

FYI[®] Roundup

For Your Information[®]

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Recent Research in HR and Employee Benefits 2015 — Spring Edition

Our latest *FYI Roundup* highlights selected reports and surveys released in the last few months, covering the latest information on what employers need to know about issues and trends in employee engagement, talent management, the digital workplace, employers' health plan decisions, disability programs, paid time off practices, leadership, Millennials on saving for retirement, global pension plan trends, the welfare of retirees, and public sector pension plans.

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Career

The 21st Century workplace is evolving, and talent management is increasingly becoming global. Forecasts indicate 2015 will be a transformational year for HR, learning, and talent as they take on more strategically important roles. Key trends and significant shifts that will transform HR into a “borderless workplace” are highlighted in this research report:

[Predictions for 2015 - Redesigning the Organization for a Rapidly Changing World](#) – Five fundamental shifts that have a profound impact on corporate talent, leadership, and HR strategy are identified.

These shifts revolve around technology, employee engagement, learning and skills, HR at a crossroads, and data analytics as the center of all HR decisions. Case studies illustrate some of the trends in the report. The predictions are accompanied by insightful explanations. The main take-away: it's essential for HR leaders to think differently to be effective in their organizations (Berlin-Deloitte, 2015).



Engagement

The global digital workplace is becoming a challenge for organizations of all sizes. Employees are concerned that multitasking takes a front seat to the quality of their work, as listening skills diminish.

[Listen, Learn, Lead](#) – The survey examines the responses of male and female employees from three generations (Boomers, Gen Xers and Millennials) and their views on a number of workplace issues such as: distracted listening, learning opportunities, technology and communications, women in leadership roles, pay and promotions, and job satisfaction. The most significant revelation was in the area of listening. Employees listed phone calls, unscheduled



meetings, instant messaging and texting among their top workplace distractions. Most employees feel on-the-job training is more effective than formal training courses. Women are also making gains in leadership roles. Survey participants predict an increase in female Chief Technology Officers by 2030. On the promotions front, Boomers ranked last in asking for a raise or promotion. The participants' responses regarding job satisfaction substantiate what most employers are concerned about— it continues to decline [to 44% in 2015, from 52% in 2013] (Accenture, 2015).

Health

More than ever, employers are faced with tough decisions about their employee health benefit programs. Marketplace changes combined with ACA mandates present a number of concerns. Employers are forced to rethink plan design features that will minimize costs for both the company and the employee. Benchmarking health plan data is one way for employers to gauge how their benefits compare to their peers.

[Health Plan Survey: Benefit Plan Design & Cost Benchmarking](#) – This survey focuses on employer health plan offerings and future decisions about employer-sponsored health benefits. Data was obtained from employers sponsoring 16,467 health plans across the country. Information about healthcare costs, prevalence of plan types, coverage (including spousal coverage), wellness programs and more is provided (United Benefit Advisors, 2015.

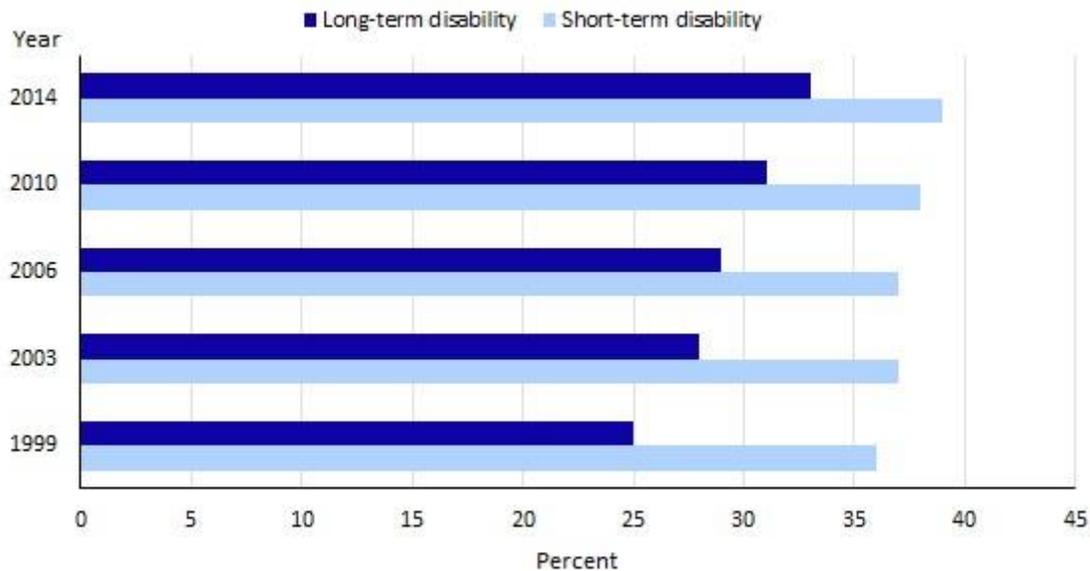
Note: Executive Summary only).

Disability Insurance

The latest release on short- and long-term disability insurance by the Bureau of Labor Statistics is collected as part of the *National Compensation Survey*. The briefing provides participation and benefit features about disability programs of interest to employers.

