

FYI[®] Roundup

For Your Information[®]

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Recent Research in HR and Employee Benefits 2016 — Winter Edition

Our winter *FYI Roundup* highlights selected reports and surveys released in the last few months that will be of interest to employers. In this edition, we focus on research aligned with the trends and issues in HR and employee benefits for 2016. Topics covered include: employee engagement, talent management, recruitment, global HR and employee benefits, wellness privacy issues, retirement and big data.

In this issue: [Career](#) | [Global HR & Employee Benefits](#) | [Health](#) | [Pensions — Employee Access and Participation](#) | [Pensions — DB Plans Retirement — DC Plans](#) | [Did You Know?](#)

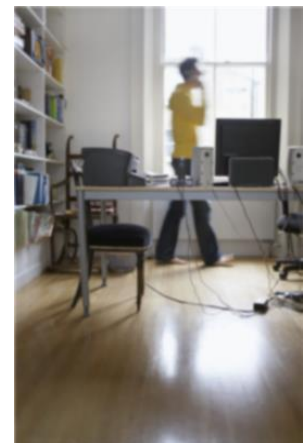
Career

Employee Engagement/Talent Management/Recruitment

Recent literature indicates that employee recruitment, engagement and retention continue to present challenges for employers. The following reports reflect hot-button issues for HR in 2016:

[2015 Employee Engagement Landscape Study: Championing Greatness or Capturing Mediocrity](#) — This study looks at engagement from a global perspective and identifies the attributes of four types of engaged employees (champions, tenants, captives and disconnected). In addition to the insights detailed under each type of engagement, employers will find the trends and challenges valuable in planning their strategies for attracting and retaining employees (PriceWaterhouseCoopers, 2016). *Note: The report can be downloaded from the Website).*

[The Employee Well Being Study](#) — This latest report provides data based on the Employee Well Being Index, a metric focused on how individuals perceive their job outlook. The index criteria measures responses from employees around four areas: involuntary job loss probability, likelihood of promotion, anticipation of a raise, and trust in company leadership. The latest findings are for the third quarter of 2015. The data analysis provides valuable trend information for employers concerned about employee retention (HRO Today and YOH, 2015).



[Trends in Workplace Flexibility](#) — This survey provides information on the current trends and practices in workplace flexibility programs based on responses from U.S., Canadian and International members of WorldatWork. In addition to the prevalence of flexible work programs, the data analysis includes a number of characteristics associated with these programs including telework, administration and communication practices, and strategies and metrics used by employers to ensure their success. Additional data correlates the impact of workplace flexibility on corporate culture and employee turnover. Employers will find the data valuable for benchmarking purposes or when considering offering flex time benefits to their employees (WorldatWork & FlexJobs, 2015).

Talent Management

Attracting and retaining talent with the right competencies and skills is one of the top concerns of employers. While most of the literature about talent pipelines is focused on scrutinizing internal talent for training and development or offers recruitment advice, one report focuses on how employers can develop effective partnerships with educational institutions, job trainers and government policymakers to ensure a well-stocked pipeline and build a 21st century workforce:

[Building the Talent Pipeline: An Implementation Guide](#) — This guide is the result of an initiative to promote more effective employment transitions between students and employers through education and workforce partnerships. Six strategies that correlate with supply chain management techniques are offered as a way to keep talent flowing and assure company succession (U.S. Chamber of Commerce and USA Funds, 2015).

Global HR & Employee Benefits

Recently released reports and surveys providing worldwide coverage of HR/employee benefits issues reveal that global concerns are not very different from those in the U.S.

Executive Compensation

[The View from Below: What Employees Really Think about Their CEO's Pay Packet](#) — This pulse survey was conducted to obtain perceptions of what employees in the U.K. think about their CEOs' compensation, how it affects employee motivation, organizational reputation, and the firm's ability to attract top talent. C-suite executives in the U.K. will be interested in the suggestions to improve the link between CEO pay and the firm's success submitted by employees (CIPD, 2015 – Note: *Report can be downloaded from the website*).

Financial Literacy

[Financial Literacy Around the World](#) — This research measures knowledge of four basic financial concepts among adults around the globe and provides strong evidence for policy makers to build consumer protection and training



programs for financially vulnerable groups. Insights based on the research findings and charts correlating financial skills with world economies and other demographics are provided. Two key insights that resulted from survey outcomes are that women trail men in financial literacy and many users lack essential skills to manage financial products (World Bank Development Research Group and George Washington University School of Business and Standard and Poor's, 2015).

Pension De-Risking

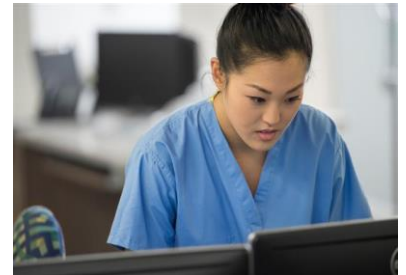
The pension risk transfer market is growing globally. Recent analysis of the market and de-risking strategies by firms in Canada, the U.K. and U.S. will be of interest to plan sponsors and fiduciaries:

[The Pension Risk Transfer Market at \\$260 Billion](#) — This report provides an analysis of the trend to de-risk defined benefit pension liabilities globally and an examination of the impact of longevity on pension liabilities, as well as the risk involved in funding longer retirements. Various de-risking solutions are discussed and the opinion that plan sponsors should rethink pension risk by considering the various risk solutions utilized by leading industries is expressed (Prudential, 2015).

