thomsons
ONLINE BENEFITS

Innovation generation: the big HR tech disconnect
2019/20 report

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Contents

Introduction

Not quite delivering: HR tech today is not fit for purpose

HR teams today increasingly see themselves as technological innovators.

They recognize that technology has transformed the HR and employee benefits landscape—enabling and empowering professionals working in this sphere to play a strategic, global role within their organizations. But more needs to be done. Delve down into the findings of this research and an interesting disconnect between how organizations view their use of technology and the reality reveals itself.

Drivers of change: the HR strategy shift

Instead of reacting to change, HR professionals are increasingly driving the change organizations need for a competitive advantage at a time of growing digital disruption—whether that is upskilling employees to work in a data-driven world or tackling declining employee engagement through an increased focus on wellbeing.

As a result achieving, a 'globally consistent employee experience' has shot up the list of priorities for HR professionals in 2019. However, there is a mismatch between how organizations view the way they are delivering on this key objective and what is happening in practice.

As consumers in the workplace, the personalized consumer-grade tech experience we are used to in our personal lives is still not being delivered.

When HR offer employees access to around 10 different tools and apps, satisfaction scores rise significantly and employee engagement score targets are met or exceeded.

However, not every organization has the capability to 'plug-and-play' new apps and tools into a global HR tech ecosystem. Even among those that do, many say that the 'tools are not fit for purpose'.

So, in the coming years we can expect to see greater investment in technology to deliver a 'globally consistent employee experience', as well as tech innovations to create a truly integrated, connected and holistic global ecosystem.

The data disconnect: if you don't ask, you don't get

While technology has played a pivotal role in enabling the HR function to achieve more than ever before, without the data to support their strategy HR professionals are often not being as effective as they could be.

Our research found a disconnect between how organizations view their approach to technology (innovative and ahead of the curve) and the reality (they lack the data or expertise needed to measure whether their benefits spend is helping achieve organizational goals).

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Take retirement as just one example. We all know that pensions are one of the biggest spends in terms of benefits, with organizations parting with billions of dollars each year to fund the retirement of their employees. Yet, surprisingly, more than half of organizations are not using employee data to help forecast potential retirement scenarios and liabilities. This, in turn, can have a significant impact on workforce planning (knowing when employees are likely to retire is vital), learning and development (longer working lives mean more reskilling and upskilling), healthcare costs (older workforces are more expensive to cover) as well as pension provision.

Analytics is the answer: everything will change over the next three years

However, over the next three years, nearly every organization will be collecting vast amounts of data on their employees ranging from engagement to wellbeing. It is this data that will transform the HR and benefits function and those who work in it.

The next step will be to analyze the data effectively to extract maximum value. To meet this need there has already been a massive increase in the number of organizations that have implemented people analytics teams in the last year and a half—with many of those working in this field being upskilled, seeing their roles enhanced (rather than replaced) by technology.

So what's next?

It's a huge step forward for the industry that so many HR professionals now see themselves as innovators. But in order to be truly transformative, organizations need a fundamental rethink. For a start, the employee experience needs to be top of HR's agenda to ensure everything they do—including their tech strategy—is driving towards improving it. However, only 1 in 3 HR leaders are making 'redesigning the employee experience through technology' a priority on their worklist for 2019.[1]

Organizations are planning significant investment in technology to extract better value from their HR and benefits spend, but there is still a long way to go to make sure they make the most of the opportunity technology presents. Not only do HR departments need to make sure they are prepared by upskilling their teams to make them more data-literate, but technology providers need to respond quickly in order to meet the demands of the market and deliver tools that are fit for purpose.

1. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

The HR strategy shift: Tech in the driving seat

When it comes to technology, the HR and benefits function is often considered traditional and conservative.

Well, no longer. Our new research revealed that hardly any of those working in the function today think of themselves in this way. Instead, they see themselves as innovators, ahead of the curve when it comes to adopting new technologies, with rewards and benefits tech high on the list of priorities.

Employers have not only recognized the impact technology has on enabling HR and benefits professionals to deliver on their organization's strategic goals—they have moved swiftly from defining the systems they need, to investing in their delivery. Propelling this investment is a shift in organizational priorities, driven by digital transformation, an urgent need to stem the growing skills gap and increased focus on employee wellbeing.

