



2022 Asia Pacific Employee Benefit Trends Report



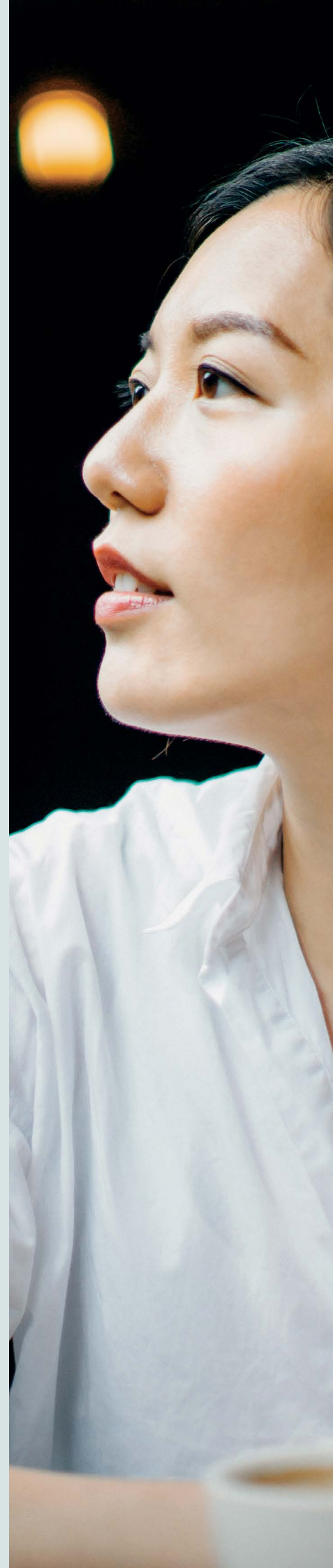
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Introduction



At Aon, we provide advice and solutions that give clients the clarity and confidence to make better decisions.

We are pleased to present the results of our 2022 Asia Pacific Benefit Trends Survey for benefits and human resources leaders and professionals. The survey was conducted with organisations across Asia Pacific, who were asked to answer a range of questions. This report summarises the results of the survey and aims to help clients with insights and perspectives on current challenges and priorities, as well as exploring emerging approaches to benefits and total reward for the next one to three years.

Areas covered include:

- Priorities, focus areas and strategy
- Benefits offer, management and financing
- Providing benefits for a diverse workforce
- Wellbeing strategy, and support
- Ongoing COVID-19 impacts and plans

We received more than 500 responses to the survey. Half of the respondents had regional or global responsibilities, and half had local country responsibilities. The employer respondent profile was evenly spread by number of employees, with 30% below 1,000 employees, 30% having 1,000 to 10,000 employees, and more than 30% having 10,000 employees or more. There were strong response rates across all industry sectors, including technology, financial services, pharma and life sciences, manufacturing, professional services and retail. There was a strong response rate from The Philippines, Singapore, Hong Kong, China, Malaysia, Vietnam and India, among other locations. Respondent profile details can be found in Section 8.

Survey responses were aggregated and analysed to identify key themes, and commentary was sought from Aon consultants with regional and local experience in Asia Pacific.

We hope you find this report valuable, and we welcome any feedback.



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Summary of Key Findings



Top 5 challenges

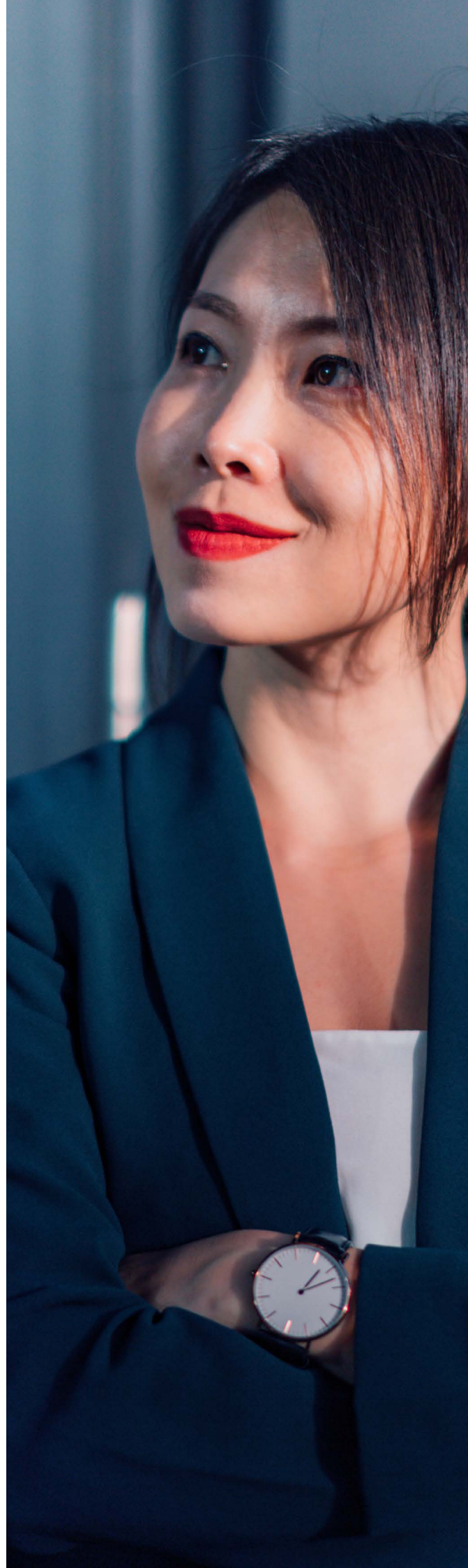
- Rising cost of benefit plans
- Offering diverse benefits and options
- Benefits perceived to be below market
- Benefits insufficient for employees' needs
- Insufficient data for informed decisions

The pandemic evolved in unpredictable ways over two to three years, changing how we work and challenging organisational priorities and thinking. As well as impacting operating practices, people support, wellbeing and benefits, continuity and planning, it also impacted commercial supply, demand, logistics and strategy.

COVID-19 also brought about the need for organisations to quickly adjust to new legislation and changing conditions, including the provision of additional employee support, ensuring benefits adequacy, and driving the need for benefits choices for a diverse workforce. One third of survey respondents say they expect 25% of employees to work from home in future. 51% say benefits benchmarking is a key priority and 44% see addressing the benefits needs of employees as a key priority.

Top 5 priorities

- Benefits benchmarking
- Employee wellbeing
- Addressing diverse benefits needs
- Benefits communication
- The right support for employees



Although responses varied, some themes emerged by sector. For example, the focus on flexible benefits is higher in technology, financial services and pharma and life sciences, closely followed by professional services and retail, possibly due to each sector having a different focus and business climate.

48%

of employers have no benefits philosophy

There are some challenges that are impacting all sectors consistently, including benefits strategy, benefits choice and communication, and wellbeing support and governance, including benchmarking, philosophy design and sustainable premiums.

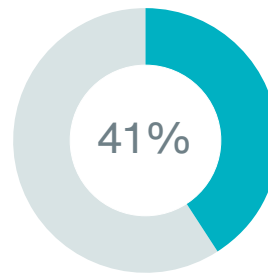
The survey also revealed which strategies employers were unable to implement, including:

- Flexible benefits
- Retirement plan reviews
- Market entry in specific countries
- Benefit plan inventory
- Benefit plan solutions for employers with low employee in country headcounts.

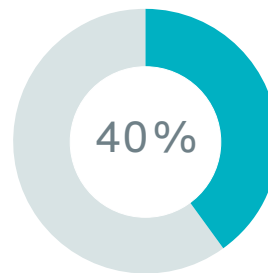
Some of the primary priorities are summarised below.

Good Governance

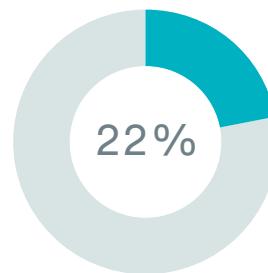
Good governance remains a priority - cost control and governance are still top of mind. The pandemic prompted many companies to pause and assess their existing benefits offer. More than half of respondents say benchmarking is a priority and 22% say they do not review benefits regularly. Benchmarking is a high priority in the professional services sector (68%), as is aligning benefits with current strategy or philosophy. In fact, half of respondents say developing a benefits strategy and philosophy is an important future priority. These aims sit within 'good governance' practices, which are a vital part of business strategy, considering the typical scale of benefits expenditure on the balance sheet. Interestingly, pension plan review is a priority for 1 in 5 companies. In addition, 41% of respondents say they are not fully happy with the level of service from their current insurer due to reasons such as a slow response to queries, speed of issue resolution, insufficient management information and e-capabilities.



are not fully happy with their current insurer



have insufficient data to make informed decisions



do not review benefits regularly

Aon's Viewpoint:
Having a benefits philosophy and strategy is critical for ensuring benefits adequacy and optimisation. A lack of benefits philosophy or strategy can impact employee satisfaction and lead to missed savings opportunities.

40% say they have insufficient data to make informed decisions, and one third of respondents say they do not receive adequate management information about their medical claims, benefit selections and self-funded plans. There is also a focus on workforce health profile information from wellbeing apps or activities. 34% say better workforce health profile data would be helpful for future decision making.

In line with global macroeconomic trends, growing inflationary pressure and the long-term impact of the COVID-19 pandemic remain top of mind for Asia Pacific employers. Medical inflation in the region is currently 8.2% on average and is expected to increase further in 2023 due to disrupted supply channels, rising labour costs, ageing, and the deteriorating health profile of the population.

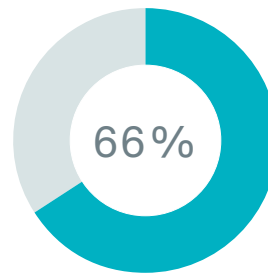
1 in 3

say more than 25% of employees will work from home in future

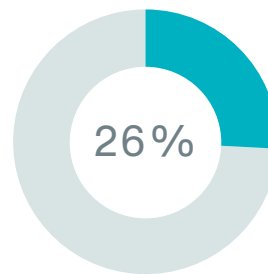
Many organisations have benefited from government subsidies related to COVID-19 and report seeing lower than usual claims utilisation over the past two years, which has resulted in positive renewal outcomes. As most locations today have declared COVID-19 an endemic disease, higher demand for health services, especially regarding the management of chronic diseases and preventative care, is to be expected. Special care needs to be taken during 2023 renewals to evaluate the effects of short-term decisions about premium increases and plan design changes on long-term performance and sustainability. When we consider this, good governance and data insights are essential to provide direction and control, and to support informed decisions.

Employee Wellbeing

Supporting employee wellbeing is a top priority, with COVID-19 prompting organisations to re-assess their wellbeing strategy and approach to supporting employees, whether through an employee assistance programme (EAP), telemedicine, financial wellbeing initiatives, access to benefit plan information, or educating employees about the importance of physical activity via wellbeing apps and virtual exercise classes.



have a wellbeing strategy



drive their wellbeing strategy in country

Two in three companies (across all sectors) say they have a wellbeing strategy. This is highest in the financial services and technology sectors at between 70% and 80%, and slightly lower in the professional services, retail and pharma and life sciences sectors, at between 60%-66%.

More than 50% of respondents say they have adopted hybrid working and 34% of employers say more than 25% of their workforce will continue working from home in future. 4 in 5 say they have not seen any significant change in reported absences, with 7% reporting a small increase in reported absences during the past 12 months. 28% of respondents say they have seen an increase of more than 5% in employee turnover during the past 12 months, primarily due to better opportunities elsewhere and changes in personal circumstances.

Aon's Viewpoint:

An active wellbeing strategy is important for ensuring employee and organisational resilience.²

² Aon's The Rising Resilient (2020) and 2021 Global Wellbeing Report

Flexible Benefits and Options

Providing benefits choice and options for a diverse workforce is a top priority for more than half of survey respondents in all sectors. More than one third of employers indicate they are now exploring a flexible benefits programme.

43%

say providing choice is a key priority

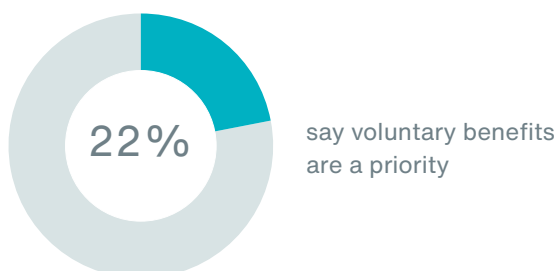
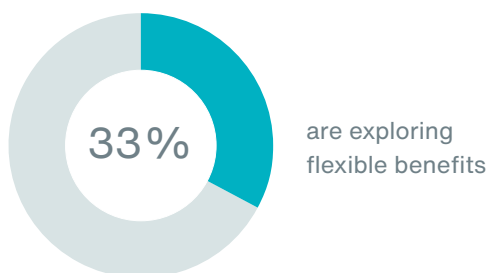
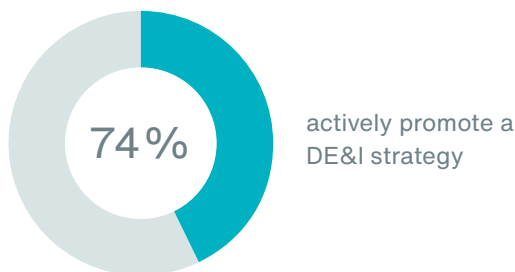
Employers with a flexible plan already in place are more prevalent in Singapore, India, Malaysia, China, The Philippines and Hong Kong; the same locations where employers without flexible benefit plans say they are looking to implement one for the first time.

There are many factors to consider before making decisions about choice, starting with local market dynamics, workforce profile, diversity, equity and inclusion (DE&I) policy, employee feedback, benefits philosophy, peer benchmark, employee

communication, engagement, process efficiency, employee and employer support, and budget.

74% of respondents say they actively promote their DE&I strategy, and one-third of respondents say their benefits plans fully support their workforce. In addition, 1 in 5 say voluntary benefits (where employees select and pay for additional cover) are a priority, with the financial services and technology sectors considering this a top priority.

Where employers do have a flexible benefits programme, there is a higher tendency to manage the associated administration 'inhouse' within the technology and retail sectors and 'externally' for pharma and life sciences. Due to the complexity of managing such plans inhouse, it is increasingly typical for companies to outsource this function to benefits partners that specialise in providing these services. The survey data also reveals that flexible working and choices to suit personal circumstances are here to stay and will continue to evolve, with additional considerations about operations, changing legislation and budget.



Aon's Viewpoint:

Providing employees with options to select benefits to suit their personal circumstances will increasingly be the expected norm, therefore should be considered within the organisation's benefits strategy.

Benefits Communication

It is increasingly important to ensure employees are aware of and understand their benefits, with the pandemic driving the need for digital communication to improve access to information. More than half of employers say employees are not fully clear about their benefits, and more than half say their preferred approach would be to provide access to benefits information via a digital platform or digital 'benefits home hub'.

57%

of employees are unclear about their benefits

Employers say employees in the technology, retail and pharma and life sciences sectors are more likely to be fully aware of their benefits, whereas employers in professional services and financial services say employees are less likely to be fully aware of their benefits.

When we consider the communication of benefits, a balanced approach is preferred; one that provides employees with straightforward information using simple language that is shared via multiple forms of media. For example, via face-to-face briefings, tele-conferences and as on-demand content that can be easily accessed from a central 'hub' where information is categorised under headings such as,

4%

or less do not capture employee feedback about benefits

'What Am I Covered For?', 'How Do I Make a Claim?', 'How Can I Share Feedback?' and 'Where Do I Go for Help?'.

Interestingly, half of employers say they are capturing benefits feedback via annual surveys or a pulse survey, followed by management feedback and employee interviews. Fewer than 10% of employers do not capture feedback.

The survey data also highlights the need for more flexible benefits, including voluntary benefits, which provide more options for diverse employee populations. In turn, the need for choice is driving the need for more effective communication, which can help employees understand the benefits they are entitled to and how to access them. Three quarters of respondents also say they would like a better understanding of how their benefits offer compares with their own company's philosophy, and with competitors.