Health

Wellness — Privacy Issues

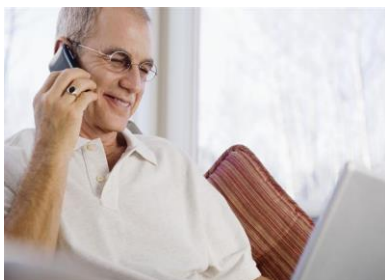
The latest information from Fitbit indicates they have 9.52 million active users as of March 2015. As wearable devices become increasingly popular, concerns around privacy issues linked with personal and sensitive data collected by these devices are mounting. In an effort to gain consumer trust and mitigate risks for health and wellness companies involved with personal wellness data, the Consumer Electronics Association (CEA) has developed voluntary industry best practices:



[Guiding Principles on the Privacy and Security of Personal Wellness Data](#) — The guidelines provide definitions to clarify company, affiliated third parties and personal wellness data used in the context of the document. Recommendations include a discussion of the privacy and security risks and fairness as it applies to data collection from the Internet of Things devices. The recommendations also address what consumers and companies can do to guard against risks of disclosing personal wellness data. The CEA is very clear in noting that their recommendations do not replace HIPAA requirements and that these are only voluntary best practices prepared for the health/wellness industry. (Consumer Electronics Association, 2015).

Pensions — Employee Access and Participation

Employers continue to offer retirement plans as vehicles for employees to save during their years of active employment. How many individuals actually participate in these programs? A recent survey provides information about participants' take-up rates that will benefit employers who want to engage workers in pension plans offered and champion the need to saving adequately in order to enjoy a longer life span in retirement:



[Who's In, Who's Out — A Look at Access to Employer-Based Retirement Plans and Participation in the States](#) — This research examines take-up rates in employer-sponsored retirement plans by U.S. employers using a variety of factors to determine how workers fare in participating in the retirement savings programs available to them. Implications useful for policy makers to consider are provided. Regionally, the Upper Midwest, parts of New England and the Pacific Northwest ranked highest in access and participation in employer-sponsored plans (The PEW Charitable Trusts, 2016).

Pensions — Defined Benefit Plans

The Bureau of Labor Statistics' release of the February 2016 issue of *Beyond the Numbers* focuses on [Trends in Employer Costs for Defined Benefit Plans](#). The table below, one of several in the report, indicates the average costs for DB plans to employers per employee by industry, over an eight-year period:

Table 1. Average costs to employers per employee hour worked for providing access to defined benefit plans by industry, private industry, March 2008–15

Characteristic	Year							
	2008	2009	2010	2011	2012	2013	2014	2015
All goods-producing industries	\$2.73	\$2.74	\$2.90	\$3.18	\$3.04	\$3.28	\$4.00	\$4.48
Construction	5.61	5.63	5.94	6.88	6.59	7.18	7.00	6.20
Manufacturing	2.00	1.91	2.00	2.28	2.00	2.15	3.04	3.52
All service-providing industries	1.79	1.68	1.74	1.78	2.06	2.24	2.29	3.00
Trade, transportation, and utilities	1.77	1.59	2.00	1.95	2.00	2.32	2.32	2.42
Information	2.14	1.78	1.26	1.30	3.35	3.43	1.32	8.00
Financial activities	1.31	1.28	1.47	1.55	1.39	1.17	1.10	1.19
Professional and business services	2.92	2.85	2.67	2.75	2.83	3.08	3.43	4.07
Education and health services	1.29	1.29	1.35	1.50	1.44	1.56	2.24	2.50
Leisure and hospitality	0.67	0.67	0.67	1.33	1.33	2.50	2.33	2.67
Other services	1.88	2.44	2.70	2.50	4.67	5.89	7.63	6.67

Source: U.S. Bureau of Labor Statistics, National Compensation Survey and author's own calculations.

Retirement — Defined Contribution Plans

Defined contribution plans present challenges for employers who are concerned about cost-effective retirement savings solutions for their employees. The alliance between retirement and financial services has resulted in a number of retirement income solutions highlighted in a recent publication:

[Retirement Income Solutions: A Guide for Plan Sponsors](#) — This guide discusses tools and withdrawal strategies to deploy during a plan participants life cycle. It addresses a number of areas that are useful in evaluating various retirement income options including: support from policymakers, reasons behind the adoption of retirement income solutions, and risks and implications affecting fiduciary, operational and employee communications. Case studies and best practices are also provided as additional information for employers to consider in adopting retirement income solutions (Defined Contribution Institutional Investment Association-DCIIA, 2015).

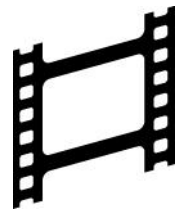


Did You Know?

The February 2016 issue of the [Monthly Labor Review](#) includes an essay commemorating its centennial (July 1915-July 2015), which addresses big data and how it continues to infiltrate our lives and the labor market. The author, Katie Clark Sieben, Commissioner of Minnesota's Department of Employment and Economic Development, speculates that private sector products (Google Unemployment Index, the Billion Prices Project, and ADP's payroll employment estimates mentioned as examples) are competing with public sector data products. It could mean that "survey-based methods will become less valuable in the market place." On the bright side, the commissioner notes, "Over the next

25 years, we have the opportunity to transform big data into actionable labor market intelligence for business and jobseekers alike."

How does the U.S. Bureau of Labor Statistics (BLS) perceive the role of federal statistical agencies in the era of big data? Watch this AEI video to hear BLS Commissioner Erica Groshen address this issue: [The Federal Statistical System in a Big Data World](#).



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