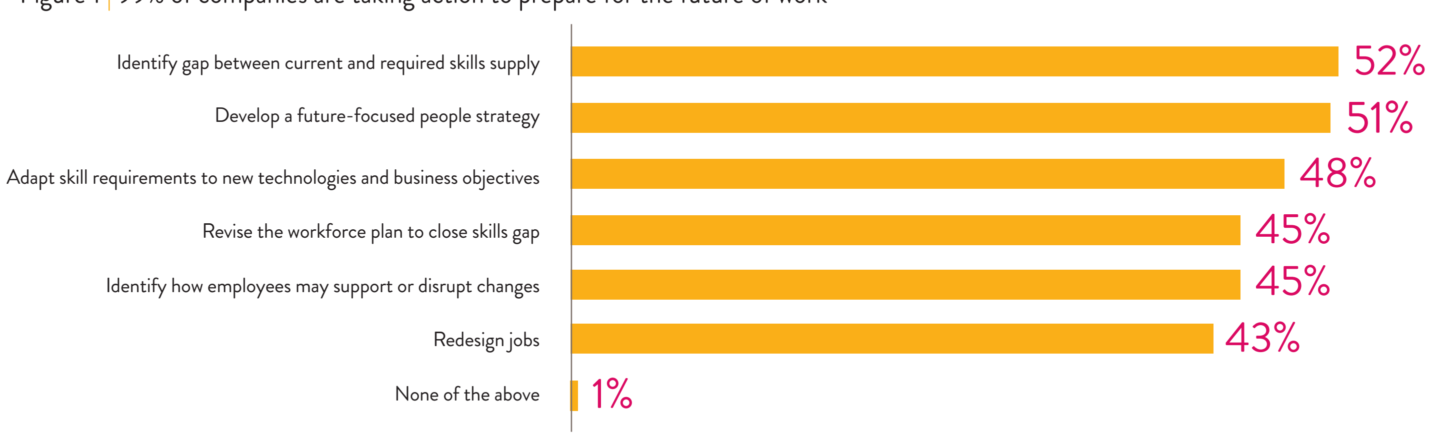
Technology is now in the driving seat. In previous years, tech was more reactive, with solutions often created as a result of market demands and to meet the needs of organizations. But we have seen a marked shift this year. Technology is now the main, proactive force driving change in the market, with organizational strategy created and defined as a result of technological innovation.

Drivers of change: the new world of work

"Your employees are your greatest asset" might be an overused cliché, but like all clichés, it rings true: and it is the employee benefits team that is increasingly responsible for delivering on the business imperatives of attracting, retaining and engaging talent.

The reason? The world of work is changing dramatically and nearly every organization is taking action to prepare for the new skills landscape (figure 1). The number of executives predicting significant industry disruption over the next three years has risen threefold from just 26% in 2018 to 73% this year. While the skills shortage is not a new issue and neither is digital disruption, what stands out today is the urgency with which organizations are responding.

Figure 1 | 99% of companies are taking action to prepare for the future of work



A more holistic approach: top objectives for leading benefits strategies

HR and benefits teams now have a broad range of objectives; reflecting a more holistic approach to delivering organizational goals, with increasing responsibility and opportunity to add strategic value.

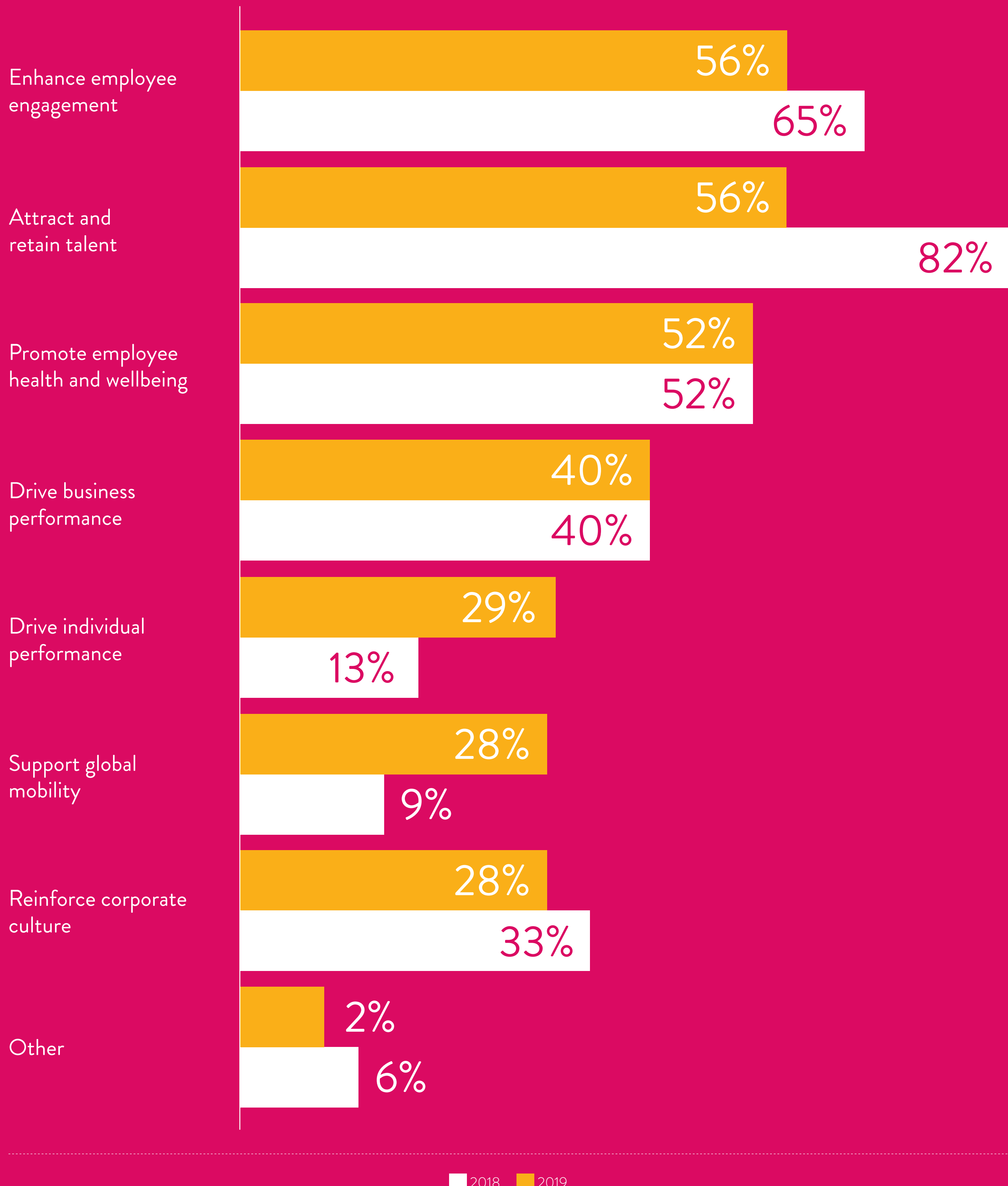
Whereas attracting and retaining talent was by far the most important objective in 2018 at 82%, this year enhancing employee engagement has an equally high priority of 56% (figure 2)—although it has to be noted that both of these show a sharp drop in the space of just a year.