A digital benefits 'home hub'

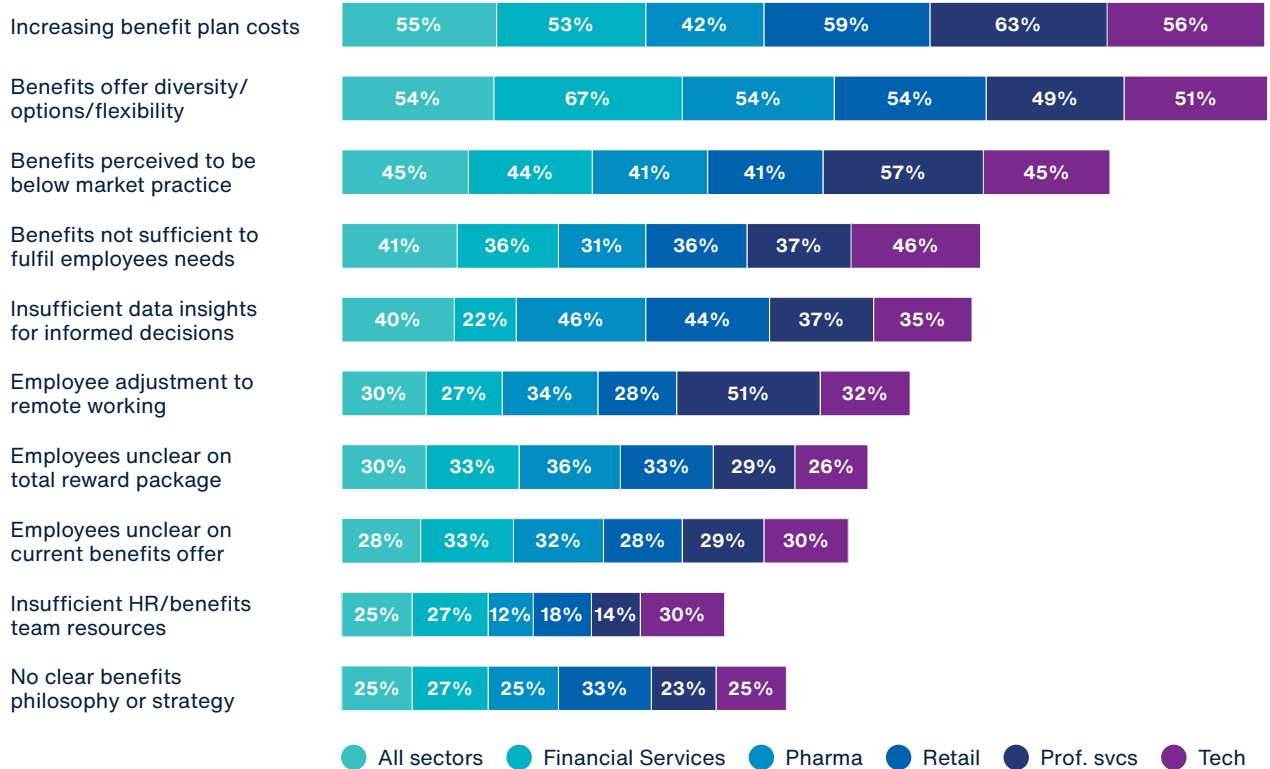
is the preferred communication approach

Aon's Viewpoint:

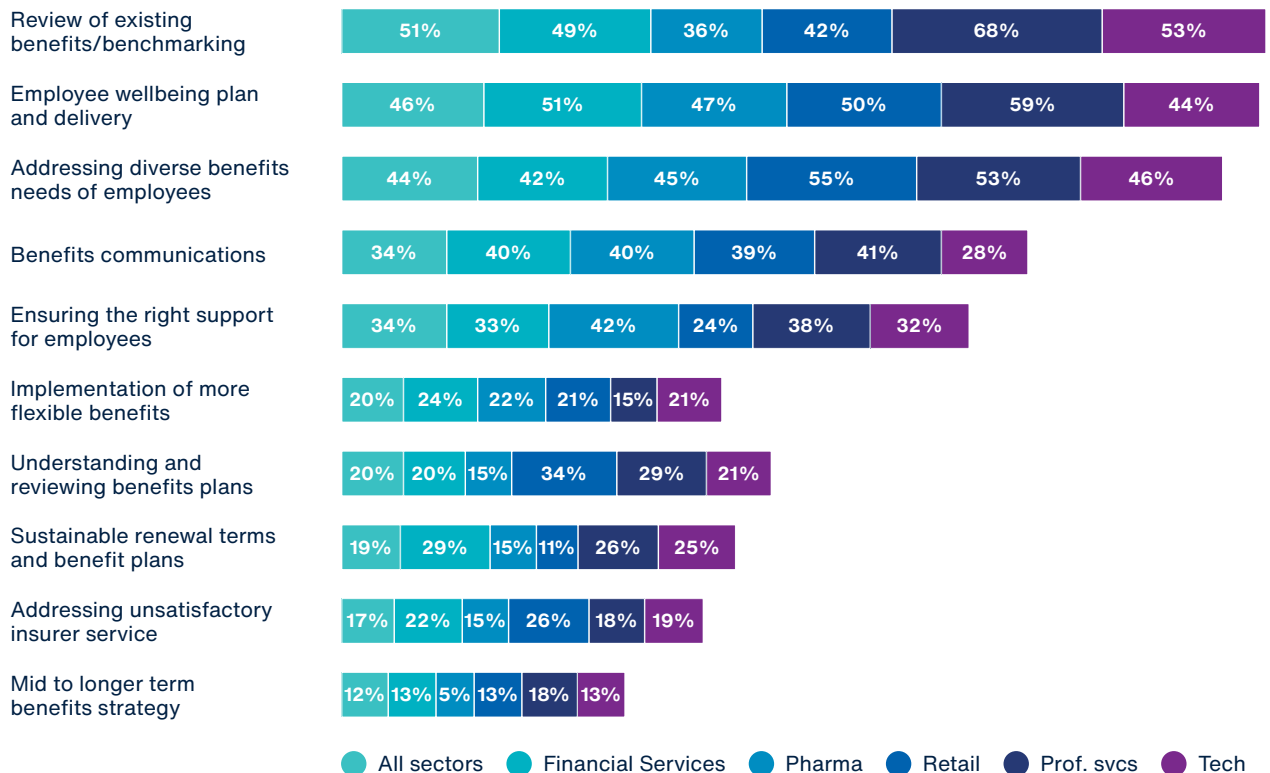
Employers can improve their employee value proposition (EVP) by communicating about benefits in a clear and straightforward manner across multiple channels that employees can easily access. Employers should consider their specific workforce when selecting communication methods and ensure alignment with existing organisational practices.

Challenges

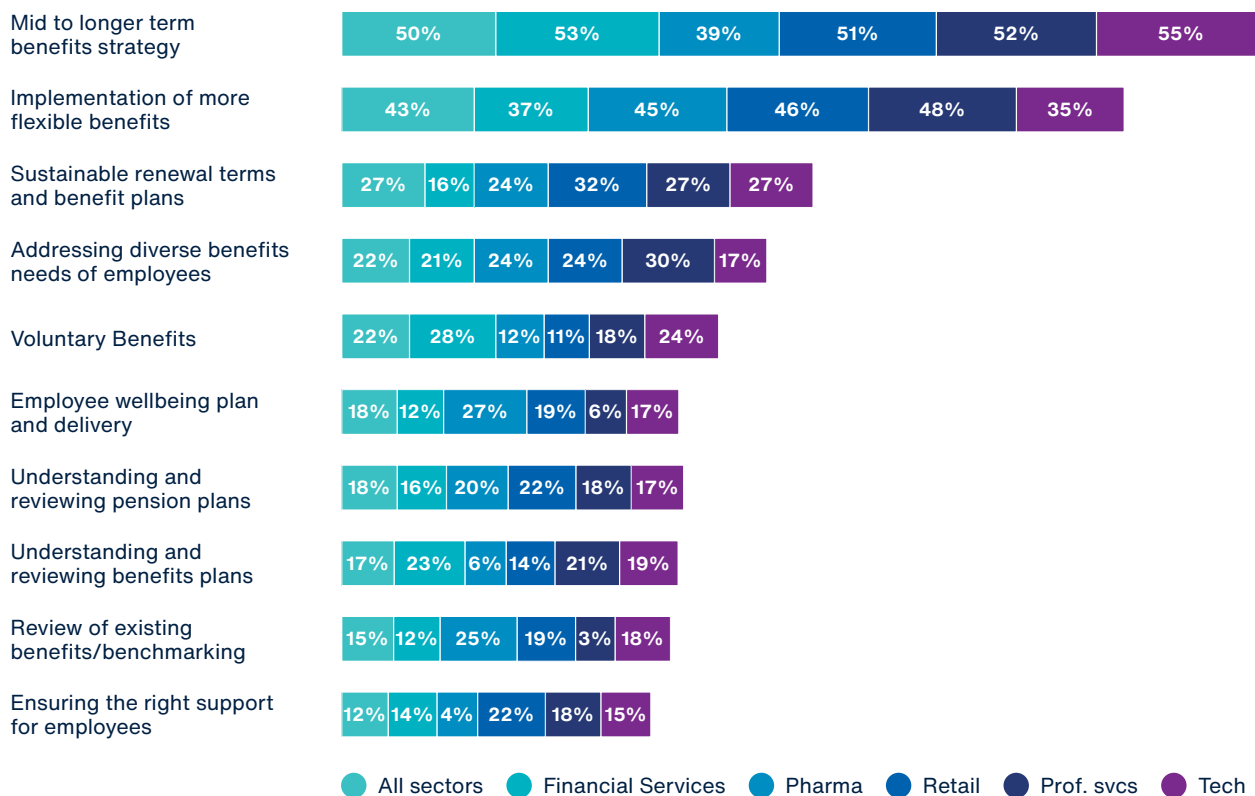
The figures below reflect the percentage of organisations in each sector that are facing a specific challenge.



Current Priorities



Future Priorities



Sector summary

Financial Services – Primary challenges include benefits diversity and choice, increasing plan costs and benefits being perceived to be below market. Key priorities include benchmarking, wellbeing, and choice, alongside mid to longer term strategy, voluntary benefits, and sustainable premiums.

Pharma, Life Sciences and Health – Key challenges include benefits diversity and choice, insufficient data, benefits being perceived to be below market, and increasing plan costs. Primary priorities shared by respondents were wellbeing, benefits diversity and benefits communication, and mid-to longer-term benefits strategy.

Retail – Primary challenges include increasing plan costs, the diversity and choice of benefits being offered, and benefits being perceived to be below market. Key priorities include addressing employees' diverse needs, wellbeing and benchmarking, mid- to longer-term strategy, and sustainable renewal terms.

Professional Services – Major challenges include increasing benefit plan costs, benefits perceived to be below market, and benefits offer diversity and choice. The key priorities include benchmarking, wellbeing and addressing employees' diverse needs, alongside sustainable renewal terms and mid- to longer-term benefit.

Technology – Key challenges include increasing benefit plan costs, benefits offer diversity, benefits adequacy and benefits being perceived to be below market. Key priorities include benchmarking, wellbeing and addressing employees' diverse needs, followed by mid to longer term strategy and voluntary benefits.

Summary of Key Findings – All Sectors

Top Challenges

- Almost 60% say increasing benefit plan cost is among their top challenges
- Over half of employers say benefits diversity, options and flexibility are a top challenge
- 41% say benefits are not sufficient to fulfil employees' needs
- 40% have insufficient data to make informed decisions
- Almost 50% say benefits are perceived to be below market
- 1 in 3 say employees are unclear about their benefits
- 1 in 2 do not have a clear benefits philosophy or strategy

Top Current Priorities

- Over 50% say benchmarking is a top priority
- Employee wellbeing is a key priority for almost 46% of companies
- Addressing the diverse benefits needs of employees is a key priority for almost 44% of companies
- 1 in 3 say providing the right support to employees is a current priority
- Benefits communication is a current priority for 1 in 3 companies
- Ensuring sustainable benefit plan renewal terms is a key priority for 19% of companies

Top Future Priorities

- 1 in 2 say designing a benefits strategy is their number one priority
- 43% say providing a more flexible benefits offer is their second priority
- 27% say sustainable benefit plan renewal terms is their third most important priority
- 22% say voluntary benefits and providing more benefits choice is a priority
- 18% say APAC retirement plan review and wellbeing benefits is a priority

Strategy, Governance and Planning

- 52% say they have a company-wide benefits philosophy and 24% plan to implement one
- Whilst benefits review and benchmarking are top priorities, almost 1 in 3 do not review their benefits regularly
- 41% are not completely happy with the level of service from their current insurer
- 21% have a multinational pool and 23% are exploring this now
- Respondents say India, China and Singapore are their fastest growing locations
- Vietnam, China and Japan are markets that many companies expect to enter in the next 12 months

Benefits for a Diverse Workforce

- 1 in 3 respondents already provide a flex programme
- 39% are currently exploring or planning to implement flex
- Employers implementing flex are more prevalent in Singapore, India, Malaysia, The Philippines and China
- Companies implementing flex are targeting The Philippines, India, Singapore and China
- 74% have a DE&I strategy but 29% say they have work to do to improve it
- 1 in 3 say benefits plans fully support employees, with half stating plans support employees to some degree

Benefits Communication

- 57% of companies say employees are not fully clear about their benefits
- Almost 41% use a digital benefits platform and 32% say this is their preferred approach
- 1 in 2 say face-to-face presentations are the current approach and 12% say this is the preferred approach
- 3 in 4 say e-mail is the current approach to communicating, with 1 in 10 saying e-mail is their preference
- 21% say total reward statement is their preferred approach
- Over 18% say messaging via benefits video is one of the preferred options
- 33% say a brochure is the current approach to sharing and 10% say this is their preferred approach
- 40% say conference call/briefing is the current approach and 9% say this is their preferred approach

Wellbeing Support and Agile Working

- Most respondents have a strategy (67%), of which 32% are driven globally or regionally and 26% locally
- More than half of employers provide access to tele-medicine
- 1 in 3 say more than 25% of their workforce may work from home in future
- 28% saw a rise in turnover of more than 5% in the past 12 months, mostly due to better options elsewhere
- Over 1 in 4 expect at least 25% fewer business trips in future
- 1 in 3 expect no change in business trips compared to pre-pandemic levels
- 78% have seen no increase in reported absences in the last 12 months



3

Good Governance



3

Survey respondents identify alignment of benefits to the market as their most important priority, followed by employee wellbeing and addressing the needs of a diverse workforce. However, these goals have become increasingly difficult to achieve, as medical inflation in the Asia Pacific region continues to rise, with the gross medical trend rate in 2023 being 9.2% on average compared to 8.2% in 2022.

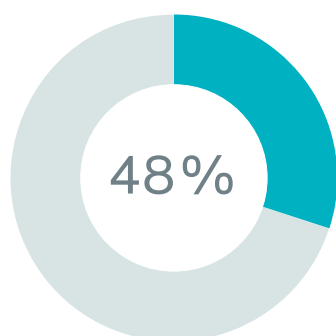
It is not surprising that ensuring sustainable premiums is a key issue. Making the right decisions and investing in benefits that employees appreciate is more important than ever.

Respondents typically benchmark to 50th percentile of the industry sector, closely followed by the general market when looking across all sectors. As expected, financial services, pharma and life sciences, professional services and technology benchmark to the mid-point in their respective sector, and one fifth of all respondents report that they provide market leading plans in their sector.

