

Recent Research in HR and Employee Benefits 2018 – Summer Edition

With summer in full swing, our latest *FYI Research Roundup* looks at some of the latest publications providing insight and analyses focused on HR and employee benefits. In this issue, we explore new reports on compensation; health and welfare benefits; global employee benefits trends; HR issues, including agile workforce strategies and the rise of the CHRO (Chief Human Resources Officer); financial wellness and retirement offerings; and recent statistics related to the “gig economy.” Rounding out our reading list are new surveys on flexible workspaces and employee use of paid time off, including – you guessed it – summer vacation.

In this issue: [Call for Survey Participants](#) | [Compensation/Executive Compensation](#) | [Employee Benefits](#) | [Financial Wellness](#) | [Health & Welfare](#) | [PTO - Vacation](#) | [Retirement](#) | [Social Security & Medicare](#) | [Workforce](#) | [Telecommuting](#) | [Statistics: Contingent & Alternative Work Arrangements](#)

Call for Survey Participants

Our Survey Team’s annual [Compensation Planning for 2019](#) is now open for participation. Divided into three sections, the survey focuses on salary trends; compensation policies and practices; and long-term incentive policies and practices. Participants will receive a complimentary report on each section for which they submit data.

Conduent HRS Consulting

For more information about Conduent HRS Consulting Surveys, contact [Anwar Aguilar](#).

To participate, please click on the above link and submit your responses by August 17, 2018.



Compensation/Executive Compensation

Issues around compensation remain a hot topic, and some of the latest reports focus on the gender pay gap and on pay ratios between CEOs and workers. Included is a report that looks at the potential for increased salary demand in the future, based on a projected shortage of skilled workers.

[State of the Gender Pay Gap in 2018](#) – Evaluates changes in the gender pay gap between 2016 and 2018. This survey breaks down the

data by industry and education level to evaluate reasons for the continued disparities in pay, and considers the impact of periods of unemployment, and the widening gap as workers move up the corporate ladder. (PayScale, 2018 – Note: registration required to download report)

[Rewarding or Hoarding? An Examination of Pay Ratios under Dodd Frank](#) – Compares pay rates for CEOs of the first 225 companies on Fortune 500 to the median worker pay ratio, using data compiled from SEC filings. Data includes a breakdown of companies with the largest pay ratios and average pay ratio by industry, and uses hypothetical examples to highlight disparities. (Congressman Keith Ellison, 2018)

[The Salary Surge](#) – Addresses the global shortage of highly skilled workers and correlates it to economies that will bear the biggest wage premiums predicted for 2020, 2025, and 2030. The overview of skilled talent shortages by industry sector among countries with the biggest impact on the global economy and insight about technology and human capital management may be helpful to multinational employers planning their compensation budgets to attract, retain, and develop employees to fill in critical skilled labor gaps. (Korn Ferry, 2018 – Note: registration required to download report)

Employee Benefits

New research offers insights for employers looking to remain competitive in their benefits offerings, and provides benchmarking information to plan for the future workforce.

[Global Employee Benefits Watch 2018/2019](#) – Looks at how employees perceive the benefits offered by employers, and reviews benefit programs and other support offered to help employees achieve life goals. The data provided confirms that a successful global benefits strategy will incorporate what employees want in the workplace and supports the trend to personalize benefits based on generational needs. (Thomsons, 2018 – Note: registration required to download report)

Financial Wellness

The concept of financial wellness continues to take hold in the employee benefits space, and new research explores generational attitudes, concerns, and expectations surrounding financial wellbeing, including one of the newest generations to enter the workplace, Gen Z. Another report looks at how student loan debt is increasingly related to financial wellbeing, suggesting that student loan benefits are the missing factor in most financial wellness programs.

[2018 Financial Wellness Survey](#) – Examines employee perspectives on financial wellness across three generations. This annual survey breaks down responses by generation, and reflects ongoing concerns about the factors that most affect employee financial wellbeing, including healthcare costs, retirement savings, debt management, caregiver burdens, and others. The data also provides insight into the role employer benefits can play in the financial wellness arena. (PwC, 2018)



[The Financial Wellness of Gen Z: The Good, the Bad, and the Ugly](#) – Explores the financial wellbeing of Generation Z, the newest demographic to join the workforce. Survey respondents from the U.S., U.K., and Canada included full-time employees, employed students, and a mix of other demographics. While over 70% reported feeling moderate stress about financial issues, seven out of ten predicted having greater financial security than their parents. This report also looks at some of Gen Z's specific concerns about finances, and the types of financial wellness and other benefits they most want from employers. (LifeWorks, 2018 – Note: registration required to download report)

[The Missing Benefit in Financial Wellness](#) – Looks at student loan debt as a factor in financial wellbeing, and how employers can integrate student loan benefits into wellness programs. This report states that student loan debt is an issue for multiple generations, not just Millennials, and notes a disconnect between HR and employee perceptions of financial stress sources. Statistics about the advantages of offering student loan benefits are provided, along with step-by-step suggestions on how to implement such benefits into financial wellness programs. (Common Bond, 2018 – Note: registration required to download report)



Health & Welfare

The latest publications on health and welfare issues include new information on digital health trends, including a detailed look at the different facets of digital health, as well as the most recent statistics on employer wellness offerings and benefits enrollment data. Our research selection also includes one of the latest reports projecting medical cost trends for 2019.

