

Benefits Trends Survey 2019

Executive summary - Switzerland

About the survey

Employee expectations are rising, workforce demographics are changing, benefits provision is evolving, and in an uncertain economic environment, corporate objectives are under constant review. Against this backdrop, complacency in the employee benefits arena cannot be an option.

The Willis Towers Watson Benefits Trends Survey takes the pulse of current employer perspectives and strategies, exploring the programmes they have in place, their priorities and the key challenges they face over the coming years.

Globally, the study was conducted among 4,300 companies in 88 markets, covering more than 22 million employees.

The following executive summary for the Swiss market shines a light on the findings from 48 companies, employing a total workforce of 795 thousand across a wide range of industries – from energy and utilities, financial services and healthcare to IT and telecoms, manufacturing and the public sector.

The report focuses on the following core strategic areas of benefits strategy:

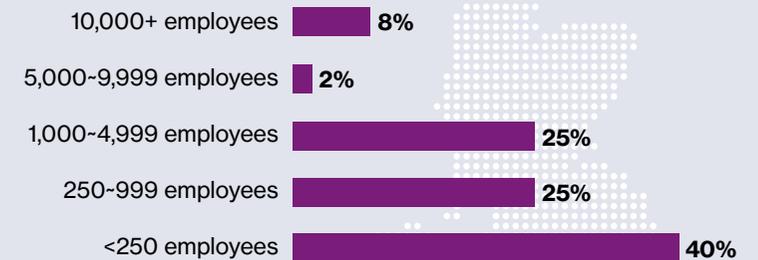
- The benefits portfolio
- Financing
- Talent experience
- Administration and operations
- Analytics, insights and reporting

The examination of both current trends and the anticipated future direction of benefits strategies offers valuable insights, signposting the direction of HR and corporate decision-making as businesses strive to adopt a best practice approach, while attracting and retaining top talent.

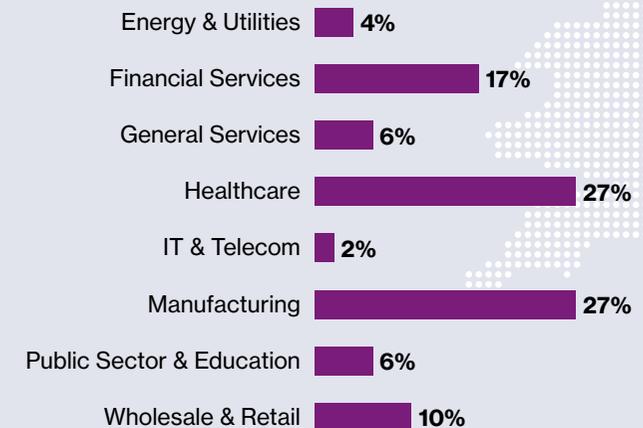
Switzerland



Employer size



Industry



Over 4,300 companies interviewed in 88 markets

The 2019 Benefits Trends Survey includes responses from over 4,300 companies in 88 markets around the world, covering over 22 million employees.



North America

Canada
United States

Latin America

Mexico	Puerto Rico	Uruguay
Costa Rica	Argentina	Venezuela
Dominican Republic	Bolivia	
	Brazil	
El Salvador	Chile	
Guatemala	Colombia	
Honduras	Ecuador	
Nicaragua	Paraguay	
Panama	Peru	

EMEA

Switzerland	Cote d'Ivoire	Senegal	UAE	Lithuania	Sweden
Greece	Ghana	South Africa	Republic of the Congo	Poland	Belgium
Italy	Guinea	Togo	Israel	Romania	Netherlands
Portugal	Kenya	Tunisia	Turkey	Russia	Austria
Spain	Madagascar	Uganda	Bulgaria	Slovakia	France
UK	Morocco	Egypt	Croatia	Ukraine	Germany
Algeria	Mozambique	Lebanon	Czech Republic	Denmark	Ireland
Benin	Niger	Oman	Hungary	Finland	
Cameroon	Nigeria	Saudi Arabia		Norway	

Asia Pacific

Australia	Singapore
New Zealand	South Korea
Cambodia	Taiwan
China	Thailand
Hong Kong	Vietnam
Indonesia	India
Japan	Pakistan
Malaysia	
Philippines	

Benefits strategy

A spotlight on success

Establishing a successful, future-proof benefits strategy calls for balancing evolving employee needs with effective engagement, developments in the benefits marketplace, corporate and cultural objectives, benchmark data, pay scale structures, administrative requirements, budgets and cost management.