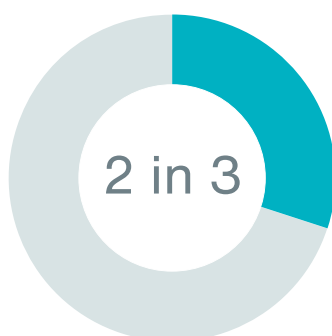
Key Notes:

- 48% of companies do not have a benefits philosophy
- Almost one quarter do not review benefits regularly
- 57% say employees are not fully clear about their benefits

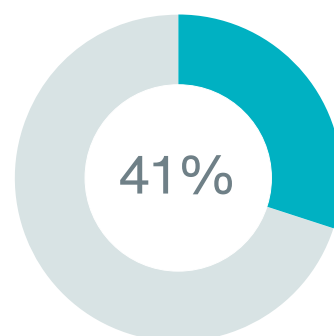
Respondents who say their company has a benefits philosophy typically include the benchmarking position to general market and sector, providing cover for dependents/ family, benefits diversity, and employee experience in terms of communication, digital access/support and feedback. To recap, it's important to note that more than 1 in 3 employers are not fully happy with the service provided by their insurer. 2 in 3 say their benefit plans do not fully support the organisation's diverse workforce, and one-third say their insurance partner does not provide options to meet these needs.



do not have a
benefits philosophy

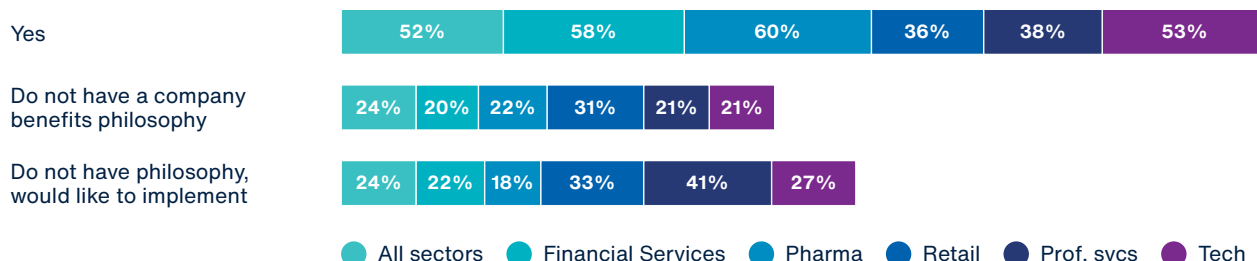


companies say their benefit
plans do not fully support a
diverse workforce

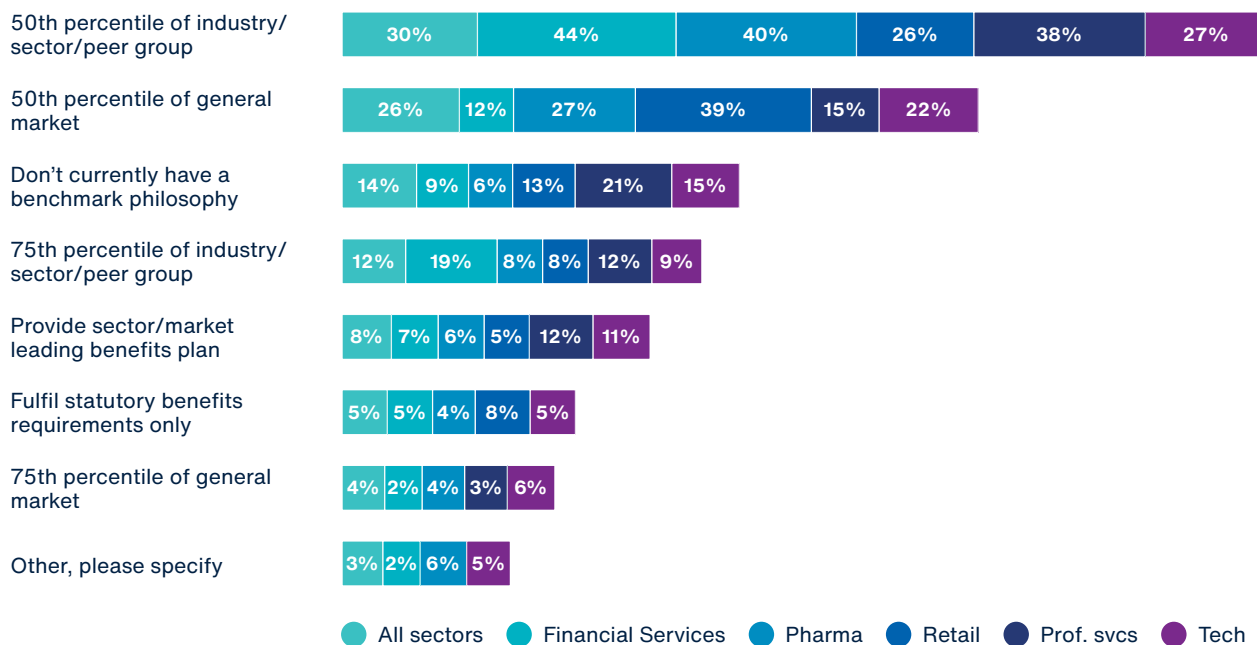


are not fully happy with the
level of service from their
current insurer

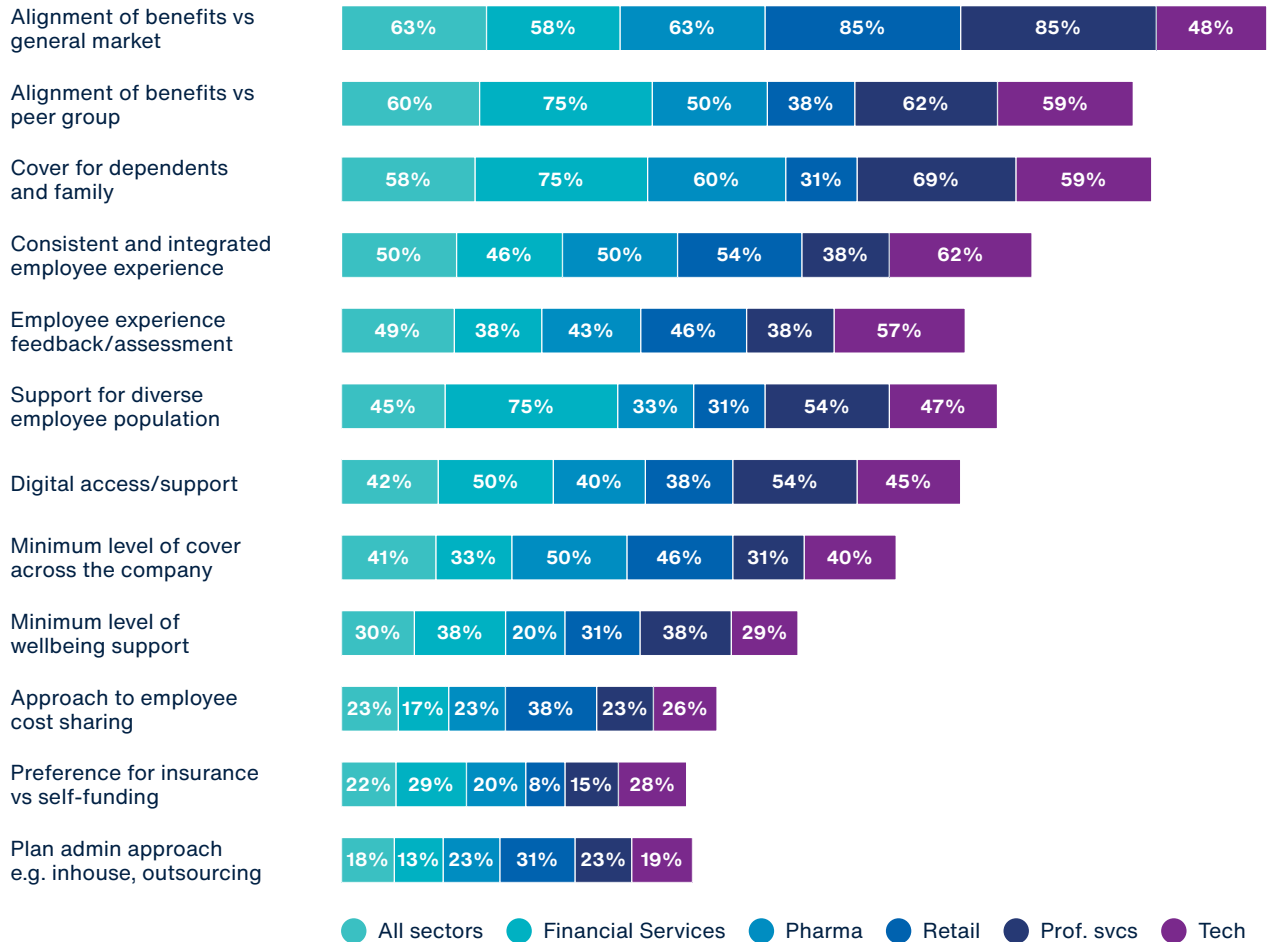
Do you have a global or regional benefits philosophy?



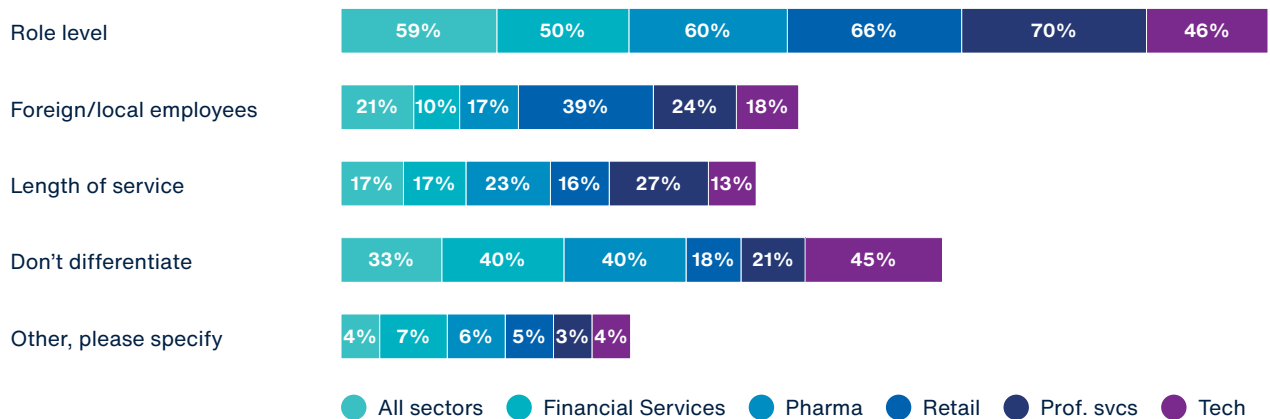
Please advise your benefits benchmark philosophy



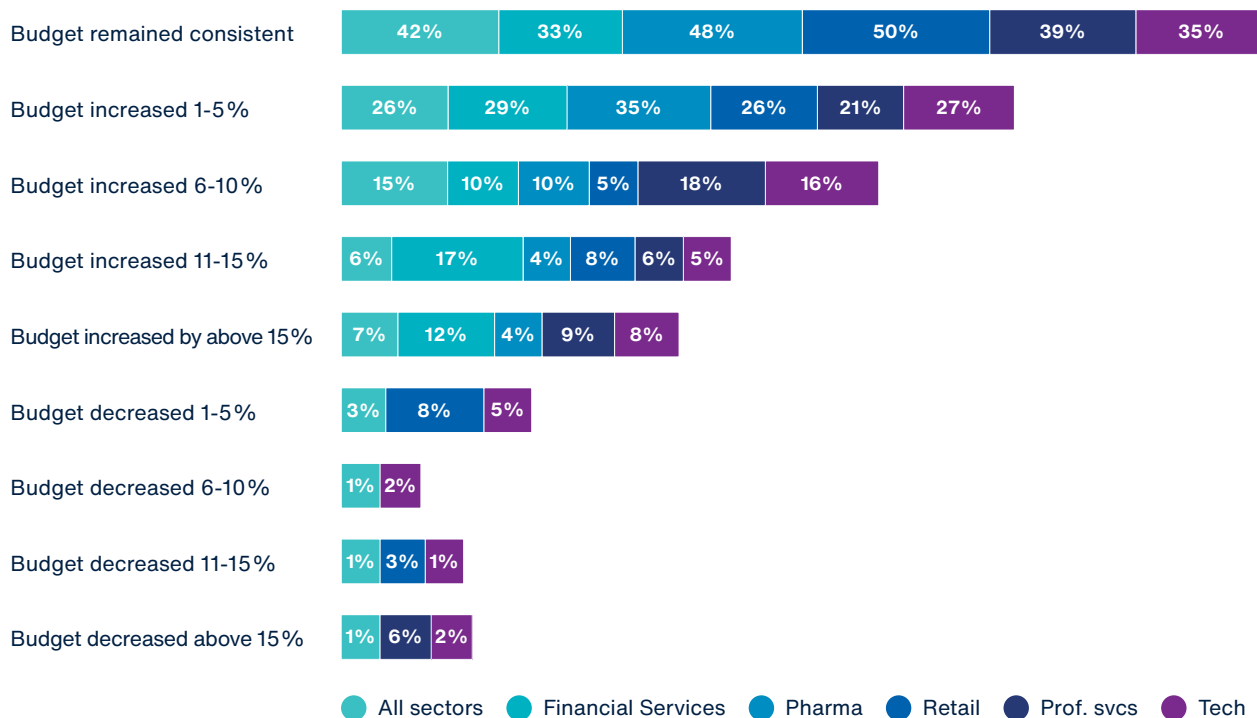
Please share the components you include as part of your core benefits philosophy



Do you differentiate benefits by the following?



Compared with last year, has your company's benefit budget per employee changed?



Current Claims Trends and Renewal Terms

For the past two and a half years, most countries in the Asia Pacific region were under COVID-19 related restricted movement regulations, which led to suppressed claims utilisation, as large as a 70% drop in the number of cases during lockdowns. This helped to offset rising treatment costs and keep total claims cost and corresponding premium increases within reasonable range. As life returns to relative normality, the general population has already become more comfortable seeking core medical and ancillary services in the same way they did before the pandemic. We have also started to observe an increase in non-urgent treatment procedures deferred from 2020-2021.

The relaxation of movement controls and safe distance measures has already caused an increase in the incidence of respiratory cases, which fell during the pandemic. This has added to the overall increase in claims volume and is making utilisation risk more prominent.

We are likely to see an increase in
non-urgent treatments
in the near term

Medical inflation and rising premium costs have been the top concern for most companies. Across most markets in Asia Pacific, we have observed an increase in average treatment costs ranging from 15% to 40% compared to pre-pandemic levels, depending on location.

Although most medical providers tried to keep fees for core services like GP or specialist consultations the same to ensure fair access to care, the cost of drugs, dental treatment, physiotherapy and other ancillary services has seen double-digit growth.

Average treatment costs have risen by

15% to 40%

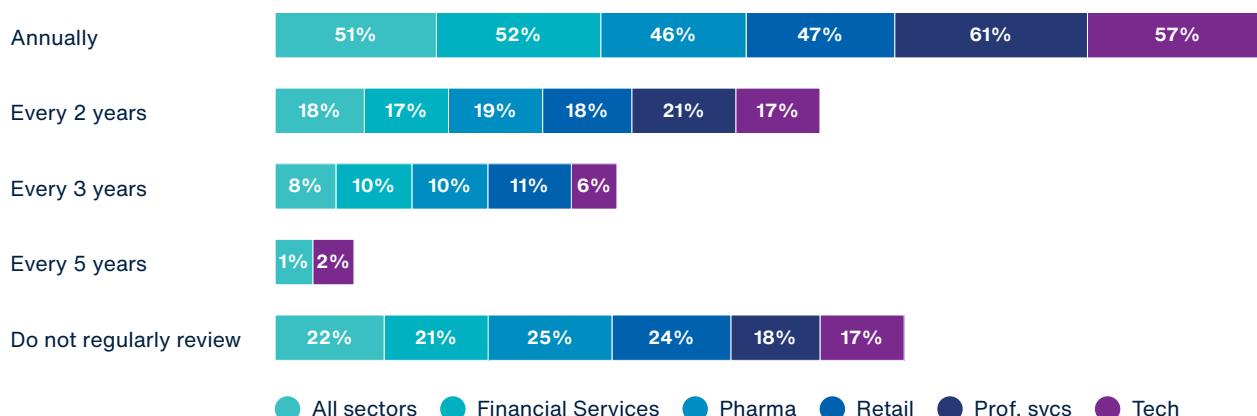
In addition, many governments in recent months pronounced COVID-19 an endemic and so reduced or completely removed existing subsidies, shifting sponsorship of ongoing COVID-19 costs to private plans. Given the macroeconomic landscape and rising inflationary pressure, the expectation is that treatment costs will continue to increase and create larger than normal premium rate actions over the coming renewal cycles.

A careful approach to upcoming renewals is necessary to formulate a prudent mid-term to

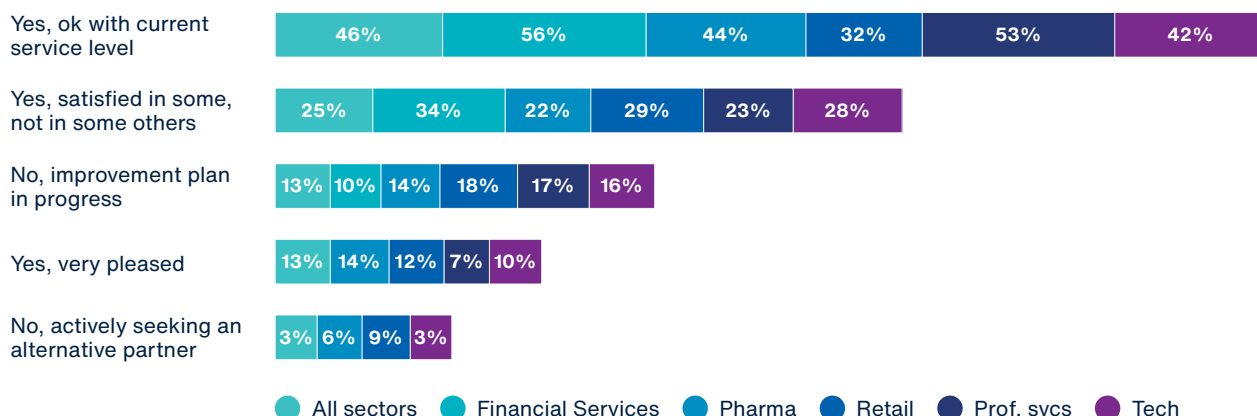
long-term strategy. For instance, to manage costs and ensure sustainability of benefit programmes, many medical policies in the region have internal plan limits that follow a fixed monetary amount structure. Without careful review and adjustment, higher consumer prices will translate into an erosion of value of these benefits for employees, creating pressure on employers to increase the buying power of employees to continue to enjoy the same level of benefits.

Carriers are also under significant pressure to offer pricing that is accurate and reflects increasing utilisation and rising treatment costs, which may lead to delayed decisions or less flexible terms.

