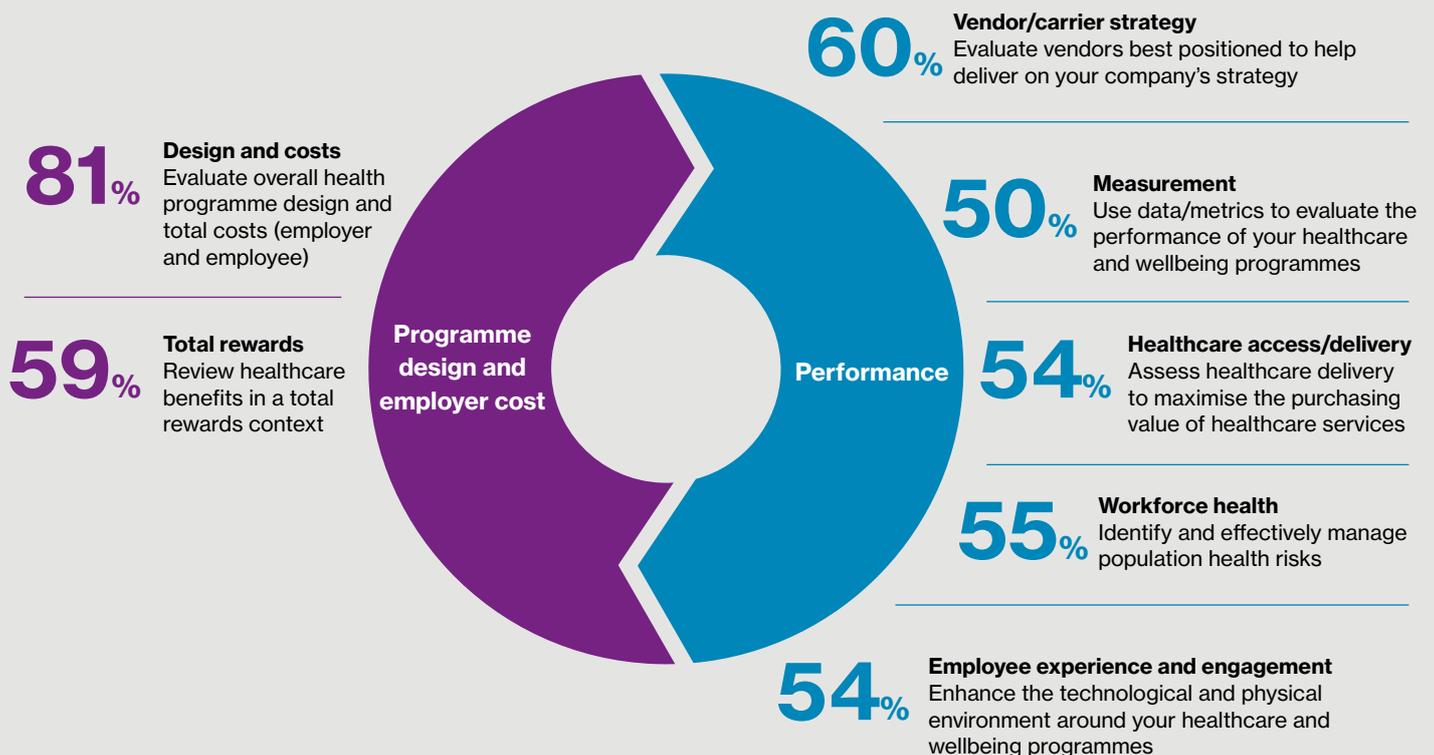
Employers have a number of levers to pull to build high-performing health and wellbeing programmes (Figure 18). Traditionally, the focus has been on design and cost but there is growing interest in a wider range of priorities to improve performance.

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%).