This swift shift in priorities reflects the global skills crisis and the urgency with which organizations are responding to make sure their employees are happy, productive and committed to the organization in the long-term.

With the demand for skilled workers forecast to outstrip supply by 2030, organizations are increasingly fishing in the same talent pool—and it is shrinking. As a result, there has been an inevitable shift towards focusing more on retaining and engaging existing employees than just attracting new ones.

This has led to a sharp rise in 'supporting global mobility' and 'driving individual performance' as objectives in 2019. In fact, almost three times as many respondents cited these as one of their top three objectives this year, compared to last.

Figure 2 | Top objectives of benefits strategy 2018 vs. 2019

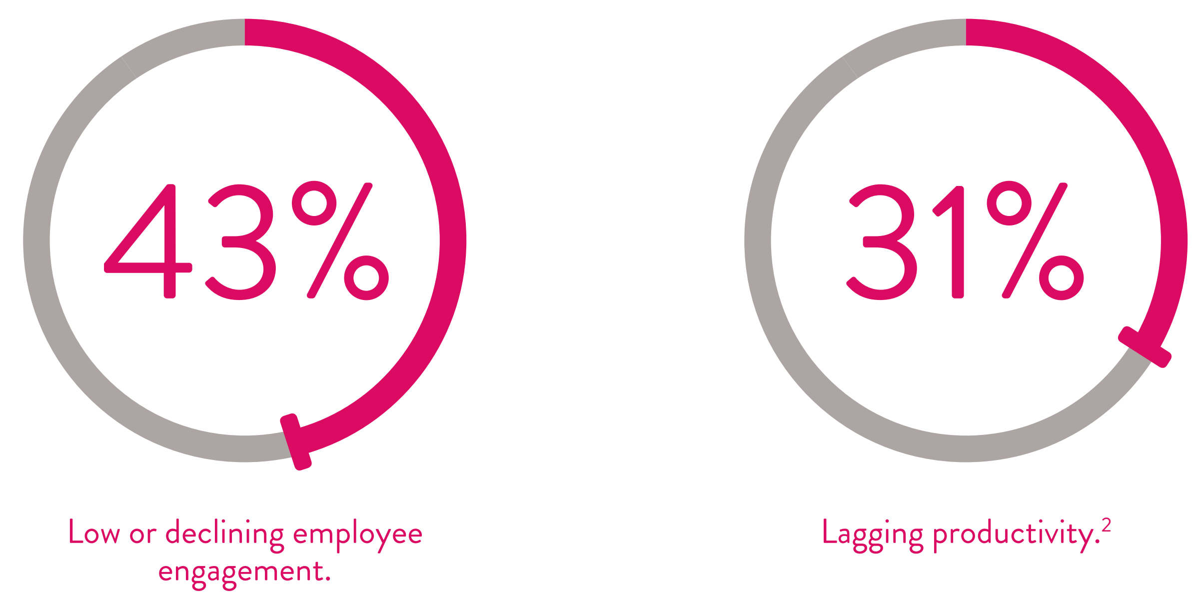


Disruption danger: why employee engagement is even more vital today

While having the right people, with the right skills, in the right place is obviously essential, organizations increasingly realize that during times of significant disruption there is a danger that employees can become disengaged. This can be due to a number of factors, including detrimental impacts on company culture, not being innovative enough to keep employees invested, or a fractured approach to employee communications.

According to this year's Global Talent Trends 2019 report from Mercer, executives believe that 'low or declining employee engagement' is one of the top human capital risks their organization faces.