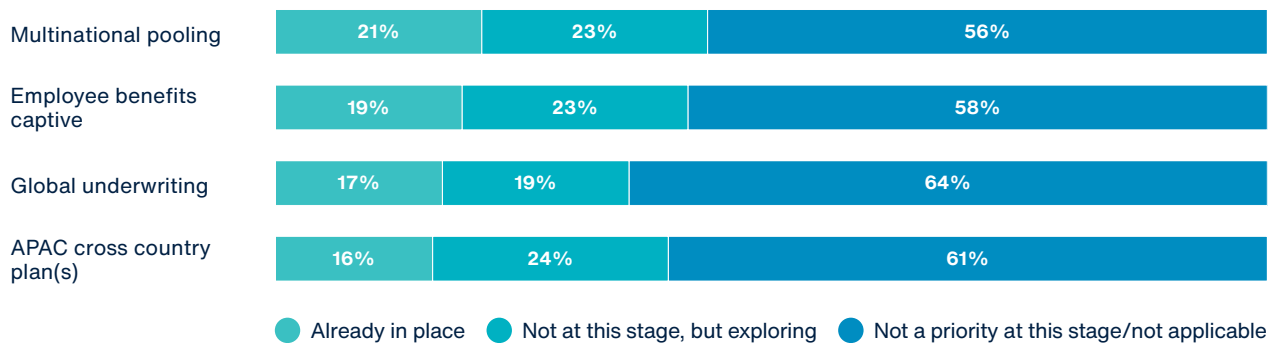
How often do you review your existing benefits?



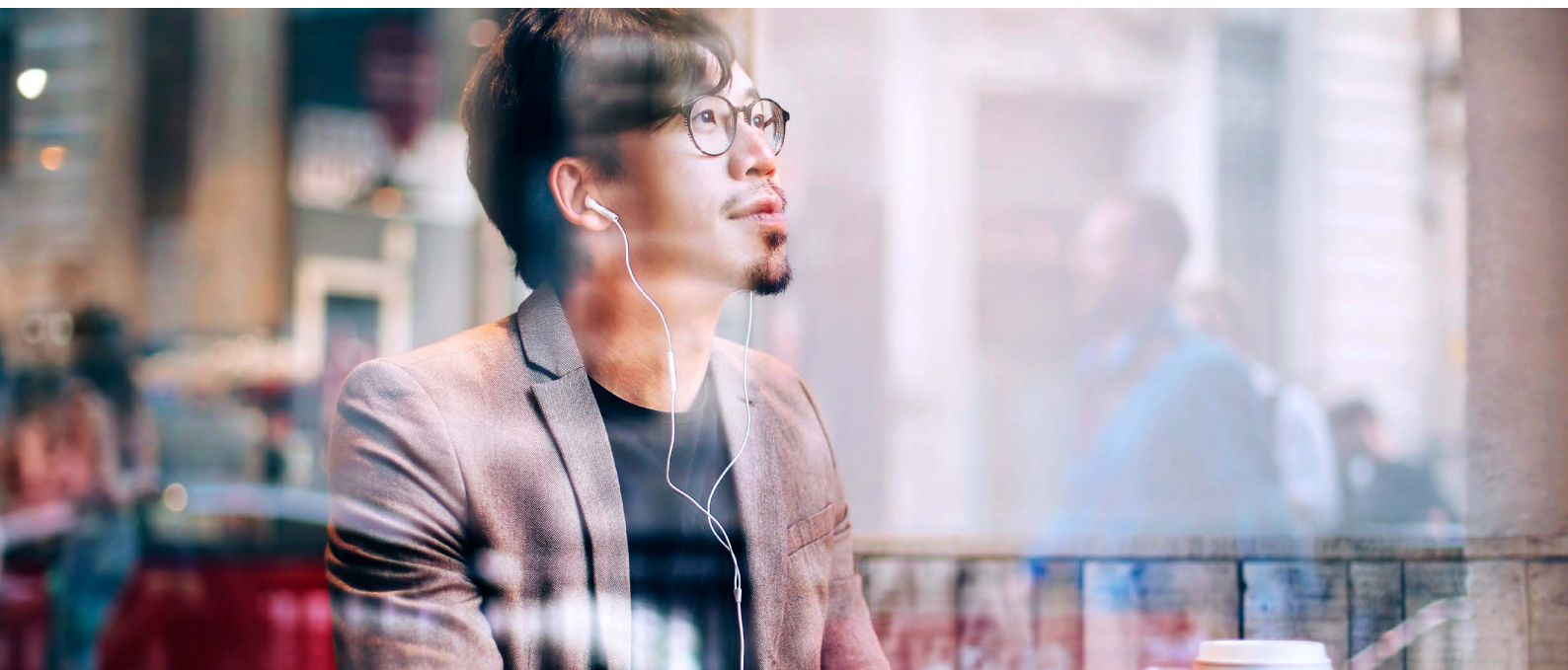
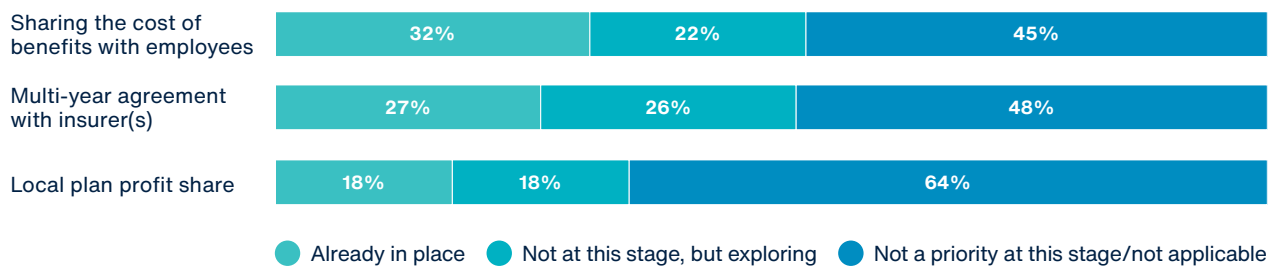
Across APAC or in your location, are you satisfied with the current level of service delivery from your insurer(s)?



Do you have the following financing strategies in place?



Please share what you have in place/typical practice from a local perspective



4

Benefits for a Diverse Workforce



1 in 3

have a flexible
benefits programme

1 in 3

are exploring
flexible benefits

1 in 5

say voluntary benefits
are a key priority**Flexible benefits**

The term 'flexible benefits' or 'flex' refers to an integrated plan that allows employees to choose how they receive the value of their total reward package, as cash and a combination of benefits.

Considering the diversity of workers in the region today, and that by 2025 Generation Z (those born between 1997 and 2015) will account for 25% of Asia Pacific's 4bn+ population, it's no surprise that flexible benefits or choice programmes are a top priority for employers in all sectors.

30% of respondents say they have a flex programme, while 33% are exploring whether to implement a flex programme. Flex programmes have the highest prevalence in the technology and pharma sectors, with professional services, retail and financial services sectors keen to implement. Employers that already have a plan in place are most prevalent in Singapore, India, Malaysia, China, The Philippines and Hong Kong, and these are also the locations where employers without plans are currently looking to implement for the first time. There has also been a gradual increase in the provision of voluntary benefits, with 1 in 5 stating voluntary benefits are a key priority, typically provided on a standalone basis or as additional options, as part of a flex programme.

Flexible benefit programmes allow employers to offer benefits to suit individual employee's needs and they can also become a useful internal communication and employee engagement tool. For employers, these plans also offer valuable, data-driven insights that help to provide direction, and control and support informed decision making.

As mentioned, varying degrees of flexibility can be offered, from voluntary plan purchase and voluntary upgrades on a core design through to fully flexible offers that enable employees to draw from a spending budget or percentage of salary. Flexible benefits plans provide greater personalisation for

all generations in the workforce and enable control of spending budgets. Before implementing flexible benefits plans, organisations need to consider local market dynamics, workforce profile, DE&I policy, employee feedback, benefits philosophy, peer benchmark, employee communication, engagement, process efficiency, employee and employer support, and budget.

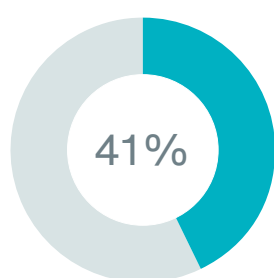
Some questions for HR and benefits professionals to consider, include:

- Does your benefits package align with your organisational philosophy?
- Are you providing enough options for a diverse workforce?
- Do local carriers and legislation allow you to align benefits with your organisational philosophy? For example, DE&I coverage?
- Do you have sufficient data and insights to make informed decisions?

Aon's Viewpoint:

A flexible benefits programme can provide options for a diverse workforce, alongside valuable data, such as benefit preferences per location.

Flexible benefits programmes are typically delivered via a technology platform and employers in the technology sector are more likely to manage the administration of flex programmes inhouse (approximately 1 in 5 respondents), whereas other sectors are more likely to outsource. Outsourcing is increasingly typical due to the complexity of flex plans and the expertise offered by benefits partners that specialise in providing these services.



say their benefits platform does not fully meet business needs

Some organisations still manage and process options or spending account claims via form submission, although this approach is becoming less common due to process cost, speed, management, and lack of useful data insights. Of those who use a benefits platform, 41% say their current platform does not fully cover business needs, with

1 in 5

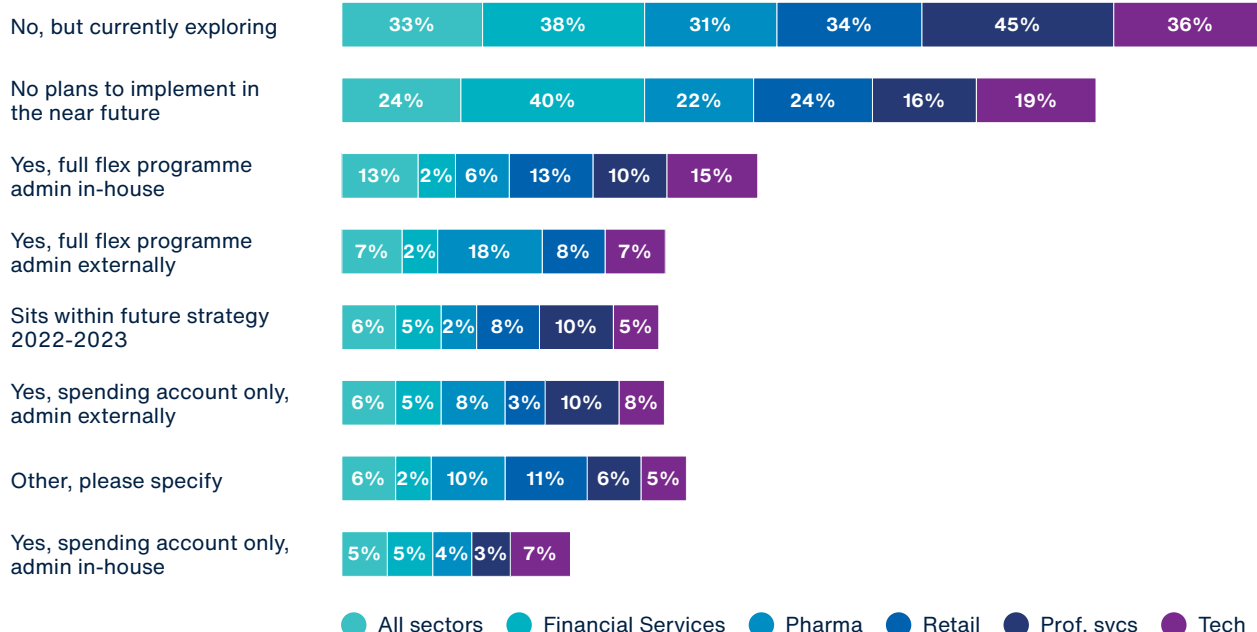
manage flex administration inhouse

key omissions including detailed data analytics, delivering a single central benefits hub, the lack of demographic analysis/selections, the inability to add a total reward statement, and a lack of digital content.

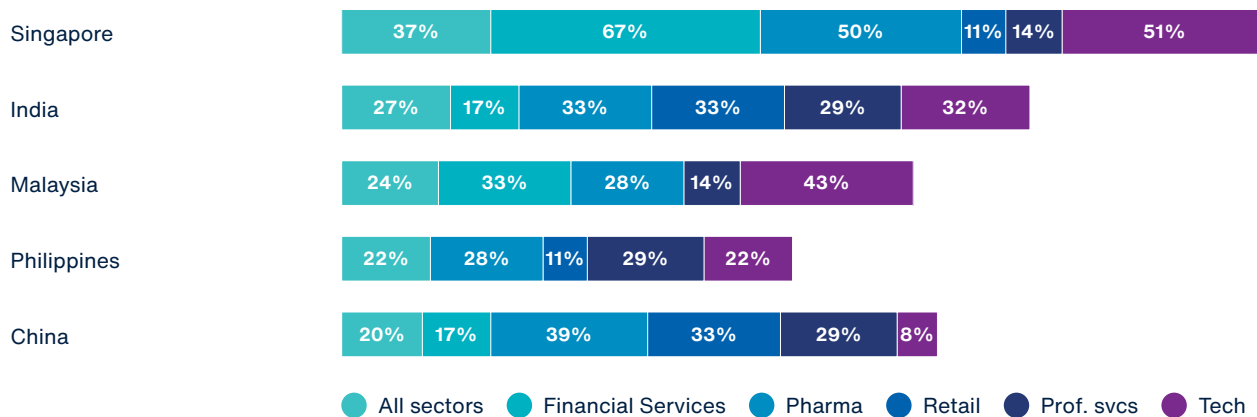
Technology is becoming more important when it comes to delivering benefit programmes and making it easier to offer choice, online claims submission and processing, and enabling employees to access benefit plan information through a central 'benefits home hub'. Flexible working and choice programmes to suit personal circumstances are here to stay and will continue to evolve at pace.

Aon's Viewpoint: Flexible work and choice programmes are here to stay.

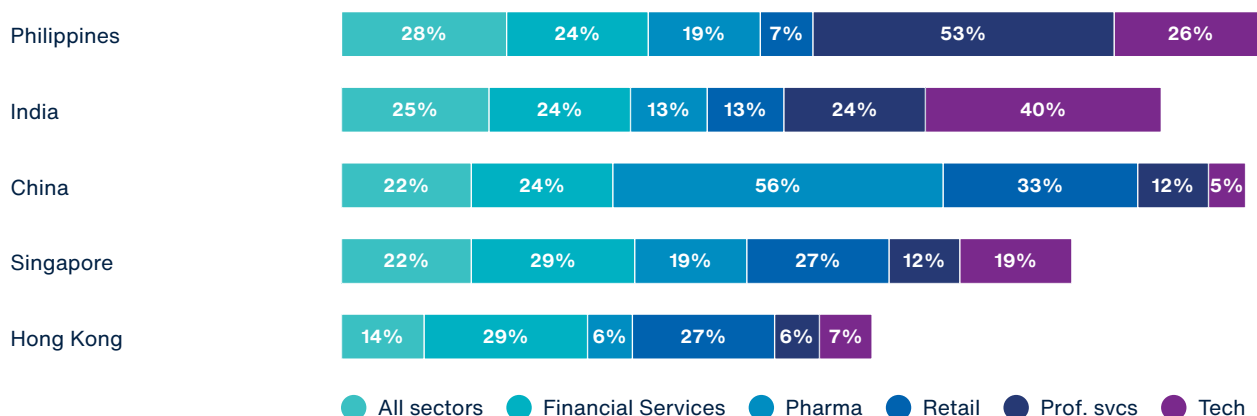
Do you currently offer a flexible benefits programme?



In which locations have you launched flexible benefits?



If you are considering implementing flexible benefits, please share the locations



Diversity Equality and Inclusion (DE&I)

When thinking about benefit options for a diverse workforce, it is important to note that 4 in 5 employers say they have a DE&I strategy and, among those, 29% say they have work to do to improve their strategy. One-third of respondents say their benefits plans fully support their workforce, and half state that that their benefits plans support to some degree. Addressing the diverse benefits needs of employees is a key priority for 44% of respondents. Two-thirds say their insurance partner is not fulfilling their benefit needs. However, it is important to note that DE&I provisions may be limited by local legislation in specific countries.

