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Reward & Employee
Benefits Association

PURSuing BEST PRACTICE

Technology Research 2021

How reward and employee benefits systems and data are evolving

Executive Summary only

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Technology is the foundation for meeting reward challenges in a complex world

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The ongoing rise of automation and increasing digitisation of the workplace has sped up the greater use of technology in many HR and benefits departments over the past year. With the arrival of the Covid-19 pandemic, HR teams became largely home based, along with half the UK's employees. The ability to access employee benefits and reward via tech platforms, HR systems and apps became more vital than ever before. This urgent need to manage and select benefits from dispersed locations has intensified the need for good technology.

The enormous pandemic-driven shift in working has been coupled with an even greater demand for robust data and management information (MI). The increasing importance of demonstrating that reward practices and employee benefits offerings are aligned with organisational purpose and future strategy requires high quality data.

The pandemic also flagged up the diversity of all workforces and so greater personalisation and individualisation have become future priorities.

To meet these daunting challenges, employers need to be able to identify the MI they require, request the data they need, sort the relevant numbers from the irrelevant, and then manipulate and analyse them all into something that produces useful, actionable outcomes. Fortunately, the digital tools exist to make this task far more straightforward.

Our research demonstrates that emphasis on improving the analytical skills of those in the reward and benefits profession will receive much greater focus in the near future, if not already.

It also shows increased investment in tech tends to track increased spend in particular benefits areas. Looking back at REBA's *Technology Survey 2017/18*, we see that over the past four years employee wellbeing tech has grown from just a third of employers offering it to more than two thirds offering it now.

Financial wellbeing (excluding pensions) tech has also benefitted from a greater investment by providers and employers: four years ago, two in 10 employers offered financial wellbeing tech, this has now shot up to more than four in 10.

Recognition platforms have also seen good growth, as our previous research predicted (even though we could not have forecast how a pandemic would spur this on).

Overall, areas where implementation of tech systems has been recent are also areas where employers have been more satisfied with the offerings. Just as in the consumer world, keeping up with the latest tech generally leads to a better experience.

However, I have a spoiler alert: no matter how good the tech, if employees don't know about their benefits they do not engage with them. Two thirds of our respondents are still grappling with this conundrum.

REBA would like to say a special thank you to our strategic partner on this research, Buck. Their knowledge and insight on benefits technology were invaluable in developing the survey questions.

We would also like to thank the 149 employers who filled in our survey and were prepared to share their experiences for the benefit of the wider REBA community.

2021 is the year we should expect more from technology

John Deacon

Head of Employee Benefits
Buck



“With the consumer world now almost entirely personalised and targeted, employees are increasingly expecting the same of employers.”



There's no doubt that HR and reward teams have adopted technology at an incredible rate over the past few years. Usage in every area of benefits and wellbeing has increased in recent years, according to the research findings. This is great news and shows how, as an industry, we're embracing technology and the advantages it brings to our wider benefits programmes.

The employee experience is 'satisfactory'

An interesting finding is the perception that 'satisfactory' is sufficient when it comes to the employee experience. When asked about the user experience of their technology over 50% of respondents selected this answer; and yet less than 20% are considering reviewing their product. Does this mean that the bar has been set lower than it should? Surely all organisations should be striving to offer a benefits technology experience that leaves their employees feeling 'extremely satisfied'? Is 'good' actually good enough when it comes to the employee experience of the workplace?

We need to do more to join the dots

Perhaps the satisfactory user experience is a symptom of the evidence showing that better signposting, better integration between platforms, and more targeted, personalised communication are the top ways in which the experience could be improved. It's starting to feel a little déjà vu given we knew these were problems a few years ago.

Over half of organisations have more than three reward and employee benefits systems in place. The results show around 50% of employers say that signposting and integration could be better, which indicates a lot of employees still struggle to link up the various component parts of their reward ecosystem. Still, the great news is that none of this is insurmountable; just a little focus and dedication could lead to significant gains.

We've got some way to go on analytics

The data at our fingertips is now greater than ever before. The challenge, however, seems to be making use of it. A total of 85% of respondents indicate that analysis is still being done within Microsoft Excel or similar. Thanks to advances in benefit technology employers now have a wide range of data visualisation tools available. Nobody needs to rely on pivot tables and such anymore – but it seems our industry still is. Even where analysis is taking place over 80% relates to simple benefit take-up statistics, with only around a third of employers using it to tailor benefits offerings to employees. With the consumer world now almost entirely personalised and targeted, employees are increasingly expecting the same of employers.

The top barriers to doing more with data are a lack of data and lack of platforms for analysis. Both are easily fixed for the majority of businesses; for many, the problem is knowing where to start. That's where the right combination of adviser and benefits technology is key.

Thank you to all the REBA members that completed this research. The results highlight encouraging progress. Enabled by technology, your people should have the best possible experience of their workplace benefits, and your team an integrated, informed, and intuitive way of managing them – on both a day-to-day and strategic level. In fact, we believe that this is just the beginning.