Top human capital risks:



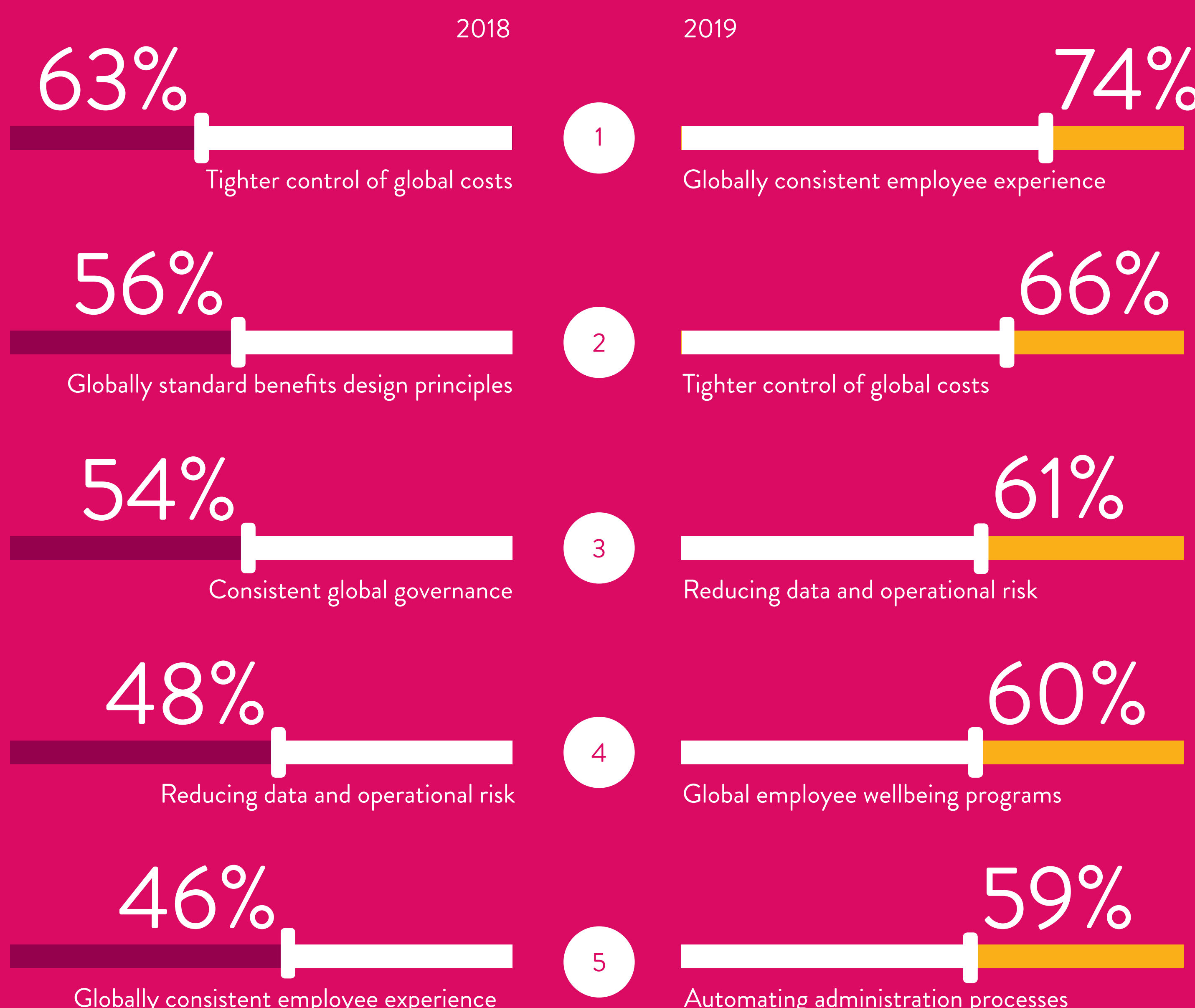
As a result, organizations are now focusing on delivering a 'globally consistent employee experience' (figure 3).

In 2018, organizations focused squarely on the inputs needed, with 'defining globally standard benefits design principles' as their second highest priority. Yet this year the output of these principles is their primary objective—with providing a 'globally consistent employee experience' jumping up the rankings from fifth to first priority (figure 3). HR are steadily moving from process (the building blocks) to strategic, higher-level deliverables that have an impact on the wider business's goals.

This is driven by technology—which is being introduced quickly, reflecting the huge importance organizations now place on employee engagement. This is clear in the shift from benefits design to delivery in the space of just one year.

2. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

Figure 3 | Top five operational objectives 2018 vs. 2019



It's no surprise to see 'tighter control of global costs' is still a key operational objective, up there at number two, followed closely by 'reducing data and operational risk', as these continue to be pressing issues for many organizations. The rise in importance of 'reducing data and operational risk' could also be attributed to an increased focus on data security in a post-GDPR world—especially in global organizations where a lot of work has gone into ensuring compliance internationally.

HR teams' increased focus on 'global wellbeing programs' mirrors a rise in our collective cultural consciousness when it comes to mental, physical and financial wellbeing.

This year more respondents agree that employee wellbeing is on senior leaders' agendas.[3]

Research linking improved employee wellbeing with improved productivity has been around for many years. Yet the global conversation around wellbeing and mental health in particular has forced organizations to make this a priority. According to the World Health Organization, depression and anxiety cost the global economy US$1 trillion per year in lost productivity.[4] This is an issue that extends beyond the need to have an engaged workforce – there are significant financial implications for the whole organization.

Secondly, 'automating administration processes' is now the fifth most important priority for six in 10 teams. This is a clear indication that HR professionals not only want to free up time previously spent overloaded with admin, but that they also see investing in technology as essential to their ability to make a difference to their organizations on a global scale.

3. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html
4. World Health Organization, https://www.who.int/mental_health/in_the_workplace/en/

Stephen Migliaccio
Director, Global Provider Automation

> “Simply put, the benefits supply chain is broken.”

The process of delivering a product from a provider, for example medical insurance from an insurance company, to consumer, in this case the employee, is still incredibly complicated.

While benefits technology and intermediaries have helped streamline processes, even today, many parts of the delivery cycle still require human interaction. This leads to increased scope for error, more time spent by teams on administrative tasks, and a clunky employee experience.

One massive contributor to this is the preponderance of flat file movement of data. To create an efficient process, we must drive the industry to adopt real-time automation, where data moves seamlessly from system to system via APIs—as is the case in financial services, for example.

Freed to deliver: time to focus on business goals

So what is empowering HR professionals to deliver a globally consistent employee experience? The answer—significant investments in technology.

Although improving the employee experience has been high on the agenda for a number of years, it is only recently that companies have equated the pivotal role that technology plays in delivering this. This doesn’t stop at an engaging front-end; arguably, the data and analytics that underpins it is more valuable.

As a result, a significant number of HR teams see themselves as technological innovators, who are using increasingly integrated global technology. This tech-driven people strategy is allowing them to switch up a gear (or two) from being process-driven providers of basic benefits, to being in the driving seat when it comes to helping deliver on organizational strategy. However as we will see later in this report, there is still more to be done, particularly as many teams are still struggling to harness the power of data analytics.

Out of the silo: benefits teams’ influence extends beyond HR

This shift in focus is also enabling the employee benefits function to have a broader impact on the wider business as a whole. A great example of this is their impact on brand perception. A great employee experience, and by extension a strong base of employee advocates, has as much of an impact on an organizations’ brand as their marketing efforts do.

HR is as much a custodian of the brand as the marketing department.[5]

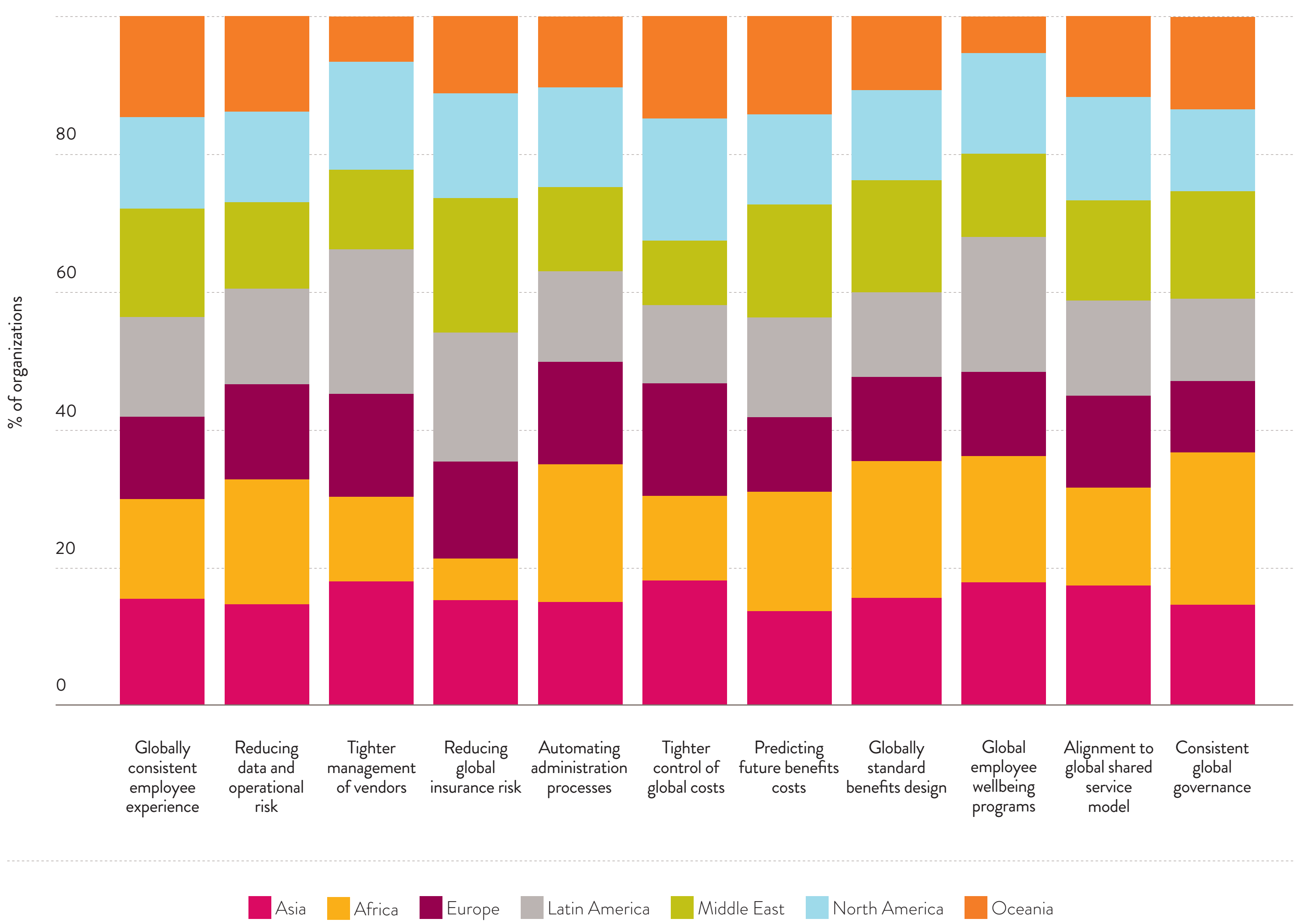
Employee benefits teams are also playing a role in global talent mobility – historically part of organizational strategy – to ensure employees feel connected to their organization at every stage of their move.