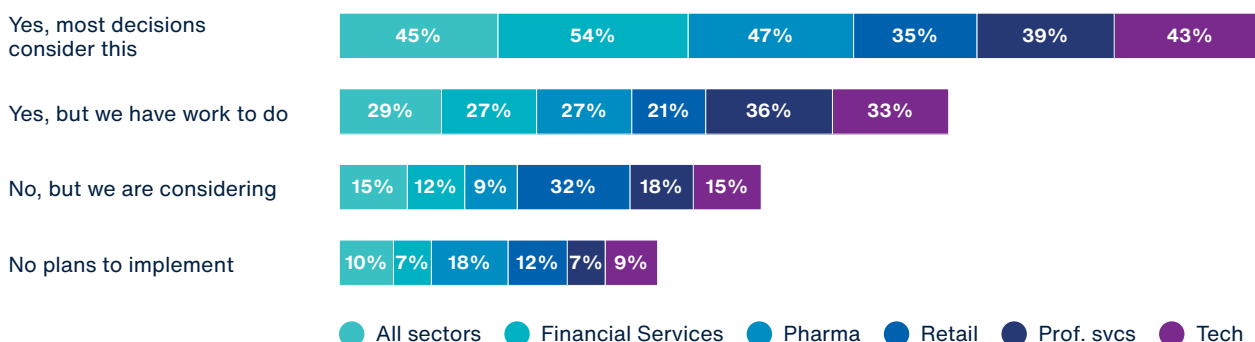
4 in 5

have a DE&I strategy

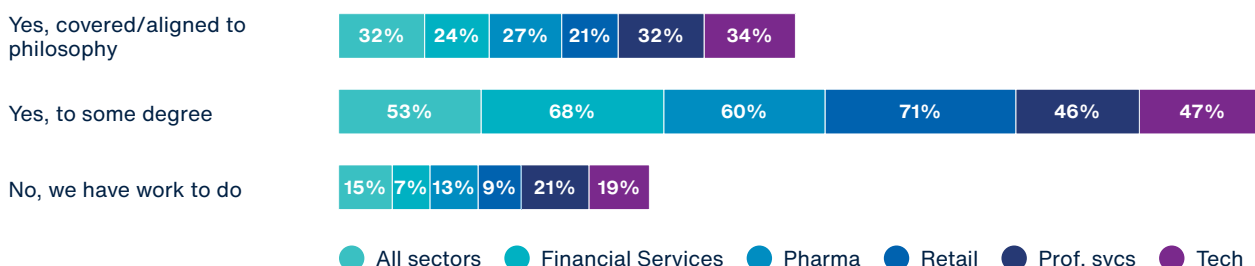
2 in 3

say their insurance provider is not fulfilling their benefits needs

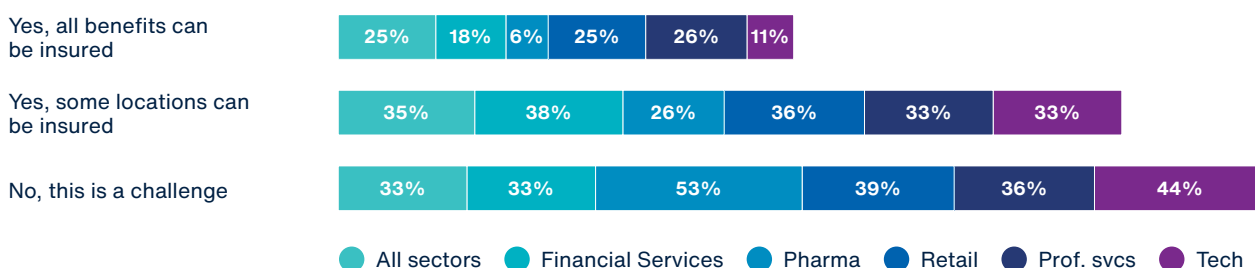
Does your organisation actively promote a DE&I strategy?



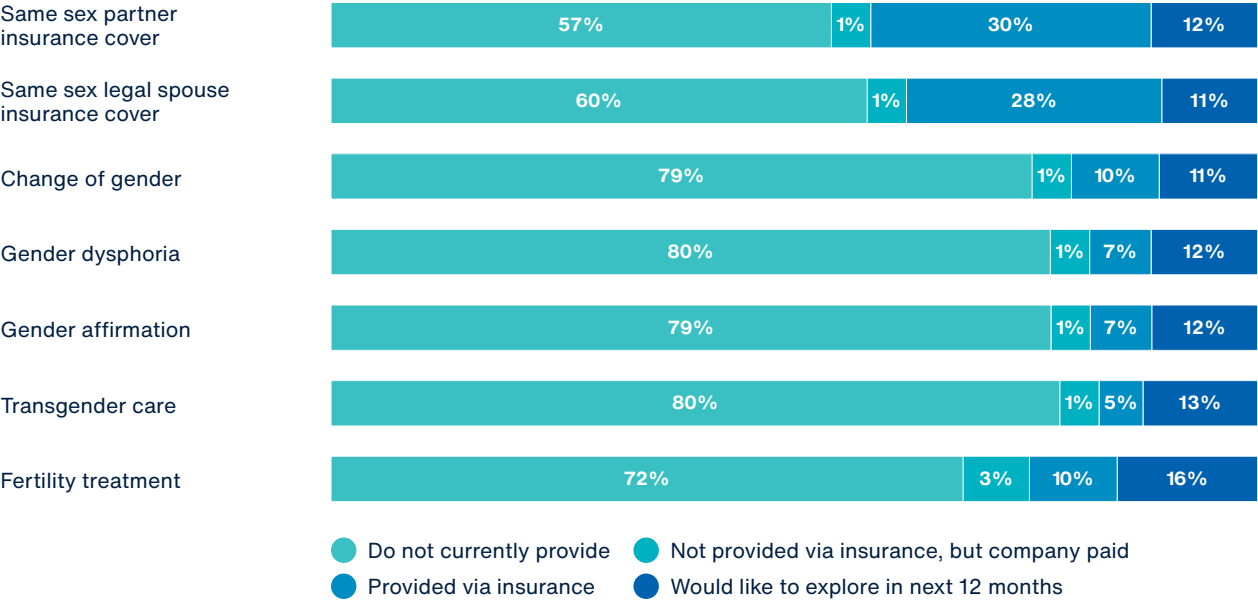
Do your benefit plans fully support the organisation's diverse workforce?



In general terms, do your insurance partners provide options to meet your DE&I needs?



Does your DE&I strategy support offering the following medical benefits?



Vendor limitations are the key challenge for companies looking to support employees' diverse needs. Diverse and inclusive benefits are not always supported by insurers in APAC, as only 25% of respondents mentioned that support from insurers is sufficient, 36% mentioned limited support while 33% of respondents found it challenging. The most popular DE&I benefits are coverage for same-sex partners followed by fertility benefits.



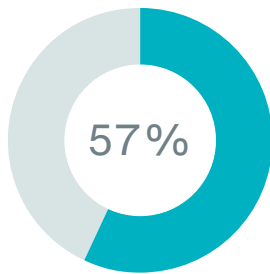
An online benefits 'hub'

is the preferred method for communicating about benefits

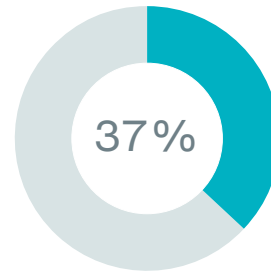
Benefits Communication, Utilisation and Engagement

57% of respondents say colleagues are not fully aware of the benefits they are entitled to. However, employers recognise the importance of benefits communication and awareness, with 37% stating this is a key priority.

Organisations typically communicate about benefits annually, although some deliver quarterly and six-monthly updates. A changing work environment has driven the adoption of innovative tools, such as inhouse social media platforms, chat bots and benefit platforms, including The Benefits Solution (TBS) by Aon, a proprietary global benefits selection and engagement tool. Half of respondents say they typically gather feedback about benefits from employees via ad-hoc pulse surveys.



of employees are not fully aware of their benefits



say benefits communication is a key priority

32% of respondents say they would like to use a digital benefits platform, and 21% say they would like to implement total reward statements. These approaches broadly align across sector, and are influenced by competitive need, budget, and practical working environment.

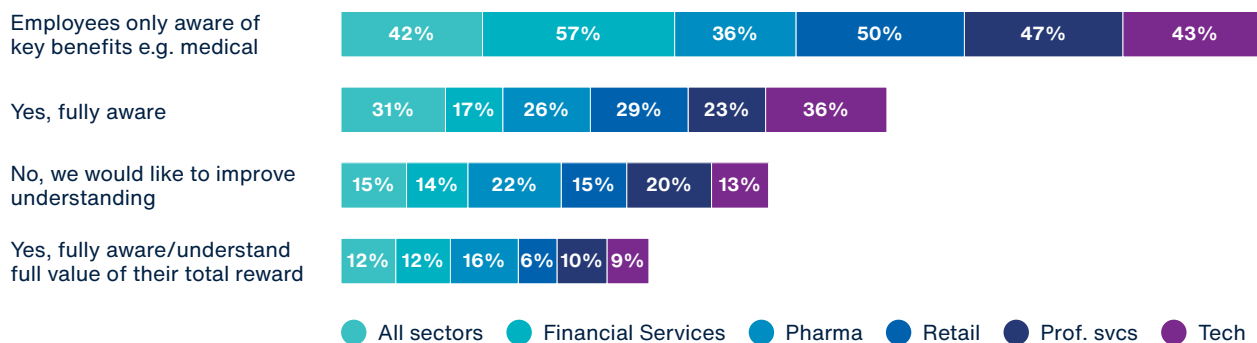
Typical content being shared includes total reward statements, messaging via benefits video, intranet and social media, with more traditional approaches including townhall briefings, line manager cascade and live presentations still being used.

Benefits should be part of an ongoing dialogue with employees, where regular feedback is sought. Plan design and benchmarking is also important to ensure benefits are adequate. Typical feedback mechanisms include annual surveys, pulse surveys, management team gatherings, employee exit interviews and anecdotal feedback. Some employers use approaches such as conjoined analysis (a study of benefits and reward, coupled with employee feedback), a periodic employee benefits preference survey (a benefits focused employee survey) and/or employee focus groups to gather specific insights from employees about benefits related questions.

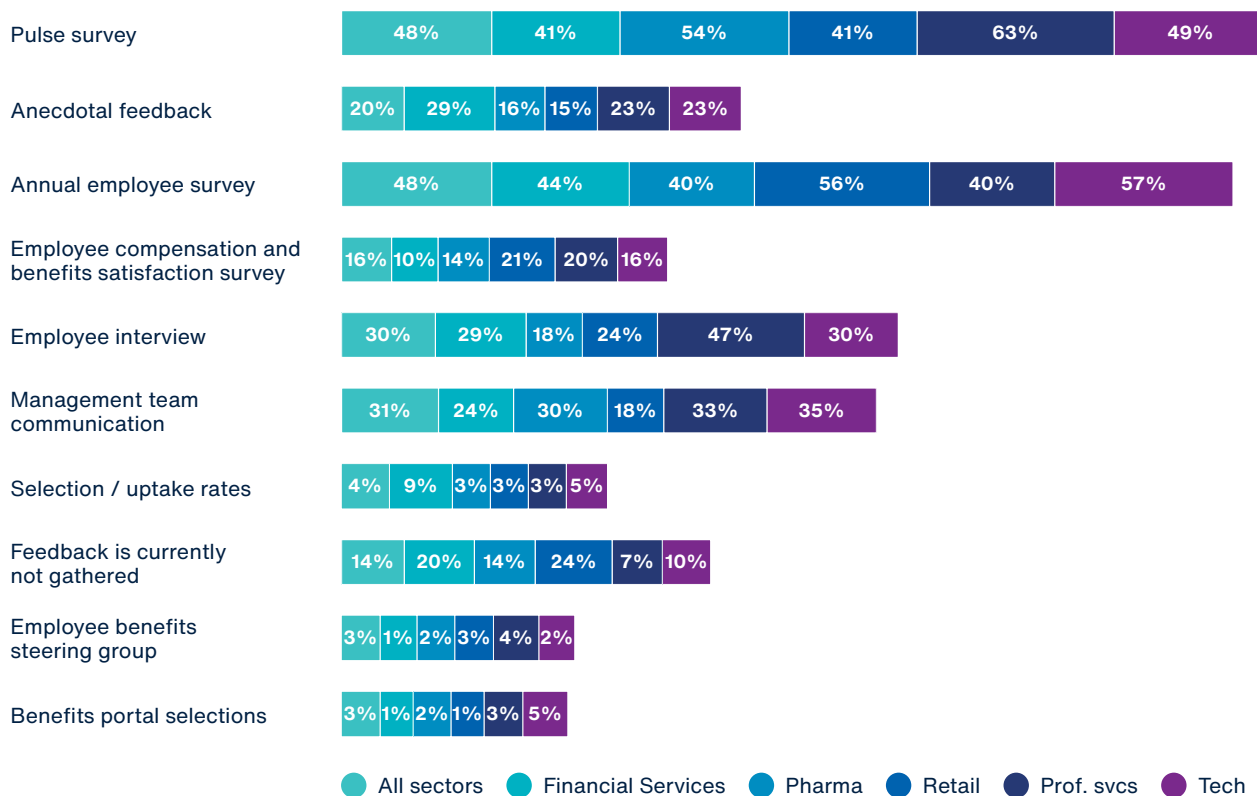
The past two to three years have seen digital platforms rise in popularity, with many employers now using an online portal or 'benefits home hub' to communicate with employees about their benefits using various media, including video, to promote financial wellbeing education sessions and other events and to update employees about total rewards.

Aon's Viewpoint:
Clear, straightforward and regular benefits communication and feedback is key.

Are your employees fully aware of the benefits they receive?



How do you gather feedback on colleague satisfaction with their benefits?



5

COVID-19 Impact and Employee Support



As discussed, the past two-to-three years were unique. The pandemic evolved unpredictably during this time, resulting in new challenges, new ways of working, and changing human resources strategies and priorities.

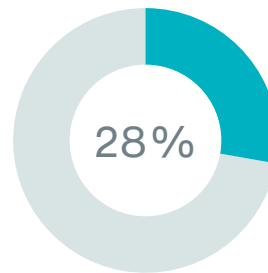
More than 25 percent of employers say they are unsure how many employees now work from home permanently and just under 1 in 3 expect that more than 25% of their workforce will do so in future. Remote working appears to be more prevalent in the technology sector, followed by pharma, life sciences and retail, with just under 1 in 3 unsure at this time. 87% of respondents say their organisation provided additional support to employees during the pandemic, often in the form of tele-medicine or employee assistance programs.

1 in 3

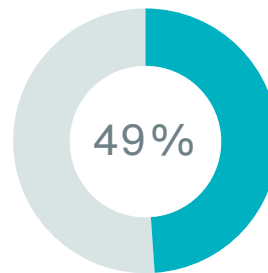
employers estimate that more than 25% of their workforce will work from home in future

Assistance Programmes (EAPs), alongside flexible or hybrid working arrangements and wellbeing support, including education sessions and online classes.

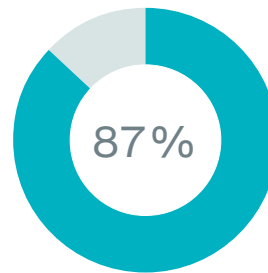
49% of employers report seeing higher employee turnover in the past 12 months, with 1 in 4 stating an increase of more than 5%. Increased turnover was most prevalent in retail, followed by pharma and life sciences, and professional services. Respondents say this is predominantly due to better opportunities arising elsewhere. The overwhelming majority of organisations did not see an increase in reported



expect over 25% fewer business trips moving forward



of employers saw higher employee turnover over the past year



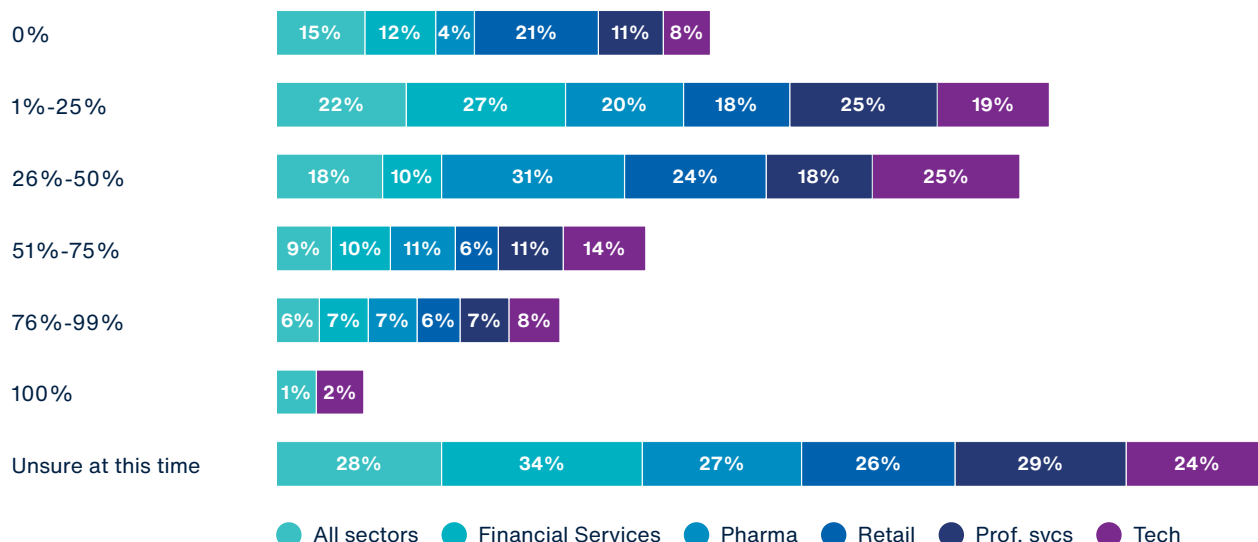
provided additional support to employees during the pandemic

employee absences during the 12 months since mid-2021, but there were small increases in retail and professional services.