This is no easy task – but faced with such a complex undertaking, how are Swiss companies coping?

Businesses have certainly recognised a need to raise their game. The survey found that only 4% regard themselves as ‘highly effective’ in all areas of benefits strategy.

A failure in using digital tools to drive engagement emerged as a notable area of concern – cited as being effectively employed by just 8% of respondents. Only three in ten employers (31%), meanwhile, effectively differentiate their benefits from their competitors.

Furthermore just 33% have tailored their benefits portfolio to meet their workforce needs. This despite almost over half (56%) claiming they understand their requirements.

Considering these revelations, it should come as little surprise that only a quarter (25%) of businesses would strongly recommend their company as a place to work, based on their benefits package.

Organisational effectiveness in core areas of benefits strategy



Benefits portfolio



Financing



Talent experience



Administration & operations



Analytics & reporting

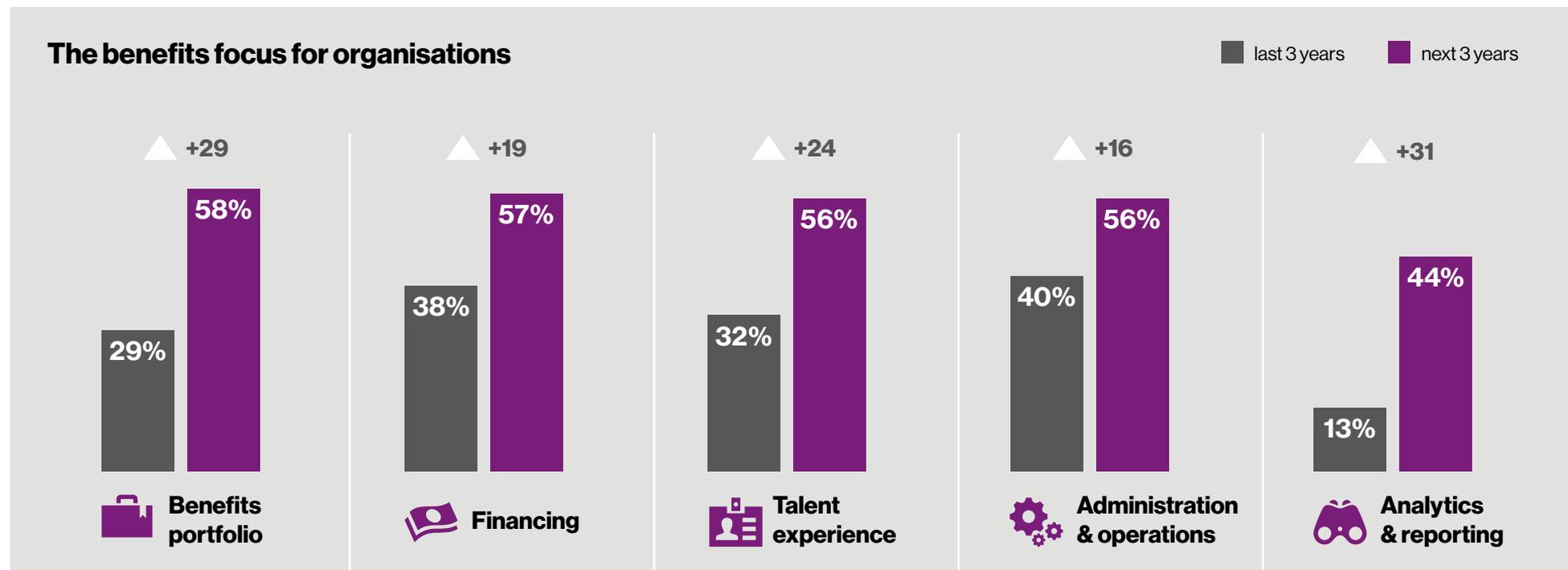
Priority objectives – new directions

The biggest area of focus for companies over the past three years has been their administration, closely followed by their financing – cited by 40% and 38% respectively.