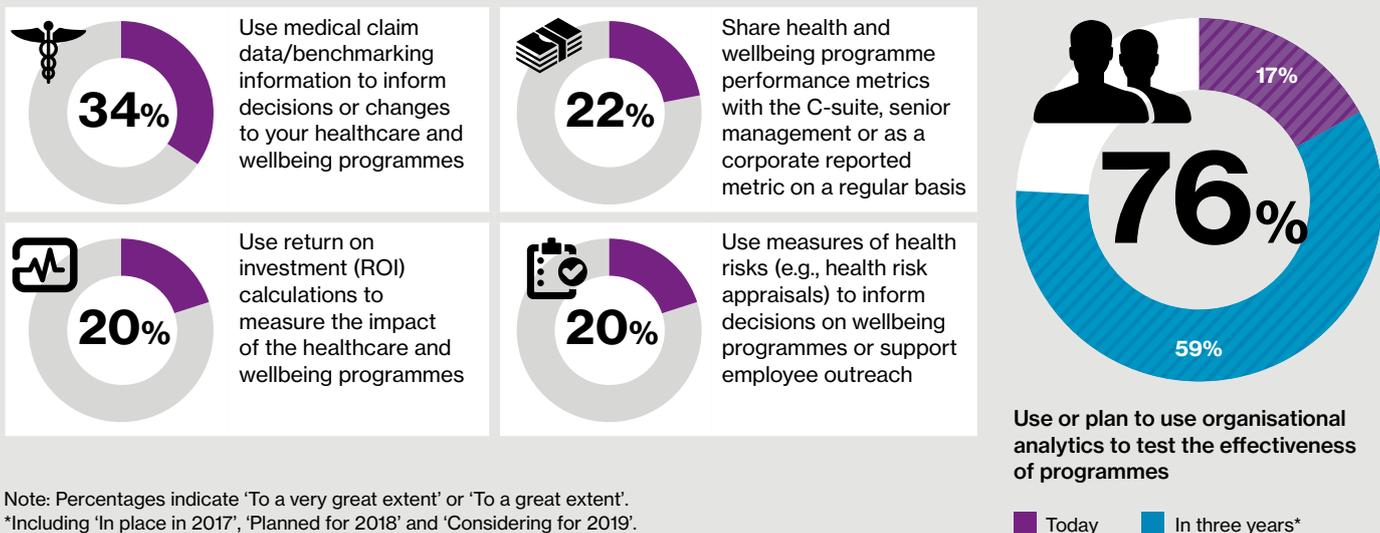
As we see with benefits as a whole (Figure 9, page 10), employers are looking to provide greater choice and flexibility within healthcare programs, so as to ensure employees get more value from their benefit spend. Approximately half of employers regard it as an important component in enhancing member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

Figure 18: Employers have a broad set of priorities for their health and wellbeing programmes



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

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



Building a high performing health programme: Measurement

Employers can ensure that their programmes and activities are most effective by tracking outcomes. From *Figure 18*, we can see that 50% 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 programme decisions – medical claims – is cited by only 34% 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, while 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., programme performance metrics, health risk appraisal data or lost-time metrics) and a vital component to the success of health and wellbeing programmes.



Employer takeaway

How can employers build effective health programmes?

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

Section 6: Financial wellbeing

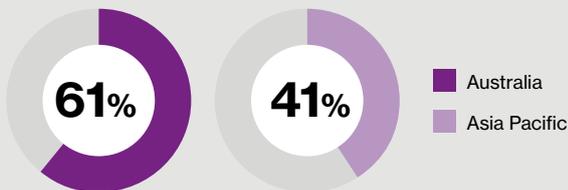
Financial security continues to be a concern among employees (Figure 20).

Some employers themselves perceive this, with one in 10 reporting that financial problems are common with their workforce and 57% seeing it as an employer responsibility to help employees better manage their finances (Figure 21).

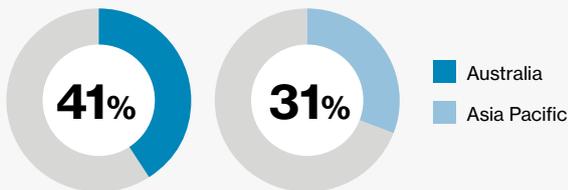
Many employers are responding by adding financial wellbeing programmes (Figure 22) and looking to enhance engagement and communication around their retirement plan (Figure 23).

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

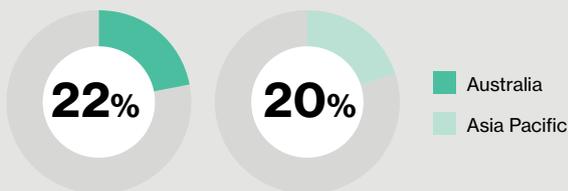
 **My financial security has become a more important issue for me over the last 2-3 years**



 **I often worry about my current financial state**



 **I often worry about my future financial state**



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 Australia 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 programmes – 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

1-in-10

of employers report financial issues are common in the workforce

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

57%
agreed or strongly agreed with the statement.