In a talent economy, employee pride has become an issue of business strategy.[6]

So, in terms of priorities, objectives and technology investments to deliver on these, HR teams are in a very different position to just twelve months ago. This is happening at an incredibly fast pace—it’s a transformation more than an evolution.

5, 6. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

Figure 4 | Regional objectives and how they vary



Consistency with flexibility: a global approach with regional touch

We found that organizations are incredibly focused on global consistency across all regions—and not just in terms of the employee experience, but also cost control and even global employee wellbeing programs.

However, depending on how evolved the function is, organizations have different priorities in different regions (see figure 4).

This throws up a few anomalies. Tighter management of vendors is a low priority in Oceania, for example, where costs are already tightly controlled. Whereas, in Latin America this is one of the highest priorities.

The alignment to a global shared service model on the other hand, is a similarly high priority across all regions, reflecting the fact that this remains a key focus globally.

So what is clear is that organizations need global capabilities from their technology, but with the flexibility to adapt to regional needs.

No longer conservative: how HR got ahead of the curve

Technology is integral for organizations to achieve their objectives. It is the driving force behind many of the trends examined earlier in the chapter, and the solution.

As we have already seen, organizations have moved rapidly from design to delivery while automating administration (which has risen up the list of priorities in 2019).

However, what really stands out is how they view their approach to technology investment.

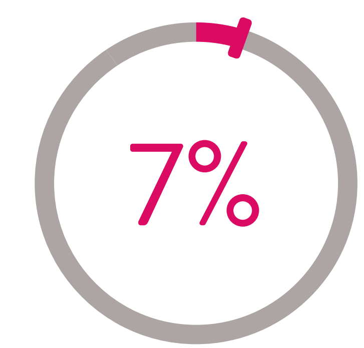
Almost a third of respondents class themselves as 'innovators' (figures 5 and 6) while a third term themselves as 'early adopters'.

At the same time, HR, which has historically been seen as a conservative function, has moved on—just 7% of respondents view themselves as conservative tech adopters.

There is very little difference in how respondents treat investment in HR technology with any other type of technological investment—they are just as willing to take a chance on new technology in the HR function as in any other area of the business (with the results in figures 5 and 6 very similar).

class themselves as 'innovators'.

class themselves as 'early adopters'.



view themselves as conservative tech adopters.

In fact, if you add up the innovator/early adopter/early majority replies HR comes slightly ahead (83% compared to 82% for those adopting new technology 'in general'). This proves that when it comes to HR technology, the vast majority recognize that this is a key area of investment they need to make to deliver on their organization's goals.

Yet while they may be innovators, many are still in experimental stages and are not making the most of this technology, nor the data they can mine from it – something we will explore in detail in Chapter 3.

Figure 5 | When considering adoption of new technology in general, your organization is:

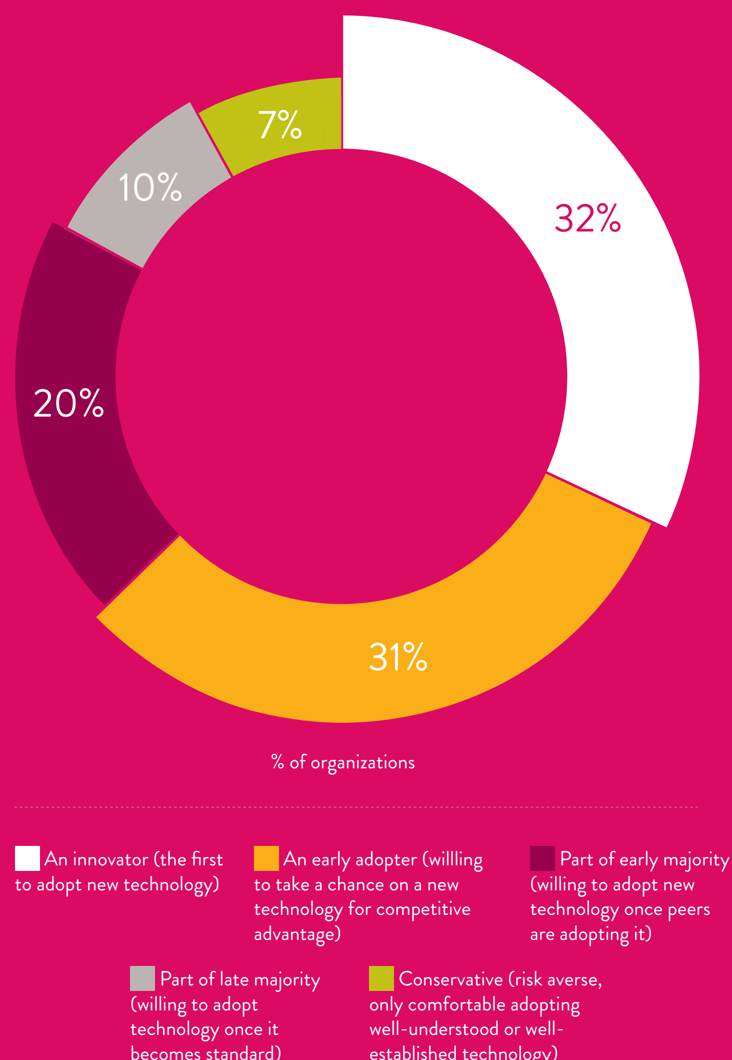
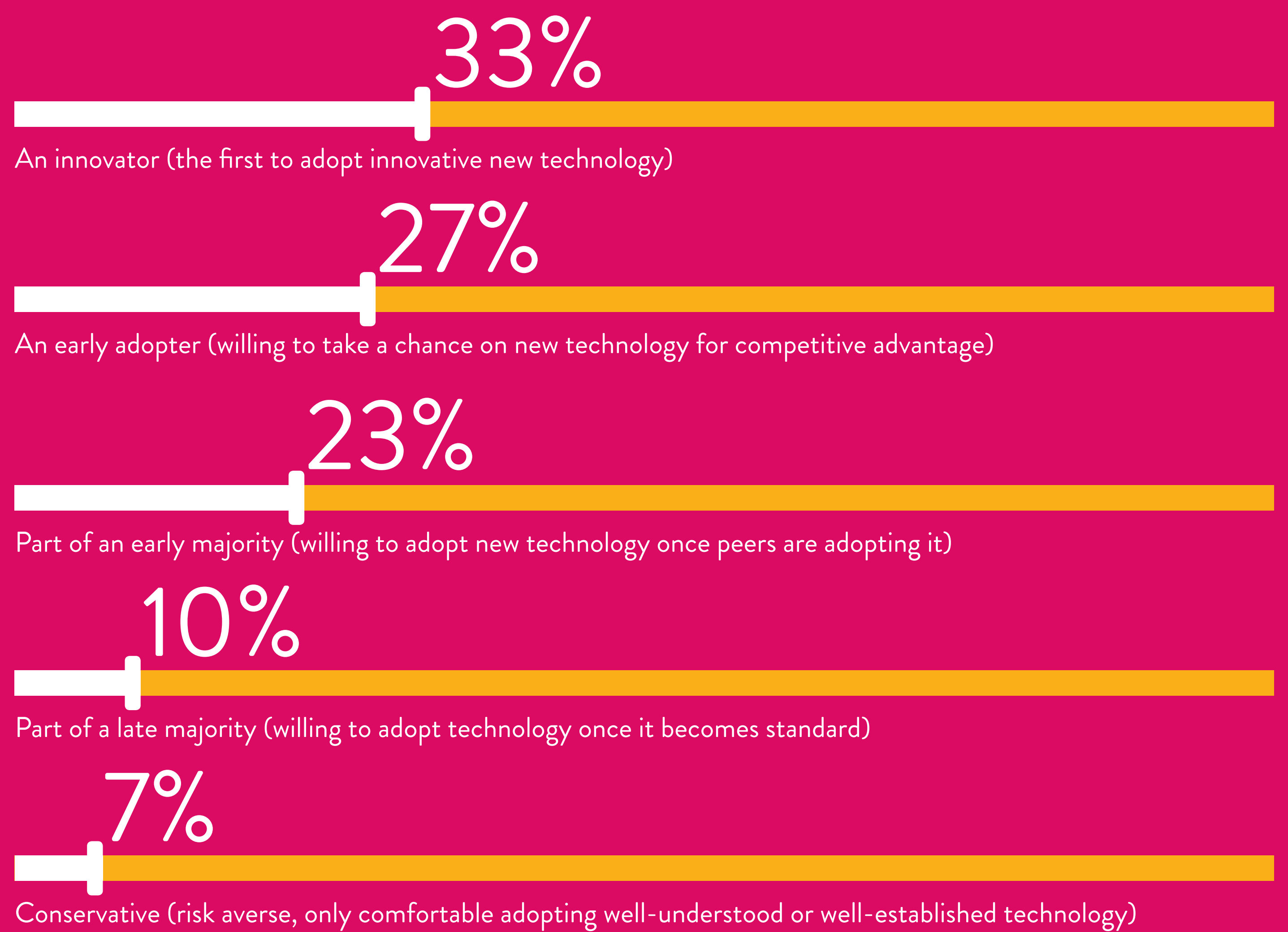


Figure 6 | When considering adoption of new HR technology, your organization is:



Technology investment: where is the money going?

Now we have examined the priorities and objectives of employee benefits teams, and discovered how they classify themselves in terms of innovators/early adopters of technology, let's explore what they are actually investing in (figure 7).

'Learning and development' tops the list for respondents' first choice. If we look back to the start of this chapter and the urgency with which the C-suite is preparing for significant disruption, then this makes sense: upskilling employees in this age of digital transformation is a top priority. So it stands to reason that investing in technology to deliver on this objective is now high up the agenda.