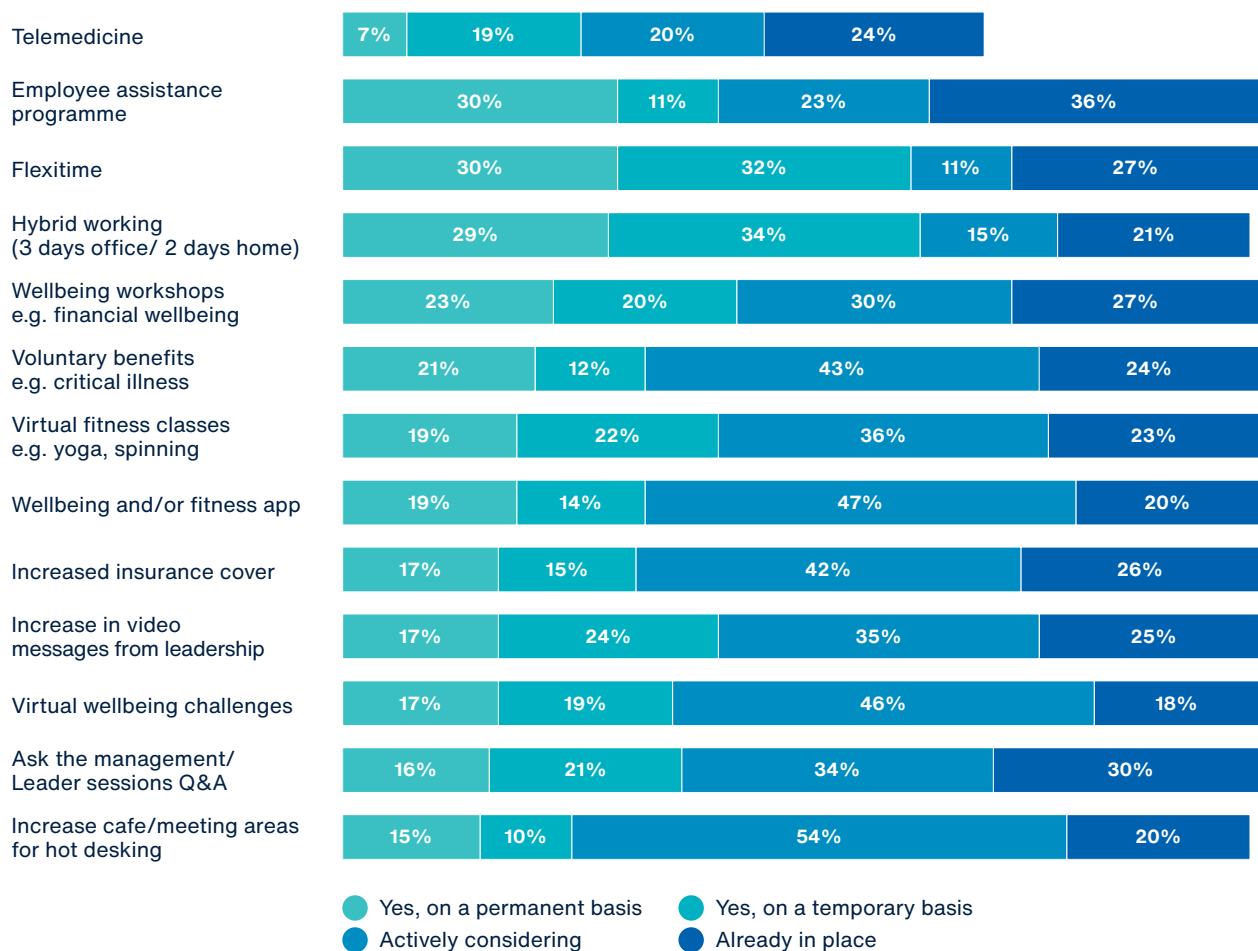
28% said they expect at least 25% fewer business trips in future, and this is most prevalent in the technology sector with 53% of employers saying they expect 25% fewer business trips in future.



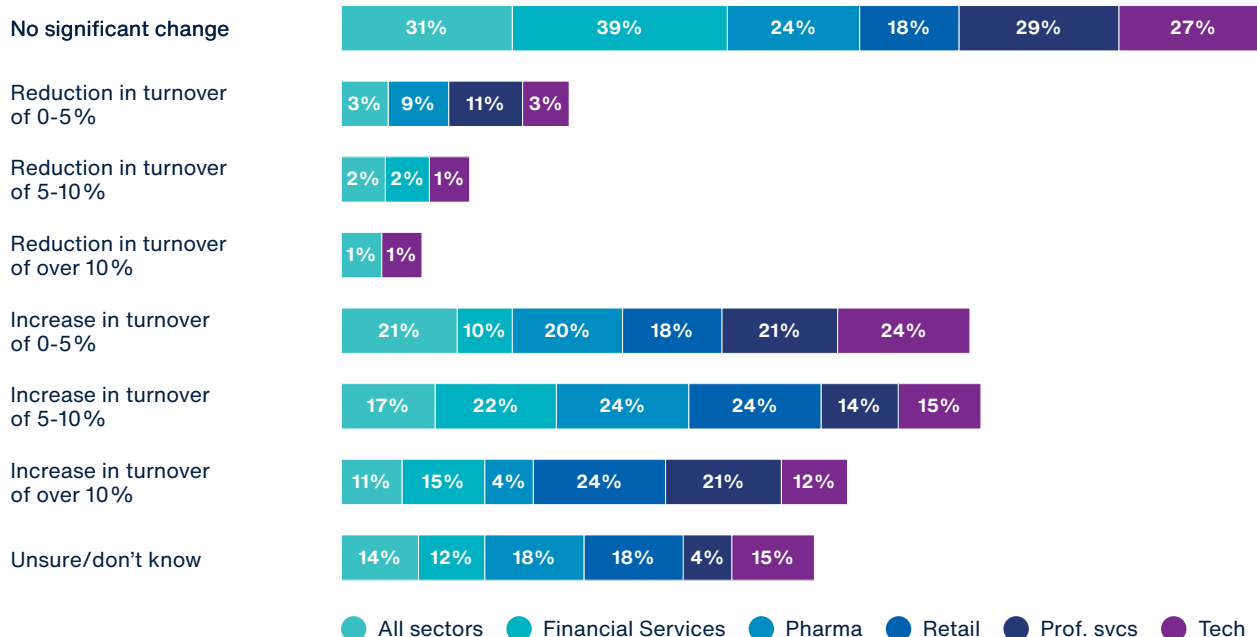
What percentage of your employees do you think will work from home permanently in the future?



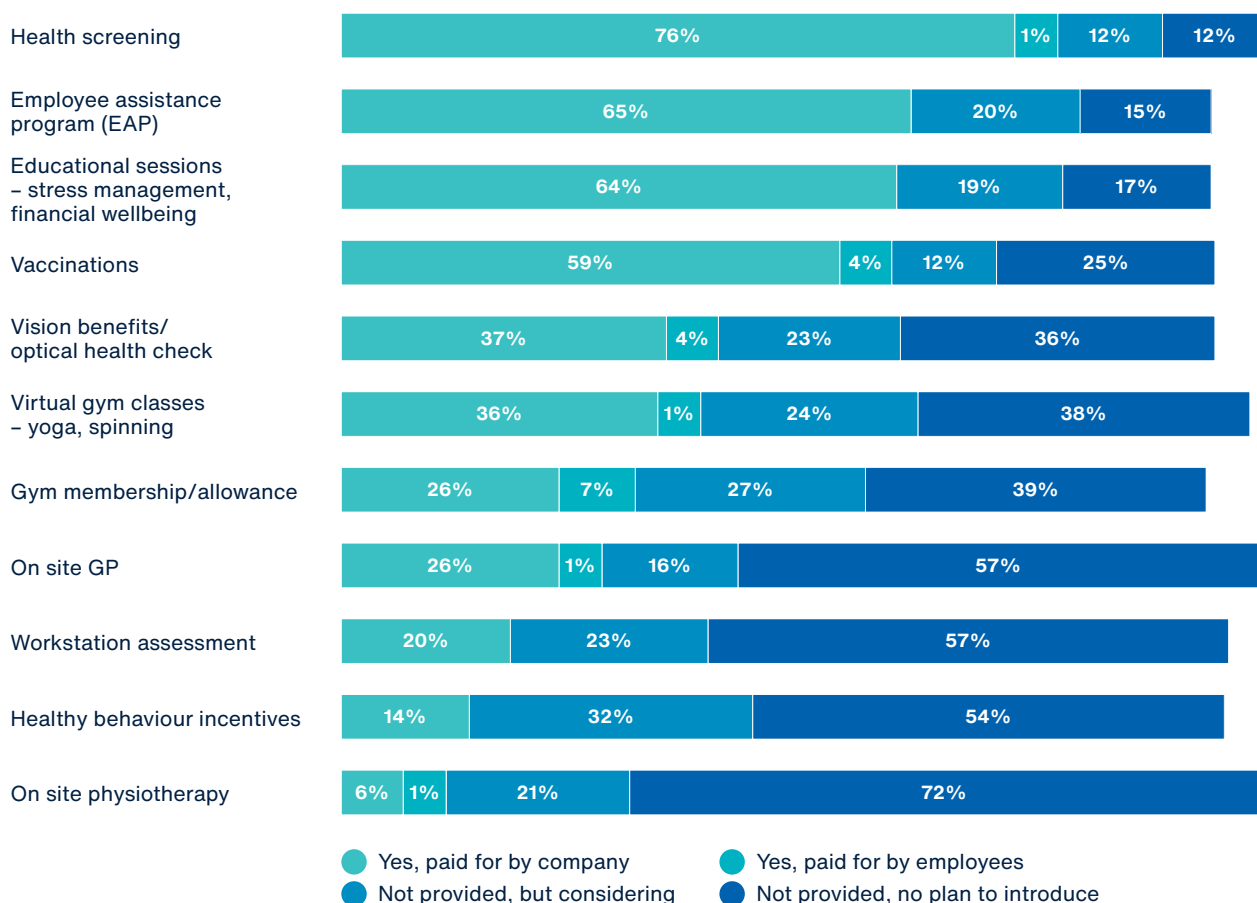
What support has your organisation provided to employees during the past 24 months?

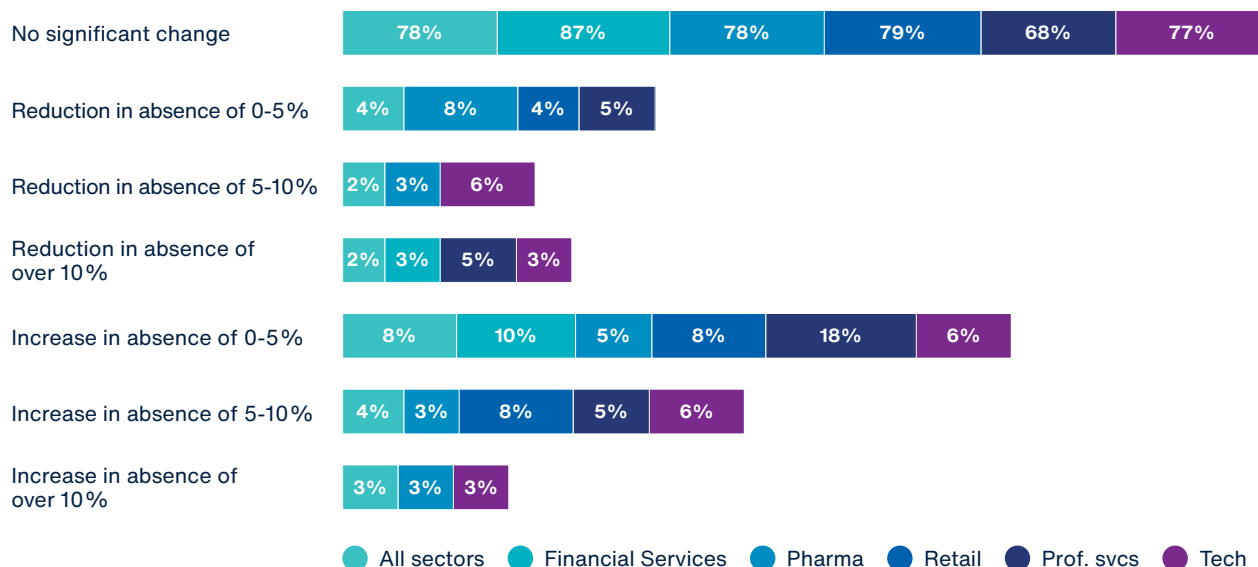


Has your organisation seen an increase in employee turnover in the last 12 months?

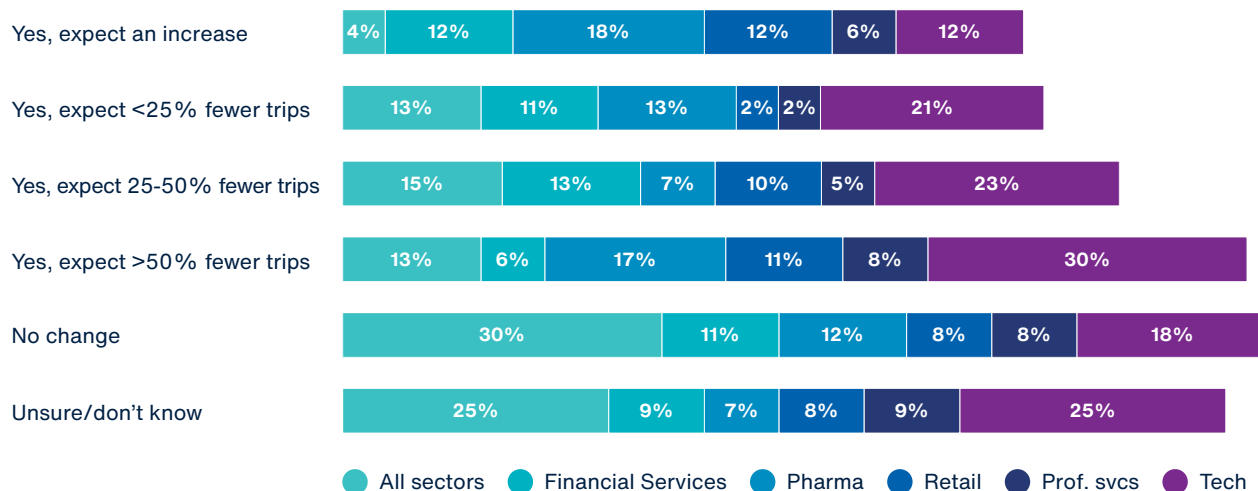


Wellbeing benefits - does your organisation provide the following benefits?





Has your long-term policy toward foreign assignments and business travel changed as a result of the pandemic?



6

Conclusions



6

As discussed, the past two to three years have been different to any other. The pandemic evolved in ways nobody could have expected at the outset, presenting new challenges and evolving working practices, strategy and priorities.

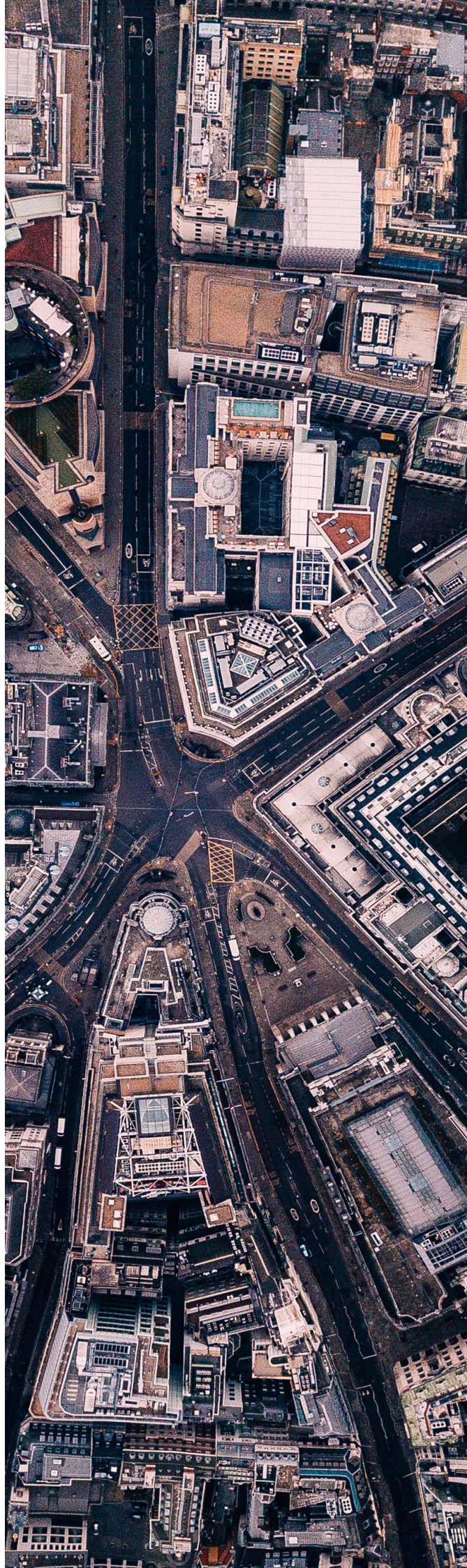
The pandemic drove a sharp focus on benefits, considering the scale of expenditure and the need to support employees in a time of great anxiety for individuals and their families. In addition, there was continuing demand for greater benefit diversity, awareness and choice for employees, delivered in a more digital way. In addition, the economic climate continued to press the need for good governance practices in the form of premium optimisation and sustainability, process efficiency, alternative financing, and cost sharing.