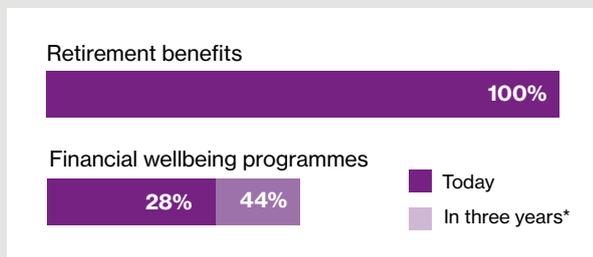
Source: 2017/2018 Global Benefits Attitudes Survey, Asia Pacific.

Figure 22: **Employers are looking to expand provision around financial wellbeing**

Long-term financial wellbeing: All companies have retirement benefits in place today and will continue to support them in 2019.



Personal financial wellbeing: More than 2 in 5 of employers will provide financial wellbeing programmes by 2019, an increase of more than 10 percentage points from 2017.



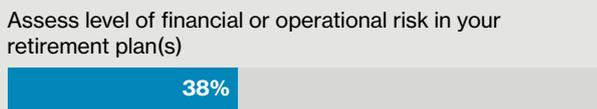
*Including 'In place in 2017', 'Planned for 2018' and 'Considering for 2019'.

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

Engagement and communication



Risk



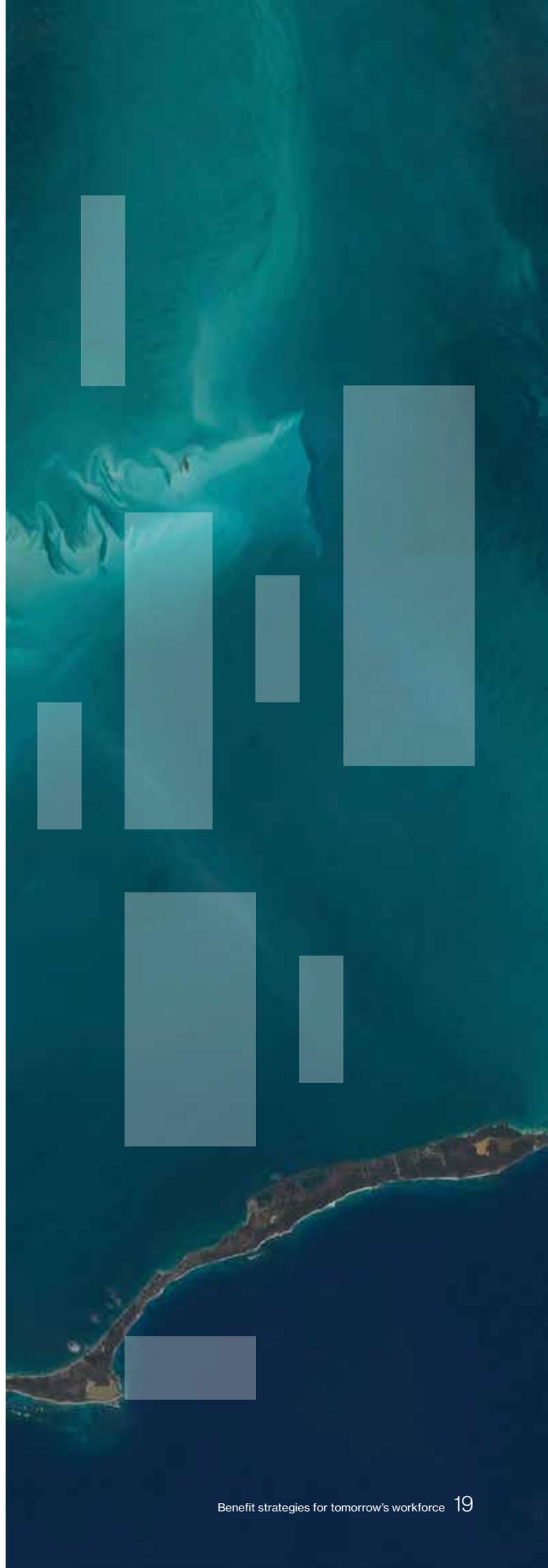
Investment performance

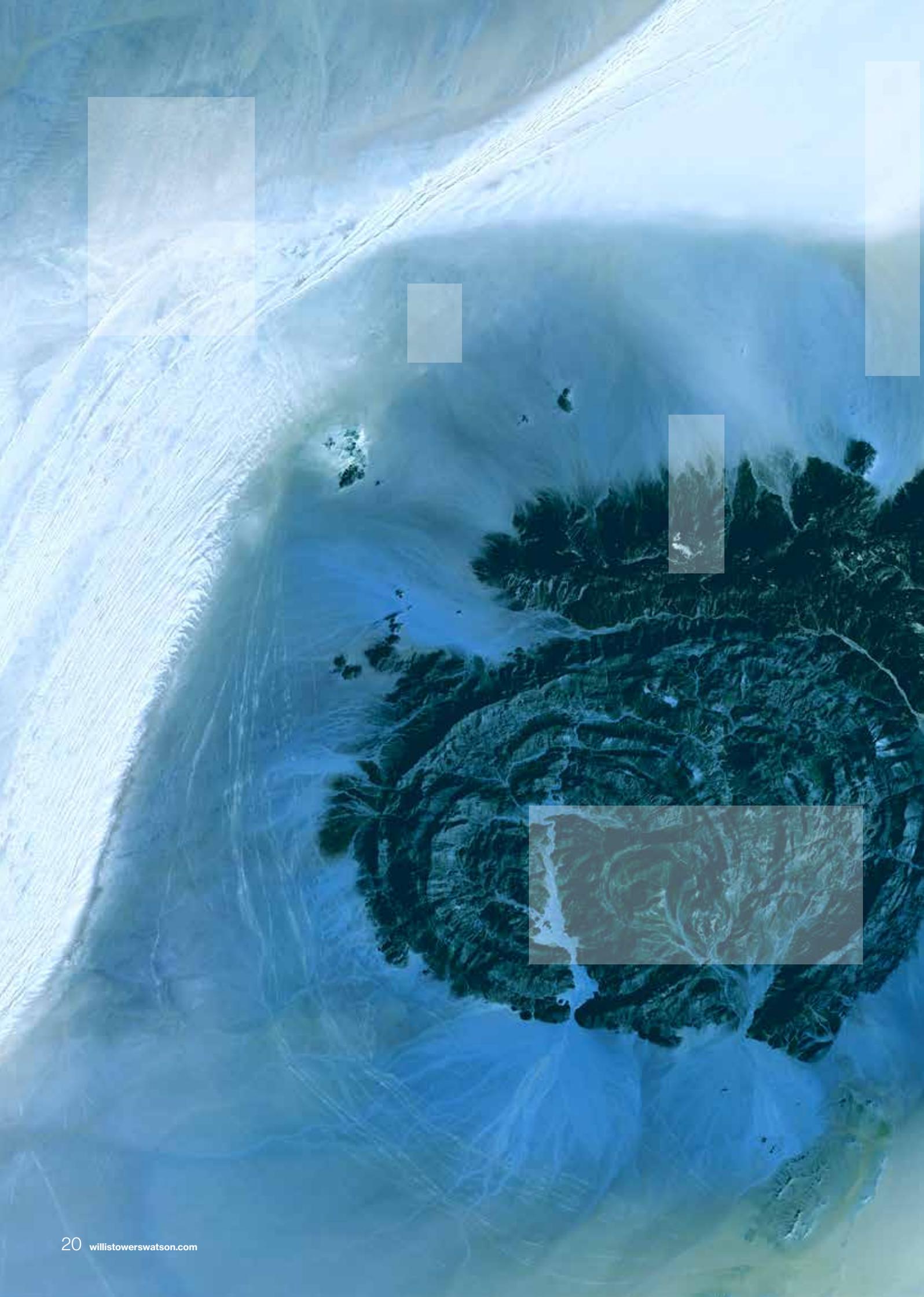


Cost



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 wellbeing – 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.



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 40,000 employees serving more than 140 countries. 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.



willistowerswatson.com/social-media

Copyright © 2017 Willis Towers Watson. All rights reserved.
WTW-GL-17-RES-6876g1b

willistowerswatson.com

Willis Towers Watson