[The State of Digital Health](#) – Looks at recent trends in digital health from employer and employee perspectives. This report analyzes survey responses to questions grouped into three categories (staying healthy, managing conditions, and accessing care), reflecting 23 subcategories relevant to digital health. The report also examines the state of “vendor maturity” in terms of install base versus growth rate, and includes a section on employer-employee gaps. (Castlight, 2018 – Note: registration required to download report)

[Well-being Industry Prospectus 2018](#) – Examines industry trends in wellness offerings through a survey of top benefits consultants. Information on success factors, demand for various program components, such as the top “must haves,” and a section on financial wellness round out the report. (Shortlister, 2018 – Note: registration required to download report)

[Medical Cost Trend – Behind the Numbers 2019](#) – Projects medical cost trends for the coming year. Findings include stable cost increases comparable with the last five years, but continuing difficulty managing the cost of employee coverage. The report looks at the various factors that will likely affect costs in 2019, and provides context with historical data and trends. (PwC, 2018)

[State of Employee Benefits](#) – Analyzes aggregated benefits enrollment data from companies with 1,000+ employees. This report provides a window into the types of health plans being offered, participation rates, premiums, use of health savings accounts, and voluntary benefits. (BenefitFocus, 2018 – Note: registration required to download report)

Paid Time Off – Vacation

Timely reports on the use of PTO are presented, focusing on trends around employee summer vacation plans, usage, and its effect on productivity, as well as new statistics on employee use of vacation time in general, and the increasingly popular concept of taking a “workcation.”



[Going Unplugged: Do Workers Really Disconnect During Summer Vacation?](#) – Looks at how Americans handle summer vacations and time off from the workplace. This report provides information about vacation plans, gender differences, generational differences, and how productivity is affected during the summer when most employees opt to be out of the office. (Wrike, 2018 – Note: registration required to download e-book) Findings include the following:

- Classic five-day vacation is still the most popular
- More than one-third expect to work on vacation
- Women take fewer consecutive days than men
- The most stress is experienced right before vacation
- Younger workers take fewer 10-day vacations
- Millennials are more likely to work on vacation
- Average productivity remains the same during summer

[State of American Vacation 2018](#) – Examines vacation use among full-time employees with paid leave. This third annual survey found that the number of employees with unused vacation days at the end of the year has continued to decline, from 55% in 2015 to 52% in 2017. Fear of looking replaceable, a heavy workload, and lack of coverage were some of the reasons cited as impediments to taking more vacation. Also examined is the concept of a “workcation,” which involves allowing employees to travel and work remotely at least part of the time, a popular idea among Millennials. (Project:Time Off, 2018)



Retirement

Challenges around retirement savings and expectations continue to dominate concerns among employers and employees, and some of the latest publications offer a look at how societal and economic trends are creating the need for new approaches in planning for a successful retirement. Also in the mix is a statistic-heavy guide to all aspects of retirement planning.

[Guide to Retirement](#) – Provides extensive data on numerous aspects of retirement planning, including saving, spending, and investing. This

guide offers statistics on everything from life expectancy, income replacement needs, effects of asset withdrawal activity, the impact of recent tax legislation, costs around healthcare, investment strategies, and other factors that will affect the ability to maintain current living standards in retirement, or to retire at all. (J.P. Morgan, 2018)

[The New Social Contract: A Blueprint for Retirement in the 21st Century](#) – Looks at the effect of changing social and economic realities on retirement prospects around the world. Broken down into eight parts, this report draws on data from a January 2018 survey to examine the larger global trends affecting retirement realities, the need to improve individual financial security and literacy, and the impact of healthcare costs and concerns. The report concludes with a blueprint for a new social contract between government, employers, and other community partners. (Aegon Center for Longevity & Retirement, 2018)

[2018 Retirement Preparedness Survey: A Generational Challenge](#) – Examines how each generation of current pre-retirees is managing retirement planning and expectations in light of the trend towards shifting the burden of saving onto workers. This survey looks at expected sources of retirement income, changes in anticipated plans for spending during retirement, and the gaps between knowledge and action in retirement planning. Additional resources include a side-by-side comparison of Millennials and Generation X, and tips from current retirees on successful planning. (Prudential, 2018)

Social Security & Medicare

The 2018 Social Security and Medicare Trustees reports are now available. Findings include stability for Social Security as compared to last year for retirement benefits, and improvement for disability benefits, but a worse outlook for Medicare, attributed partly to the decrease in payroll taxes. (Social Security Administration, June 2018)

[2018 Board of Trustees OASDI Annual Report](#)

[2018 Annual Report of the Board of Trustees of Federal Hospital Insurance and Federal Supplementary Insurance Trust Funds](#)

Workforce

An array of new publications related to employer and employee HR interests and practices in the workplace are examined, including a look at HR from the executive perspective, with reports on building an agile workforce and the rising role of the CHRO, as well as a look at statistics around employer/employee communication and its effect on the workplace.

