

The Changing Face of Benefits

The war to retain top talent is ever on the increase. Faced with increasing talent shortages and rising attrition, keeping the best people in your organization is growing ever harder. While most companies have turned to total rewards and pay-for-performance programs as a vehicle for maximizing return on investment and employee potential, smart organizations are beginning to use benefits as a tool to keep employees informed, motivated, and focused.

Propelled by social expectations, benefits are becoming increasingly creative, timely and flexible. No longer limited to retirement and healthcare provisions, today's benefits packages include everything from enterprise annuity provisions to employee wellbeing services to initiatives such as family and child-friendly policies. Driven by demographic shifts, evolving work ethics and public initiatives, global and multinational organizations are beginning to embrace more socially-aware corporate philosophies.

The Global Benefits Landscape

Practices such as these can be seen in action all over the world. For example, in Europe benefits largely revolve around quality of life and include perks such as the increasing prevalence of "annualized hours" or the "Flexiyear", which spreads working hours over the year to reduce overtime costs and improve quality of life. Other European trends include extended maternity leave, enhanced paternity provisions, and increased retirement provisions. Similar social considerations can be seen in Australian packages, which take into consideration the increasing stress of social welfare on the working population to support the aging population. To remedy this, there have been proposals to eliminate all benefit taxes for retirees over the age of 60, dramatically increasing tax effectiveness.

Singapore Benefits Landscape

Influenced by the aging population, work-life oriented global ethics and an increase in initiatives that are more closely aligned to public needs, benefits provisions in Singapore have also evolved. Coverage is expanding and many policies now include parents and extended family as well as transferable lifelong medical coverage.

Expatriate benefits have also been streamlined, and traditional work practices are being re-evaluated allowing for more flexible work arrangements and greater employee control over the design and planning of their own workspace.

In addition, there has been an increase in provisions that cater to the wellbeing of employees such as concierge and counseling services. Finally, government incentives geared towards work-life balance programs and funding are being put in place.

Benefits and Employee Engagement

Hewitt's extensive ***Best Employers in Asia*** research clearly demonstrates a link between benefits and employee engagement. In fact, Hewitt's ***Best Employers in Singapore*** studies have demonstrated satisfaction levels increased by 20 percent along with benefits between 2001 and 2005. This indicates that organizations are investing in effort and activities to improve benefits provisions, leveraging them for greater employee satisfaction, and ultimately, engagement.

Benefits That Yield

With so many changes taking place within the benefits landscape, organizations must ensure they are investing in benefits that yield. Hewitt's research indicates that in Singapore in particular, organizations are investing disproportionately in this people expense component. Hewitt's current research in this area reveals what benefits employee value and utilize the most, which benefits give the best return on investment, benchmarking an organization's total benefits provision stand against a select group of organizations and shows organizations how to cater to their key demographic groups a unique benefit strategy that most fits their needs.

The take-home message from the research is simple: while benefits are one component of the total rewards package of any organisation, benefits that are fine-tuned to yield a strong ROI give employees a compelling reason to stay with your organisation and build their future with you.

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