The challenges and priorities shared by respondents varied by sector but showed consistent themes, including a clear focus on good governance, including benchmarking, premium optimisation, insurer management, employee wellbeing, and benefits diversity, alongside a demand for good data to enable informed decisions.

There was a need for better benefit communication via a multi-layered ecosystem, including web, mobile apps, traditional phone, live chat and e-mail support with a high degree of self service, accessible at a time and in a language suitable for every employee.

It is clear from the study that there is a drive to provide more choice and flexibility within benefit programmes to support not only work practices in a post-COVID world, but also to meet the increasing demands of a diverse workforce. This not only applies to providing choice to meet the needs of a multigenerational employee group, perhaps in the form of a flexible benefits programme, but also supporting availability and provision of cover as part of a wider DE&I agenda.

We would welcome the opportunity to talk more about the work we are doing with other leading companies and how we might be able to help you. Please contact us to learn more.



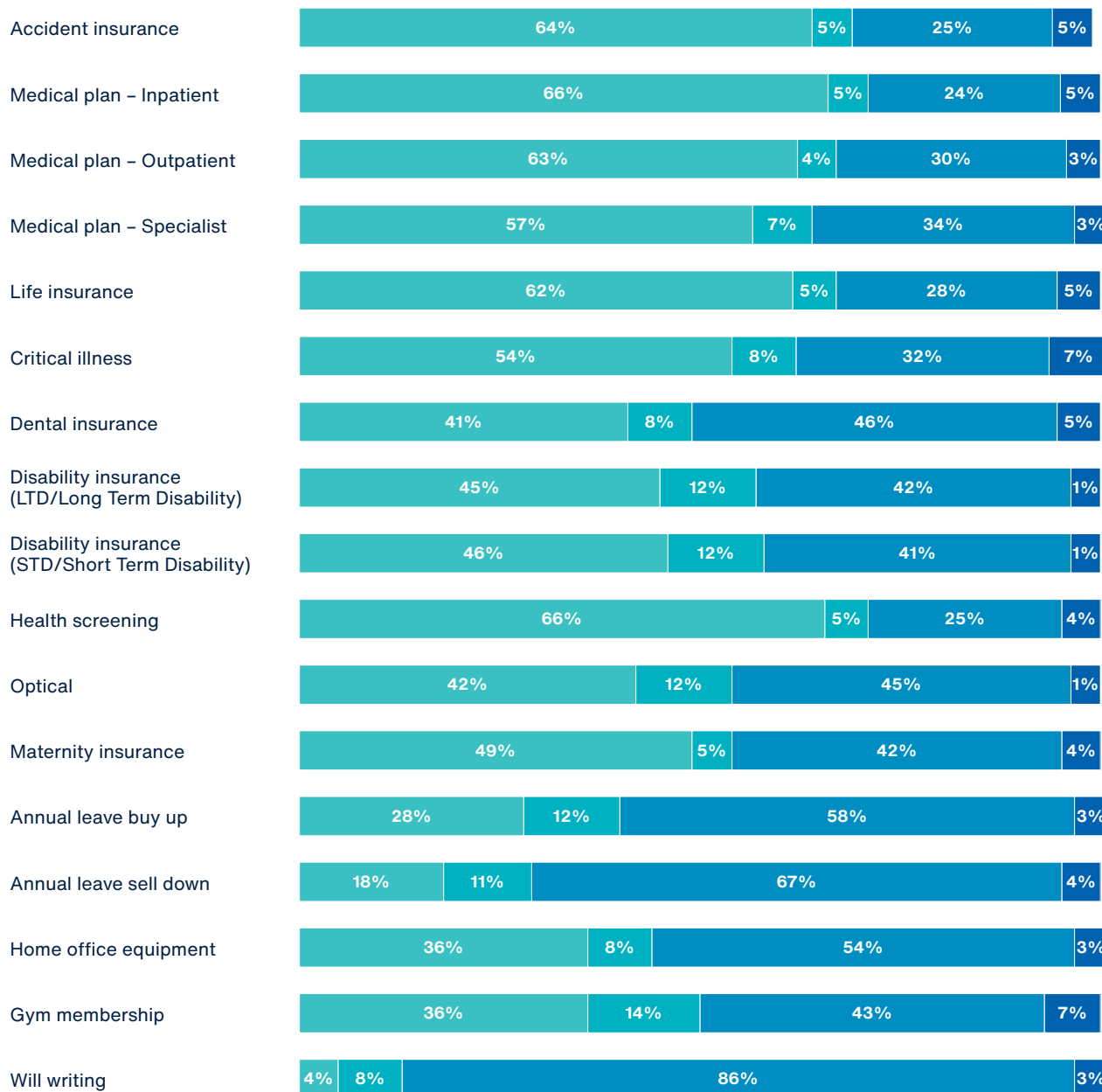
7

Prevalence Information



This section reveals the prevalence of specific benefits across all sectors.

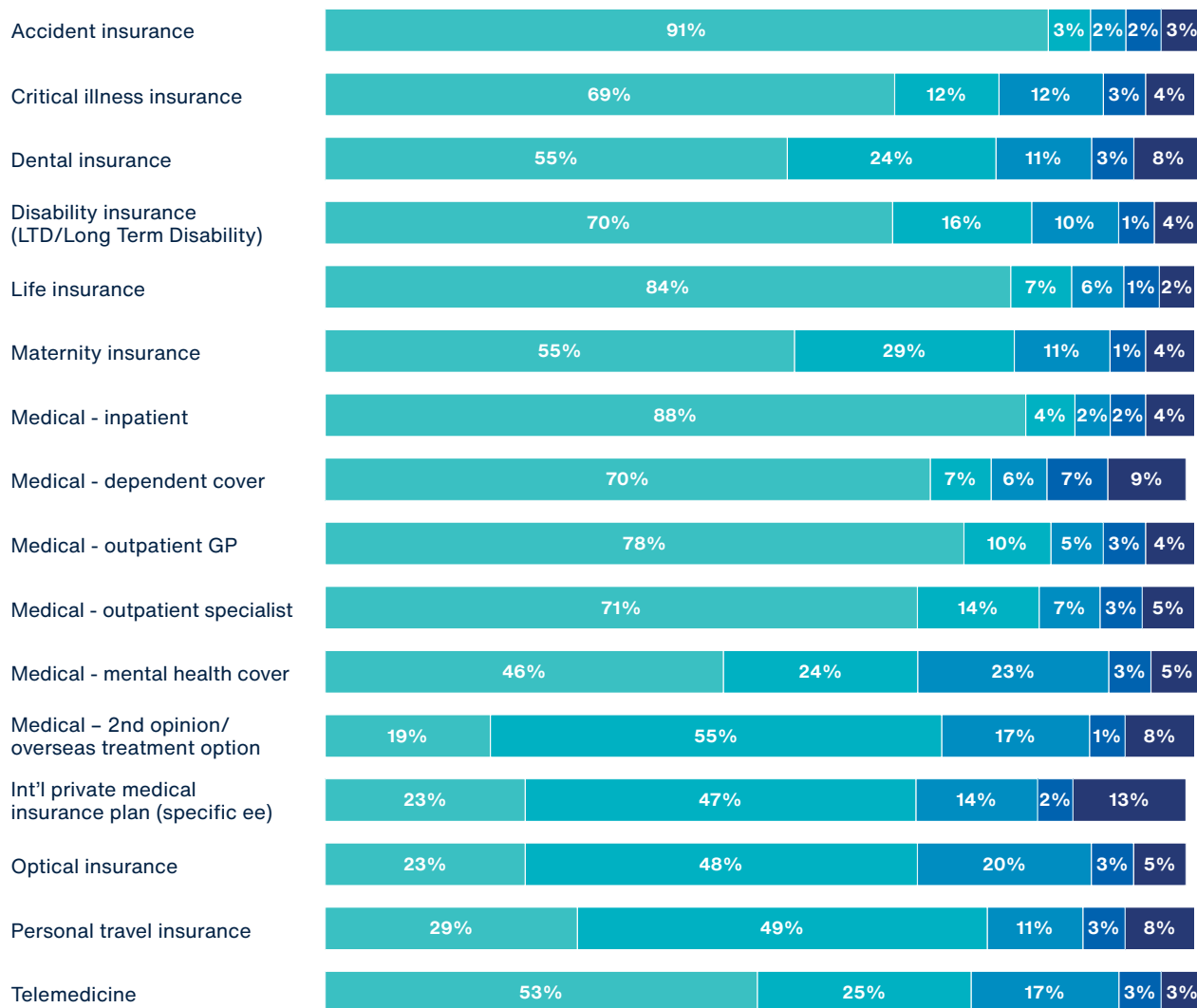
Flexible benefits - does your organisation provide the following options?



- Yes, current flex option
- Considering introducing
- Not provided, no plan to introduce
- Yes, paid for by employees

Among respondents who provide flexible benefits, the most popular are options to add and or modify the following benefits: inpatient (66%), health screening (66%) accident (64%), outpatient (63%), life (62%), specialist (57%) and critical illness (54%). Gym membership, optical and disability are not yet prevalent but a number of companies are considering adding these options to their flexi plans. Will writing, options to manage leave entitlement and options to buy home equipment are unlikely to become market standard at this stage. Interestingly, dental and optical coverages are offered by over 40% of respondents however it appears that employers are not currently seeking to introduce these benefits.

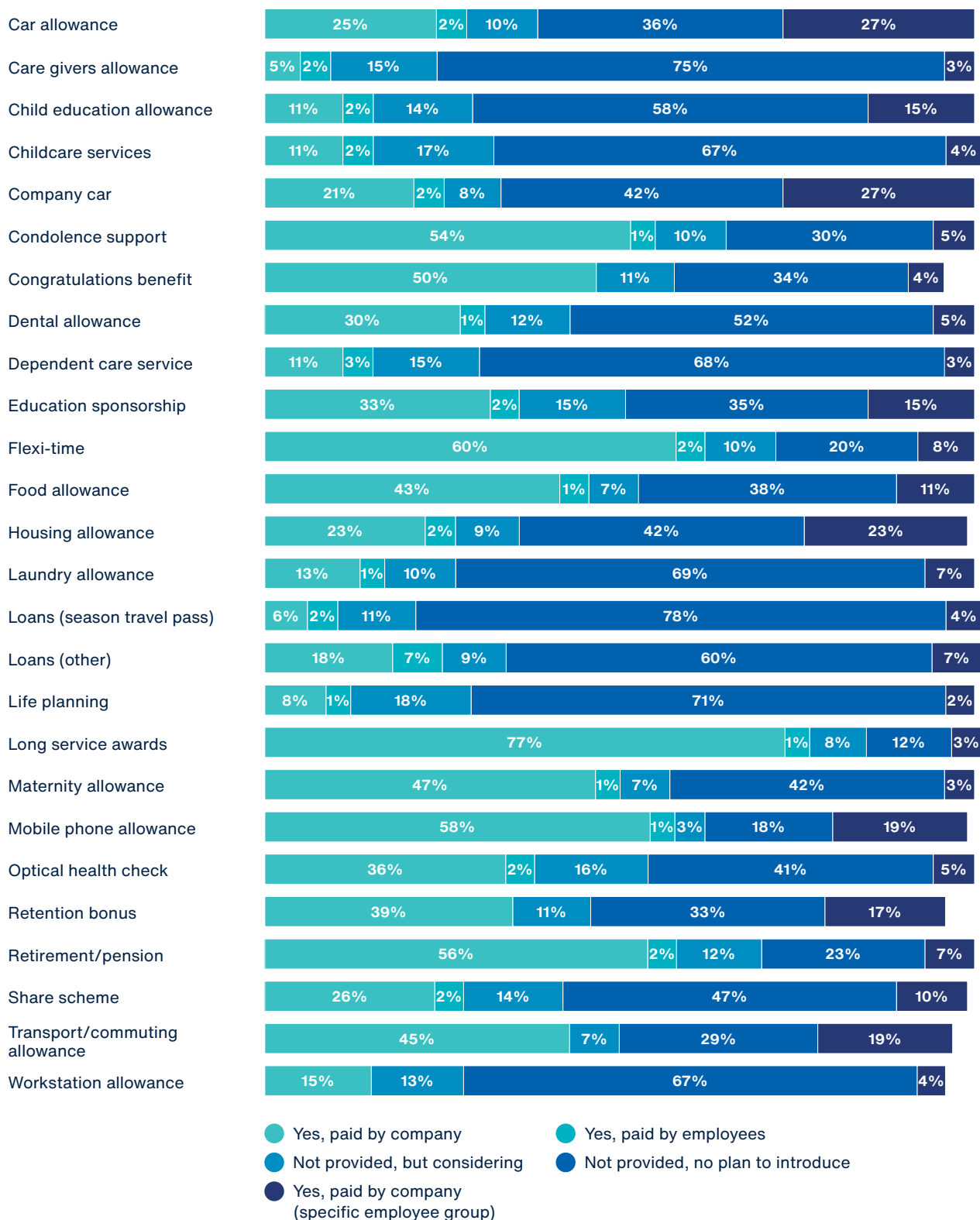
Prevalence of company-paid insured benefits



- Yes, paid by company
- Not provided, no plan to introduce
- Not provided, but considering
- Yes, paid by employees
- Yes, paid by company (specific e'ees)

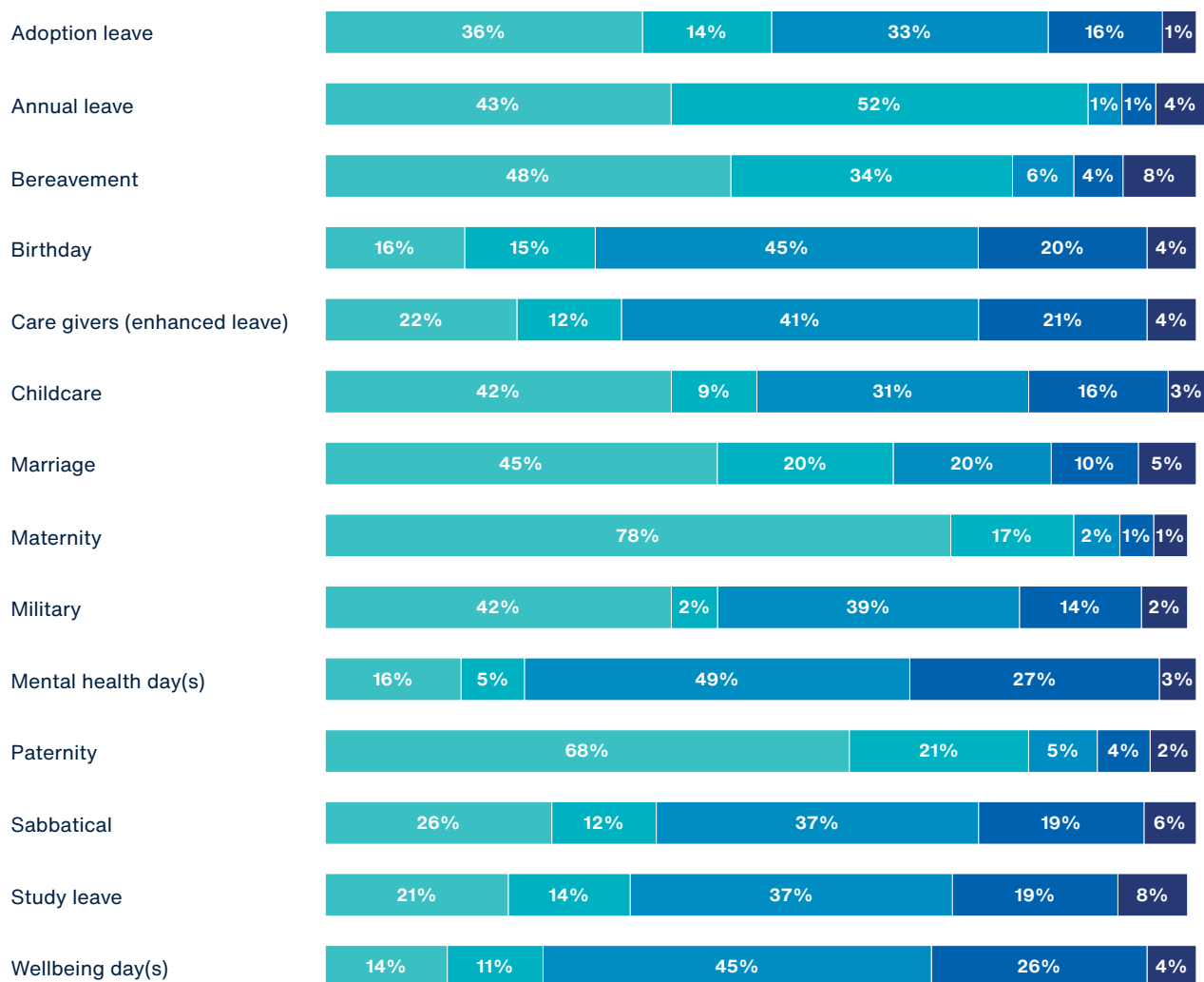
Most companies provide accident (91%) and life (84%) insurance coverages. Other highly prevalent benefits include inpatient coverage (88%), closely followed by general practitioner (78%). Popular medical benefits also include dependent coverage and outpatient – each provided by 71% of respondents. For risk benefits, the majority of employers provide long term disability (70%) as well as critical illness (69%). Roughly half of respondents provide company paid dental and maternity – each offered by 55% of respondents. 53% of respondents in APAC have telemedicine in place. Mental health cover is not yet general market practice (46%), although it is rapidly evolving across the region, with over 23% of employers considering adding those services, hence this will likely become a market standard in the region in the future. Mental health benefits are increasingly typical in the financial services and technology sectors, with employee assistance programmes generally provided across most sectors, with higher prevalence for international companies. Just under one quarter of employers provide international medical plans (23%), most typically to a select group of employees – provision of such continues to evolve with mobility policy evolution and greater localisation.