[Beyond the Numbers - Disability Insurance Plans](#) – Information about private sector participation rates by broad occupational groups, costs to employers, and plan coverage is provided in the report. The link between disability insurance and medical insurance plus other insights about LTD and STD access and use by workers is addressed. The chart below shows that participation rates in disability programs have increased slightly over the time period indicated (US Bureau of Labor Statistics, 2015):

Participation of private industry workers in short- and long-term disability insurance programs, in percent, selected years



Source: National Compensation Survey, U.S. Bureau of Labor Statistics.

Leadership

The top challenges, “hot button” issues and other critical concerns identified by global CEOs are revealed in this seminal report by The Conference Board:

[The CEO Challenge](#) – Ranking and analysis of the most critical issues confronting corporate CEOs, presidents and chairmen across the globe are presented in this report. Human capital, innovation, customer relationships, operational excellence and sustainability are the top five challenges driving business growth in 2015, according to the CEOs interviewed (The Conference Board, 2015. **Note:** This report is available gratis to members).



Paid Time Off

Recurring research about employers’ paid time off policies and practices is addressed in this latest update of the *National Study of Employers* report:

[Paid Time Off, Vacations, Sick Days and Short-Term Caregiving in the U.S.](#) – Data on prevalence and access for profit and non-profit organizations is provided. Paid leave monitored in the study is focused on vacation time, sick days, and paid time off (PTO). The report includes information about employers’ policies for short-term caregiving leave. Notable conclusions highlighted in the report are: non-profits tend to offer more sick days than for-profit organizations, paid leave is more prevalent among full-time employees, and there is a great deal of variation in vacation leave practices by US employers. The report also warns that “employers with no-fault attendance and sick

days policies should be clear about what conditions trigger disciplinary action and apply those rules consistently to avoid creating a culture of jeopardy for legitimate use of paid sick days benefits” (Families and Work Institute, SHRM, and When Work Works, 2015).

Wealth

We look at attitudes among a variety of workers all over the world about saving, retirement, welfare and who should pay for their financial security.

Millennials

The truth about Millennials and their attitudes toward saving for retirement and perceptions about financial security was captured in a survey that targeted full or part-time workers between the ages of 23-25.

[The Millennial Research Study](#) – The survey examines the responses from young workers about their work and lifestyle goals, passions, finances, savings habits for retirement, and the websites and social media frequented to perform research on financial savings products and services. What do Millennials want? According to the study, Millennials aspire to have financial security, live healthy lives and make a comfortable salary. They are passionate about raising a family, starting a family, having financial security and being spiritual. Most feel responsible for funding their financial future and that 25 is the age when their generation should be financially independent. The good news is that most Millennials are saving for retirement and contributing to 401(k) plans or Roth IRAs. Other facts the survey revealed about the Millennials: 12% indicated that their parents still pay for their cell phones and the preferred search engines they use to research financial information are Google and Yahoo. Facebook and company websites were other sources cited as frequently visited to obtain financial information (Principal Financial Group, 2015).

Pension Plans — Global Trends

An examination of key trends and issues confronting global multiemployer plan sponsors offering DB and DC pension plans are addressed in this publication:

[Global Trends in DB and DC Plans](#) – Responses from 90 multinational firms with more than \$650 billion in DB and DC assets combined, and providing retirement plan administration in at least three countries, served as the basis for the trend analysis in this study. Harmonization of plan governance across countries to improve risk management practices was one of top challenges identified by the survey participants. De-risking DB plan assets and matching liability as a solution to minimize costs was another. The need for a “modern” DC plan with some of the responsibility shifting back to the employer, better investment outcomes, and fee transparency to curtail costs was another common trend that emerged from the multiemployers who agreed to be interviewed (Vanguard, 2015).



Retirees — Global Welfare

Adequate savings for a comfortable retirement is on the minds of employers, employees and governments alike throughout the world. Retirement savings programs affect employers' talent and retention strategies, pension plan designs, and savings programs. For employees, the global financial crisis was a wake-up call to pay attention to their financial security in order to live comfortably in their retirement years. Governments are experiencing more pressure on their public resources to take care of their citizens who are no longer actively employed. Since its inception a few years ago, the *Global Retirement Index* not only ranks countries on how they care for their retirees, but also offers insight about what is needed to provide adequate living conditions for retirees:

[Global Retirement Index 2015](#) – The index provides an assessment of the welfare of retirees around the world. Countries are ranked based on an analysis of 20 trends across four broad categories: health, material comfort, finances and quality of life. In 2015, Switzerland, Norway, Australia, Iceland, and the Netherlands were the top five countries sustaining their citizens' well-being in retirement and those near retirement. The United States ranked 19th (Natixis Global Management and Core Data, 2015).

Public Sector

Funding traditional pension plans promised to public sector workers is becoming increasingly difficult. Many governmental entities, just as firms in the private sector, are experiencing huge pension liabilities. A recent poll looked at how Americans feel about reforming pension benefits offered by their state and local governments:

[Poll: 72 Percent of Americans are Concerned about Public Pension Costs](#) – According to a telephone survey of 1,003 adults, a majority of Americans (72%) feel that their state and local government will not be able to provide traditional pensions to their workers. The majority of survey participants indicated that public employees should contribute at least 50% to the cost of their pensions and shift future new hires to a DC type of pension. Other responses involved comments on what Americans would be willing to “trade off” to fund current employee benefit levels. It comes as no surprise that the survey shows that most Americans want a say on any increases to public employee pensions (Reason-Rupe National Telephone Poll, 2015).

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