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In numbers: technology trends for 2021



How popular is it?

97% of employers use technology to help manage and administer their benefits

In which area of reward is technology most applied?



79%
Pensions

Top areas of reward and employee benefits where technology is currently being developed



16%
Total reward statements



16%
Financial wellbeing



13%
Employee recognition

Where is it least used?



33%
Global employee benefits management

How can the user experience of platforms be improved?

For employees:



63%
say more targeted and personalised benefits communication

For HR, reward and benefits managers:



63%
say access to improved analytics capabilities

Top areas of focus for reward technology in the next 12 months:



53%

Improving management information and data reporting

How is reward data being used?



60%
use it to produce simple descriptive reports



6%
use it for advanced predictive analytics



43%

Improving personalisation of employee communication



42%

Improving analytical and insight skills of system users

Executive Summary

Technology use in reward and benefits is widespread – and pensions leads the way

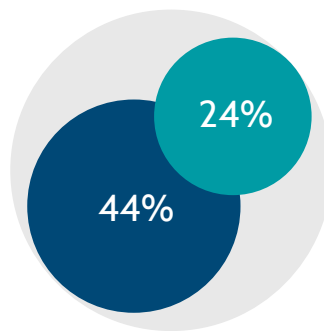
The Top 5 areas of reward where employers currently use technology are:



Almost all employers – 97% – now invest in technology with the aim of improving the benefits experience for both employees and their HR, reward and benefits teams.

Employers tend to operate several different systems to deliver reward tech

The majority of organisations still rely on multiple systems and platforms even though there's been some consolidation since 2017. Most commonly, employers have between three and five separate reward and employee benefits technology systems in place.



- Percentage of employers with between 3 and 5 reward and benefits tech systems in place
- Percentage of employers with just a single tech system in place

Low employee engagement is blamed on a lack of awareness of benefits offerings

The most common reason for poor employee engagement with benefits schemes is a lack of awareness among staff about what benefits they have. At the same time, employers are eyeing technology to provide a solution for raising engagement levels. Clearly, businesses need to consider how they can link up these two issues to achieve successful outcomes. Findings indicate that greater personalisation and targeting of benefits communication via tech may, in part, be the answer.

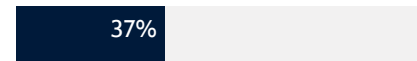
Tech use has soared in the area of employee wellbeing

Tech use has grown across all categories of reward and employee benefits since 2017 (when REBA last published its *Technology Survey*), with the exception of total reward statements. In particular, employee health and wellbeing and financial wellbeing – two areas that have risen up the corporate agenda in recent years – have enjoyed marked growth.

Employee health and wellbeing:



Use technology in 2021

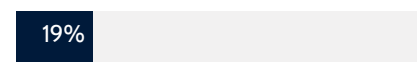


Used technology in 2017

Financial wellbeing:



Use technology in 2021 (more than double the figure from four years ago)



Used technology in 2017



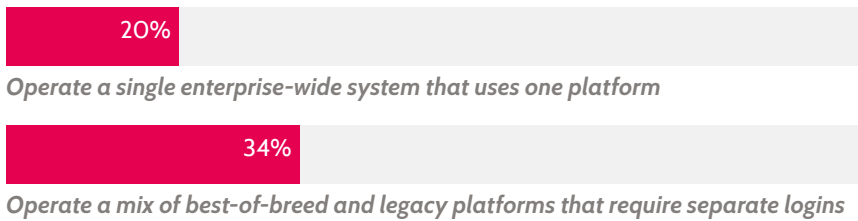
Say the main barrier to engagement with benefits is staff being unaware of what their offering includes



Say their main objective when reviewing software is boosting employee engagement with benefits schemes

Achieving a seamless experience between multiple platforms is still a challenge

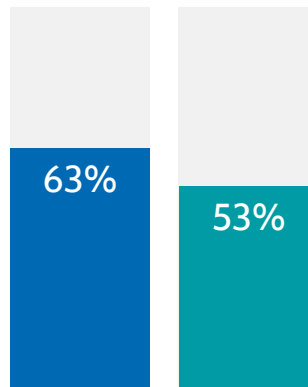
Creating a seamless user journey across the numerous platforms in place has been achieved by just under half of organisations. Of these, a fifth operate a single enterprise-wide system that uses one platform. The risks for companies that still rely on a mix of legacy and best-of-breed solutions include a poorer end-user experience and weaker data security.



Personalisation and closer integration identified as the features that would most enhance tech experience for employees

Employers would like to see their systems offer greater personalisation to improve the way in which employees manage and select their benefits, particularly around communication and for making benefits recommendations (similar to a 'people like you' approach). Also important is smoother integration between platforms.