Perks and allowances



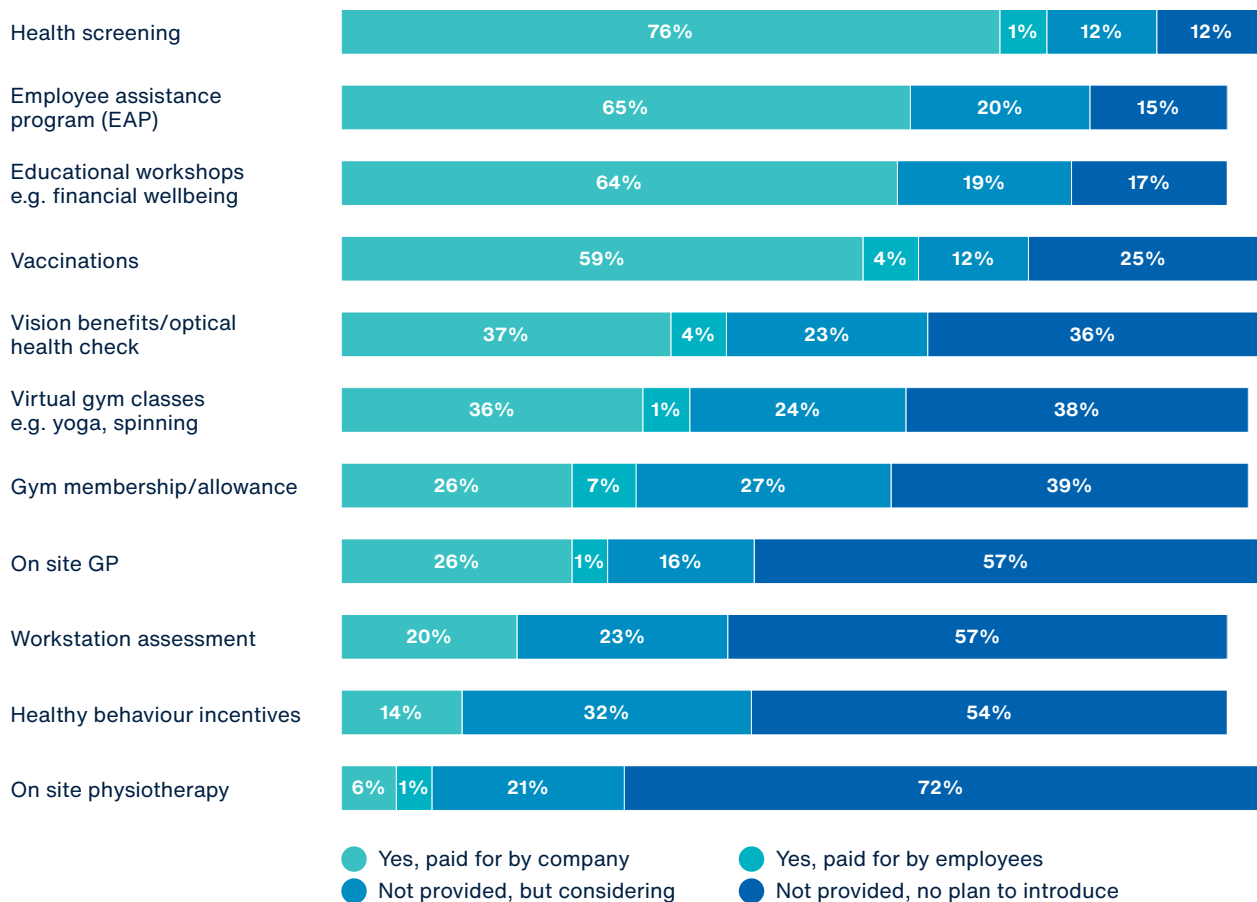
The most prevalent allowances/perks are long service awards (77%), flexi-time (60%), mobile phone allowance (58%), retirement benefits (56%), condolence support (54%) and congratulations benefit (50%). Almost 1 in 5 are considering introducing life planning (18%) and childcare support (17%).

Company paid leaves



- Provide in line with statutory requirements
- Provide above statutory requirements
- Do not currently provide
- Do not provide, but considering
- Provide benchmark unknown

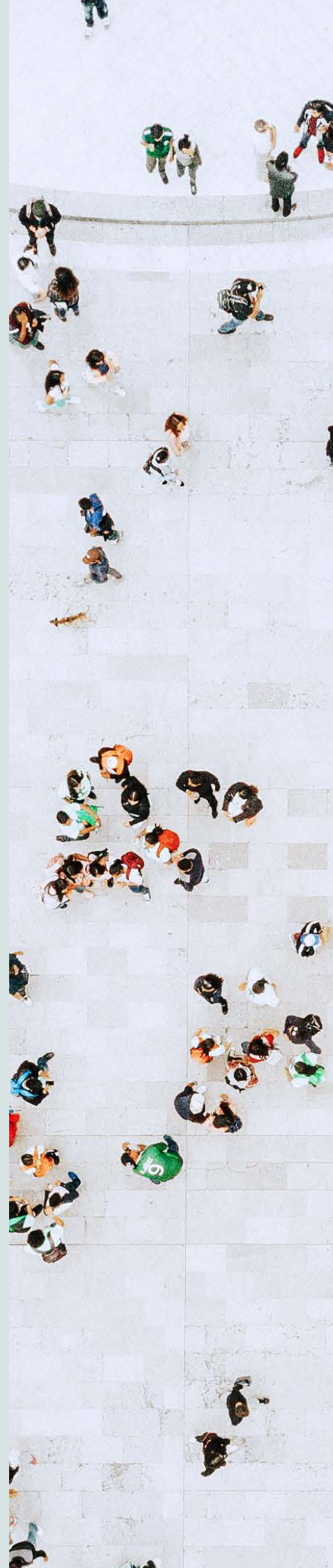
Wellbeing benefits



The most popular wellness benefits are health screening (76%), EAP (65%), educational workshops (64%) and vaccination (59%). Over 10% of respondents are also considering adding these benefits in the near future. Vision benefits and various fitness benefits are not yet prevalent, although over 20% of respondents are considering implementing these in future.

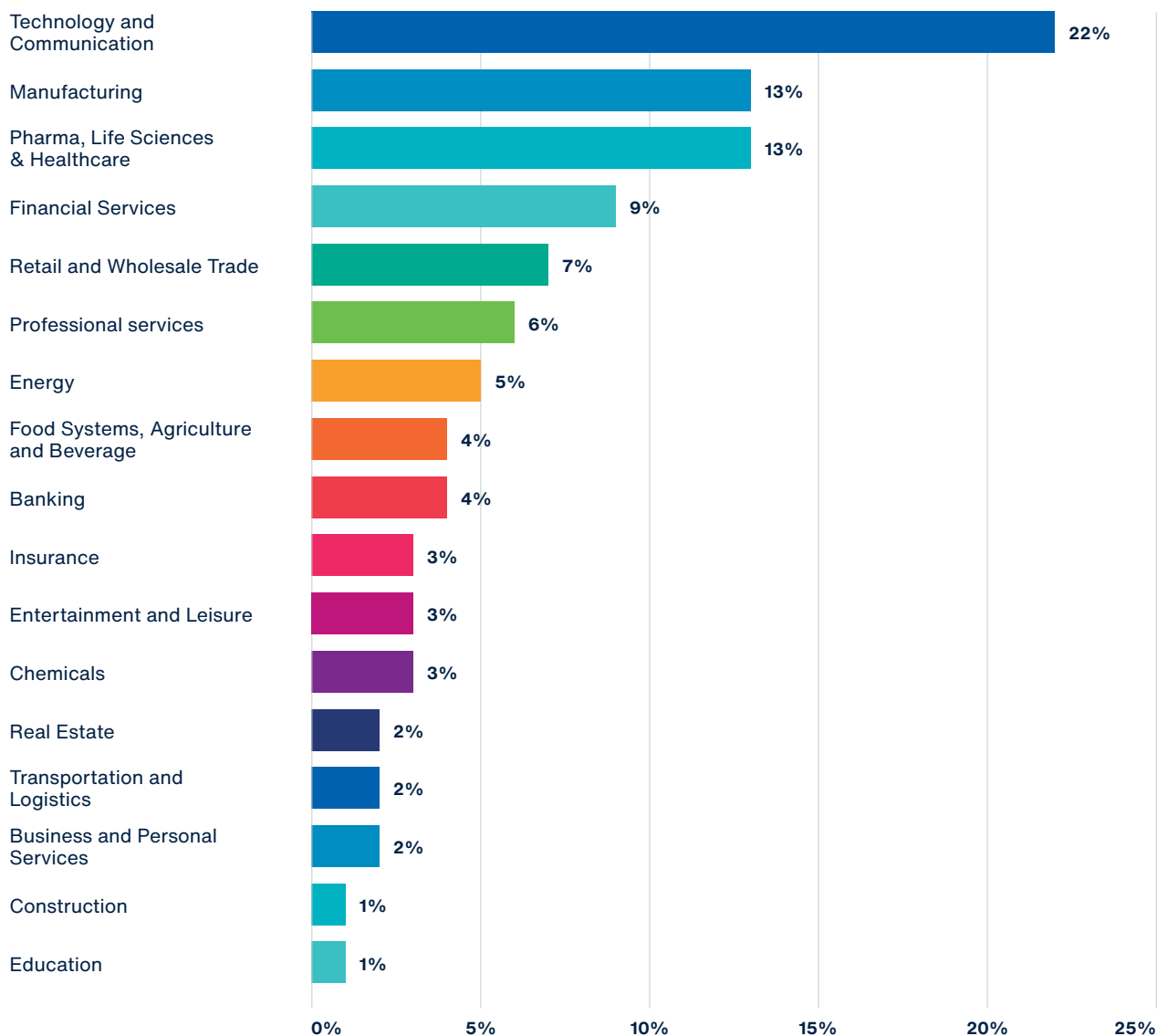
8

Respondent Profile

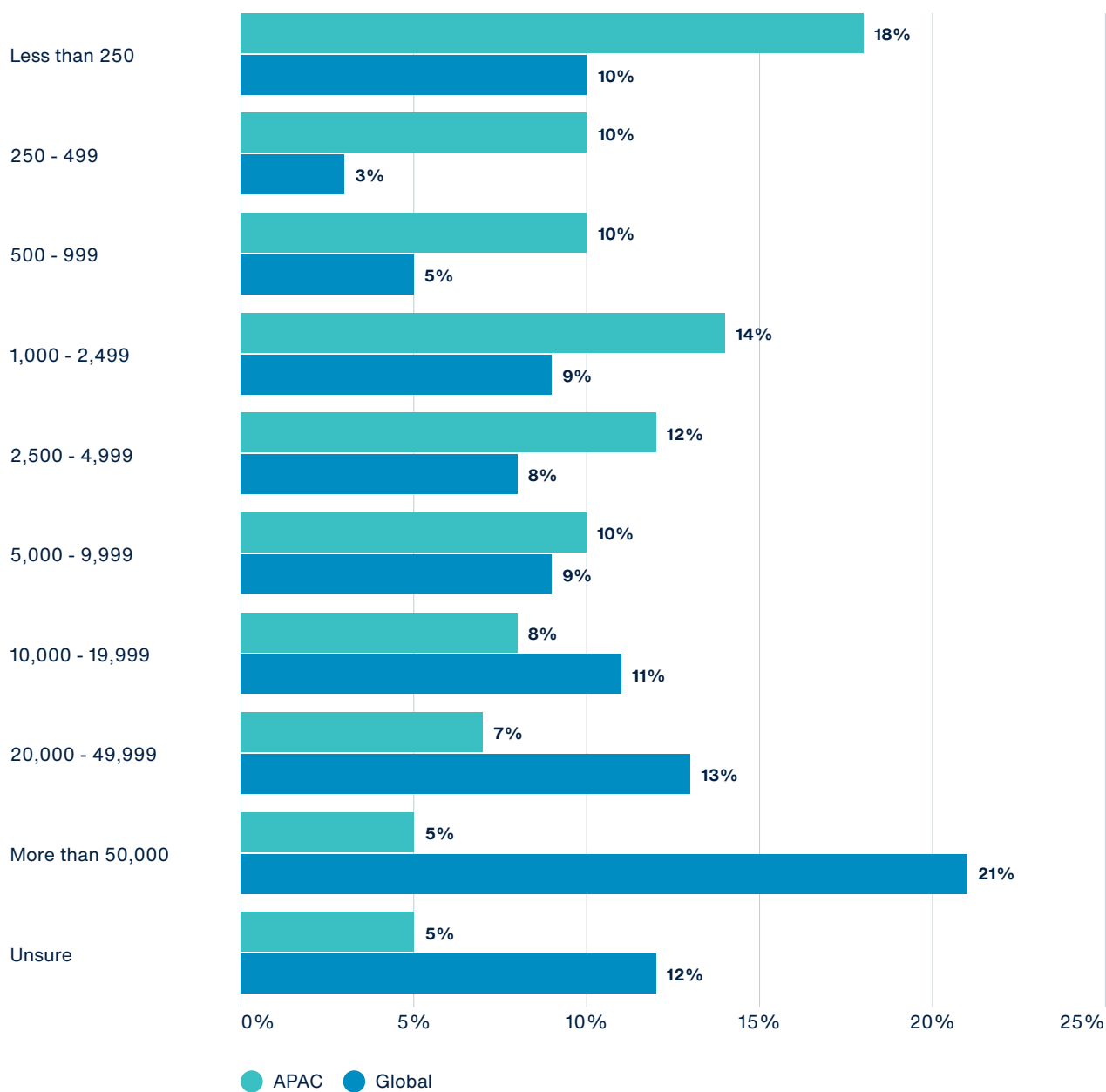




We received more than 500 responses to the survey across Asia Pacific, mostly from the technology, financial services, pharmaceuticals and life sciences, manufacturing, professional services and retail sectors. From a location perspective, responses were predominantly from The Philippines, Singapore, Hong Kong, China, Malaysia and Vietnam. We recommend consideration is given to this respondent profile when making decisions for your organisation.



There is good representation of all major sectors among survey respondents. The highest numbers of employers are from technology (22%), followed by manufacturing (13%) and pharma and life sciences sectors (13%).



The respondent profile is evenly spread by number of employees, both on a regional and global basis.



Contact Us

aon.com/apac/contact

About

Aon plc (NYSE: AON) exists to shape decisions for the better— to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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Sources

1. [Aon's 2023 Global Medical Trend Rates Report](#)
2. [Aon's 7th Global COVID-19 Pulse Survey, May 2021](#)
3. [Aon's 8th Global COVID-19 Pulse Survey, December 2021](#)
4. [Asia Pacific Employment and Social Outlook 2020](#)