However, we are now anticipating a shifting trend. While financing is set to remain a priority, the benefits portfolio topped the agenda for the coming three years with 58% of businesses planning to sharpen the focus, closely followed by talent experience centred on effective benefits engagement and

delivery. Indeed, the importance of this should not be underestimated in the bid to attract and retain talent.

We can also expect to see a renewed emphasis on other key ingredients to a modern benefits programme – effective administration and analytics (a focus for 56% and 44% of businesses respectively).



The multi-generational challenge

For the first time ever, today's modern workplace may see up to five generations working side-by-side – from the silent generation through to their youngest, Gen Z colleagues – and each brings with it a different set of expectations, risks and requirements.

While this divergent demographic has the potential to bring far-reaching skills and experiences to the table, managing the differing wants and needs of such a multi-generational workforce was deemed the number one challenge facing not only Swiss employers but also employers across Western Europe and the UK.

This recognition, among 67% of survey respondents, should be welcomed, opening the door to establishing strategies that will address this emerging issue. Hot on the heels came the perennial challenge of rising benefits costs, a key area of concern for 56% over the next three years.

Benefits strategy challenges over the next three years

Differing wants and needs of a multi-generational workforce

67%

Rising benefits costs

56%

Challenges communicating around benefits choices

49%

Fragmentation of vendors/providers and lack of integrated tools

42%

Lack of budget to deliver effective communication strategy

40%

Impact of regulatory changes/changes to statutory benefits

38%

Lack of data to measure plan outcomes or changes in member behaviour

34%

Lack of employee engagement with benefits programmes

31%

Lack of appropriate technology to effectively deliver company's benefits programmes

31%

Unions/collective labour agreements

8%

The benefits portfolio

Wider provision, choice and inclusivity

A compendium of socioeconomic and workplace forces continues to shape employee expectations and the evolution of the health and benefits landscape. The impact on employer provision is evident in the survey findings.

Almost three-quarters of businesses (71%) plan to enhance work policies and 62% plan to incorporate wellbeing into their overall benefits strategies. Almost half (48%) are looking to enhance their core benefits while 44% also aim to improve flexibility and choice.

The improved business outcomes arising from meaningful employee wellbeing initiatives have been widely acknowledged – from increases in productivity and staff retention to reductions in sickness absence rates.

Financial and social wellbeing, it appears, will become the principle emerging areas of focus, for 21% of businesses. Stress and resilience management programmes meanwhile top the list of the specific initiatives planned to tackle mental health issues, set to be introduced by 31% of survey respondents.

Interestingly, the organisations with the most effective benefit strategies already in place were found to be the ones most likely to further enhance both their core and broader benefits programmes.

Priorities for employers' benefits programmes



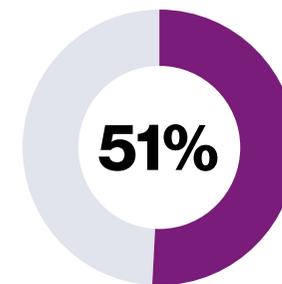
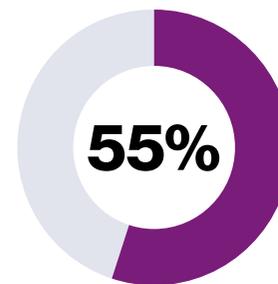
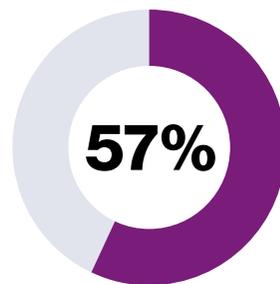
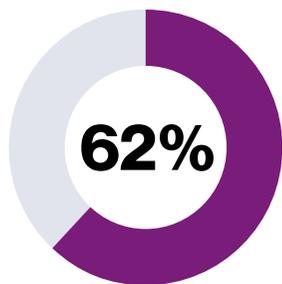
Benefits financing

Costs under the microscope

Spiralling healthcare costs globally and an ageing population mean the business bottom line is rarely far from any employee benefits discussion. According to Willis Towers Watson's Global Medical Trends Report 2019, the global medical insurance cost increases are projected to hit 7.9% this year. Given the healthcare landscape in Switzerland, these insurance costs do not directly affect employers. However, increasing absenteeism and the related costs are a significant challenge for Swiss employers.