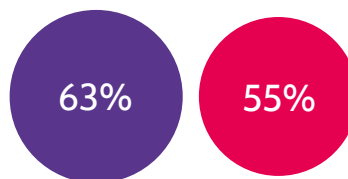
- Employers that say more targeted and personalised benefits communication would enhance the user experience for staff
- Employers that say achieving greater integration of platforms would boost the user experience



Ability to uncover deeper insights or conclusions would most improve the user experience for reward and benefits practitioners

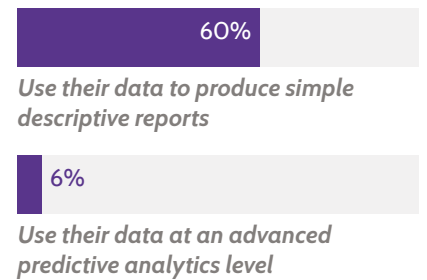
The tech function that would most benefit reward and benefits managers, who look after the administration side, is improved analytics capabilities. Second on their wish list is better on-demand reporting. Employers want greater access to insights that can point up ways to improve their benefits offering.

- Employers keen to have access to improved analytics capabilities
- Employers that would like to see systems deliver better on-demand reporting



Application of advanced analytics is still lagging

Using data from reward technology in more advanced ways to produce actionable insights remains uncommon practice. Most employers are focused on using data at a basic level such as to keep track of employees' benefits selection. Using advanced analytics techniques can give practitioners a view of the bigger picture and future needs, so they can fine-tune offerings to increase their value.



Addressing data concerns is the number one short-term priority when it comes to reward technology

The predicted top area of focus for reward technology over the next 12 months is related to data quality and how that data is usefully applied. This links into a major theme of this report; that high-quality insight is needed to drive decisions on reward and employee benefits strategy and ensure it works hard to pull in and retain talent.



About the survey

The REBA Reward & Employee Benefits Technology Survey 2021 was carried out online between 12 and 29 March 2021. Responses were received from 149 reward and employee benefits specialists working at organisations of various sizes and across a broad range of industry sectors.

Respondents by organisation size

1-49 employees.....	6.....	4%
50-99 employees.....	4.....	3%
100-249 employees.....	10.....	7%
250-499 employees.....	15.....	10%
500-999 employees.....	21.....	14%
1,000-4,999 employees.....	50.....	34%
5,000-9,999 employees.....	20.....	13%
10,000-19,999 employees.....	15.....	10%
20,000+ employees.....	8.....	5%
TOTAL.....	149.....	100%

Respondents by industry sector

Manufacturing & Production.....	24.....	16%
Financial services.....	21.....	14%
Media, Technology & Telecommunications.....	21.....	14%
Professional services.....	18.....	12%
Engineering & Construction.....	13.....	9%
Not-for-profit sector.....	10.....	7%
Public sector.....	9.....	6%
Health & Pharmaceuticals.....	8.....	5%
Retail.....	7.....	5%
Transport & Logistics.....	5.....	3%
Utilities & Energy.....	5.....	3%
Leisure & Travel.....	4.....	3%
Mining, Oil & Gas.....	2.....	1%
Other.....	2.....	1%
TOTAL.....	149.....	100%

About us

Reward & Employee Benefits Association

REBA is the professional networking community for reward and benefits practitioners.

We make members' working lives easier by saving them time, money and effort through sharing experience, ideas, data and insight with each other.

We help members to pursue best practice, increase professionalism in the industry and prepare for upcoming changes. REBA also lobbies government on members' behalf.

What REBA does:

- Runs regular conferences and networking events, both face-to-face and virtually through webinars and online platforms
- Supports the reward and benefits community through its rebaLINK peer-to-peer networking platform
- Produces benchmarking research, insight & data reports, and analysis on key reward and benefits themes
- Curates an industry-wide research library of reports, government consultations and best-practice guides
- Creates, curates and distributes online content for the reward and benefits community, including industry insights into best practice, case studies and thought leadership
- Delivers focused content to our membership through daily emails and social media channels
- Supports professional members with supplier shortlisting and research.

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The logo for the Reward & Employee Benefits Association (REBA) features the lowercase letters 'reba' in a bold, dark blue, sans-serif font.

Reward & Employee
Benefits Association

Buck

Buck is a global, integrated HR consulting, benefits administration and technology services provider. We offer a world-class portfolio of benefits advisory, analytics, administration, engagement and communication solutions, powered by best-in-class technology, to help fulfil the pensions and benefits needs of you and your employees.

At Buck, we're exclusively focused on helping our clients and their people succeed together. And together with our clients, we're defining a new social contract — a mutually beneficial agreement between individuals and organisations where both parties are rewarded for their contributions toward achieving optimal personal and organisational performance.

104 years in the business allows us to confidently push boundaries to keep you ahead of the curve. With an eye towards the future, we're introducing new technology-enabled solutions across health, risk and wellbeing, flexible benefits, share plans, and DB/DC pension schemes, that make delivering on your commitments seamless and more measurable, to help you make the right decisions to achieve the best outcomes for your employees.

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