[The Crumbling State of Employee Communication](#) – Evaluates the effect of communication issues on employee morale, engagement, and lost productivity time. Key statistics include 33% of employees who reported wanting to leave their jobs due to poor communication, and 66% stating that they spent between 30 and 60 minutes a day looking for information to help them perform daily tasks. The report also looks at the disconnect between C-Suite and employee perceptions about the quality of company communications. (Dynamic Signal, 2018)



[Reimagining Work 20/20: How Winning Executives Are Building an Agile Workforce](#) – Looks at how top companies are changing their strategies to attract talent. Examples include shifting from talent acquisition to talent access; matching skills to tasks; breaking down silos; and investing in manager training. (Catalant, 2018 – Note: registration required to download report)

[The New CHRO Agenda: Employee Experiences Drive Business Value](#) – Analyzes survey results from 500 CHROs in multiple countries across a range of industries to evaluate approaches to employee engagement, with a focus on digital transformation. This report looks at the changing role of the CHRO regarding expectations around business outcomes, talent, and peers, as well as the shift in priorities from providing HR services to increased emphasis on strategy and digitization. The report also examines some of the challenges CHROs cite, and provides a glimpse of the future of HR. (ServiceNow, 2018)

Telecommuting

With the rise of telecommuting and other flexible workspace options, two new reports provide insight into global trends around work location within the context of both a changing economy and an increased emphasis on agile business and work strategies.

[The Workspace Revolution: Reaching the Tipping Point](#) – Provides a global snapshot of flexible workspace use and the key reasons for implementing such a policy by evaluating survey responses from over 18,000 professionals in 96 countries. Findings include increasing use of on-demand services as part of a trend towards outsourcing of non-core business functions; greater worker productivity; increased ability to attract and retain talent; and promotion of an agile business strategy. The report also offers insight into some of the key features that contribute to a successful work environment, and notes that additional forms of flexible workspaces may be needed in the future. (International Workplace Group, 2018 – Note: registration required to download report)

[Randstad Work Monitor Q1 2018](#) – Covers global trends in workplace flexibility for employees, with survey data from 33 countries. This report provides comparative statistics on work location, employee preferences, attitudes towards agile working, workplace autonomy, and other factors. The “global motility index” covering the years 2010-2018 captures employee predictions on the likelihood they will change jobs, and actual outcomes. (Randstad, 2018 – Note: registration required to download report)

Statistics: Contingent & Alternative Work Arrangements

Although the idea of a rising “gig economy” has been trending in the employee benefits field, a new release from the U.S. Bureau of Labor Statistics (BLS) reflects a decrease from prior years in the number of workers with contingent and alternative work arrangements. BLS’s [Contingent & Alternative Work Arrangements](#) is based on data collected in May 2017, and includes statistics and information on demographic characteristics, worker preferences, compensation, and employee benefits.

The number of contingent workers in 2017 ranged from 1.3% to 3.8% of total workers employed, compared to 1.8% to 4.1% in 2005, the last time the survey was conducted. In 1995, the first year the survey was conducted, the estimates ranged from 2.2% to 4.9%.

Contingent workers were defined as those who did not have an implicit or explicit contract for ongoing employment, and who did not expect their job to continue. Alternative employment arrangements were determined by the workers' relationship to their employer. The report notes that there can be overlap between both types of arrangements. (Bureau of Labor Statistics, 2018)

Contingent Workers and Workers in Alternative Arrangements As a Percent of Total Employment, May 2017	
Contingent Workers	% of Total Employed
Wage and salary workers who expect their jobs will last for an additional year or less and who had worked at their jobs for 1 year or less	1.3
Workers, including the self-employed and independent contractors, who expect their employment to last an additional year or less and who had worked at their jobs (or been self-employed) for 1 year or less	1.6
Workers who do not expect their jobs to last	3.8
Alternative Employment Arrangements	% of Total Employed
Independent Contractors	6.9
On-Call Workers	1.7
Temporary Help Agency Workers	0.9
Workers Provided by Contract Firms	0.6

Authors

Julie Masal, JD
Teresa Wilkins, MS (LIS)

Produced by the Knowledge Resource Center of Conduent Human Resource Services

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email fyi@conduent.com.

You are welcome to distribute FYI® publications in their entirety. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.