Rising benefits costs took number one spot on the key challenges leader board back in 2017¹ and the management of programme operating costs was again deemed the top priority – cited by 57% of employers. However maximising return on investment with (62%) is the top priority when it comes to financing benefits programmes for Swiss employers.

Top priorities for financing benefits programmes



¹Key challenges faced over the next three years, Willis Towers Watson Benefits Trends Survey 2017

Talent experience

Raising the bar in delivery and communication

Maximising the Talent Value Proposition (TVP) and the ROI on employee benefits programmes calls for effective processes for delivery and communication.

Indeed, almost three quarters (74%) of businesses are looking to enhance the communication of benefits to employees.

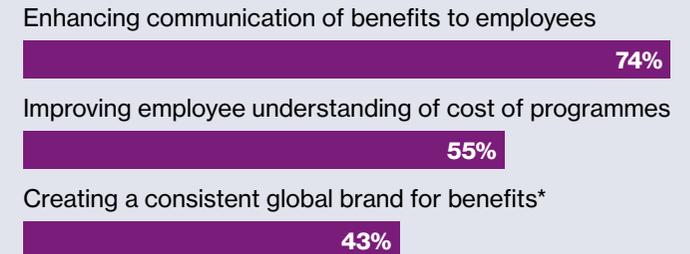
In the wake of developments in benefits technologies, which have created opportunities to improve the employee experience and the administration of benefit plans, 62% are now set to implement or enhance employee self-service, while 59% will prioritise their focus on online portals or apps.

In addition, as the consumerisation of benefits gains traction, nearly a third (30%) intend to create a shopping experience for members when they sign up for benefits, although this is less than the EMEA (45%) and the UK (55%).

Priorities for benefits delivery to employees



Communications



Enhanced tools and technology



Decision support



Note: Percentages indicate "To a great extent" or "To a very great extent". * Only for multi-national companies.
Source: 2019 Benefits Trends Survey, Switzerland

Administration and operations

In the throes of the third industrial revolution and a brave new world of connectivity, a third of employers (33%) are considering integrating all benefits information with HR data, while 31% are moving to cloud-based solutions for online benefits.

The challenges of handling 'big data' however, extend beyond streamlining processes. The General Data Protection Regulation (GDPR) came into force last year to harmonise data privacy laws and to help ensure the protection of personal data.

Data management and security matters were consequently very much front of mind as businesses took steps to ensure compliance – and for 73% of companies, from a benefits administration perspective, they have remained a key priority. More than two thirds (69%) are also prioritising, intrinsically linked, legal and regulatory compliance issues.

Priorities for benefits administration and operations

73%

Data management and security



69%

Legal and regulatory compliance



58%

Focus on technology and automation in benefits administration



54%

Formal documentation of operational policies and procedures



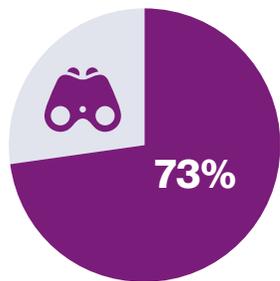
Analytics, insights and reporting

When it came to the strategic approach behind the design of benefits programmes, budgeting and planning (67%) and cost & risk analytics (62%) were found to be key drivers, but competitor benchmarking and market insights were considered the most important factors (73%).

As a measure of business outcomes, the popularity of a value-on-investment (VOI) approach, that extends beyond financial ROI, is on the rise. Two in five businesses (40%) have earmarked the measure as an evaluation tool over the next three years.

VOI may include metrics ranging from engagement and workforce retention rates to resilience and productivity – all offering a potentially important gauge of programme success.

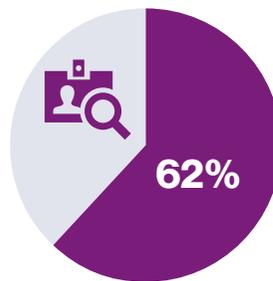
Top priorities for organisations' benefits strategies



1 Benchmarking & market insights



2 Budgeting & planning



3 Cost & risk analytics



If you want to understand how your employee benefits priorities and challenges compare to other industries and geographies or would like a benefits strategy assessment, please contact:

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