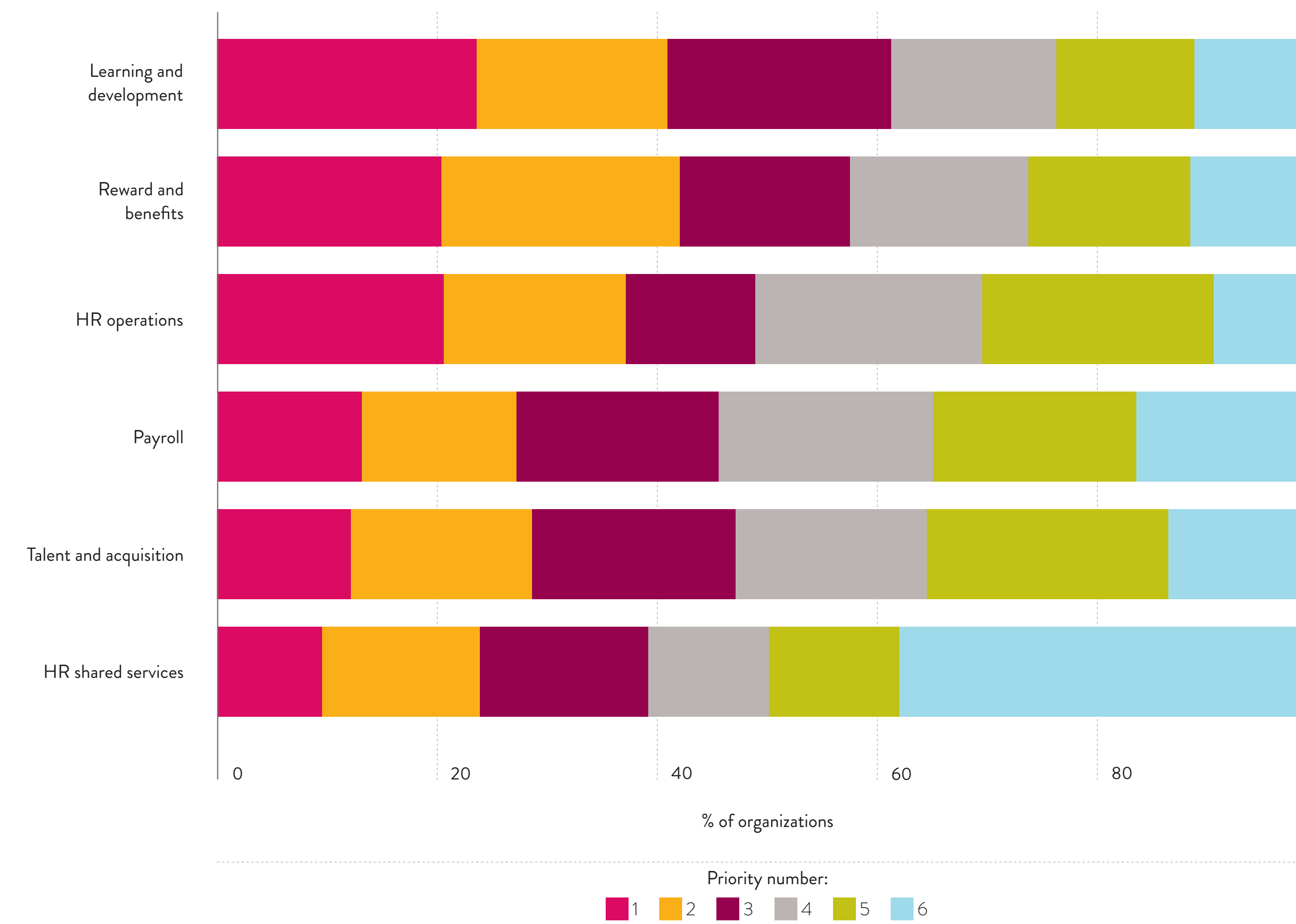
However, if respondents' first and second choices are taken into account, then investing in 'reward and benefits' technology' actually comes out on top, seeing a huge surge in importance as organizations begin to realize the impact well-designed and delivered benefits programs can have on their top objectives.

If you look at the top three priorities for technology investment in this financial year, what is also significant is that they are all broadly similar in terms of rankings.

This reflects the more holistic approach teams are working towards (in terms of priorities and objectives. As HR teams look for a broad-approach to address organizational priorities, they need to invest in automating HR operations, reward and benefits and learning and development to achieve these goals.

Interestingly, HR operations is the only one of these that is not employee-focused and is evidence of the increased focus on centralized teams to deliver on a global strategy.

Figure 7 | What areas are being prioritized for technology investment in this financial year? (1=highest priority, 6=lowest)



What is equally interesting is what is less of a priority.

HR shared services comes in at number six in the list, representative of the fact the technology to support HRSS has been well embedded for some years, so is no longer a top priority for most organizations. Employee benefits teams cannot achieve their objectives – particularly a globally consistent employee experience – without this in place. HR teams need global consistency, with the ability to tailor locally—platforms must deliver on this or risk becoming obsolete.

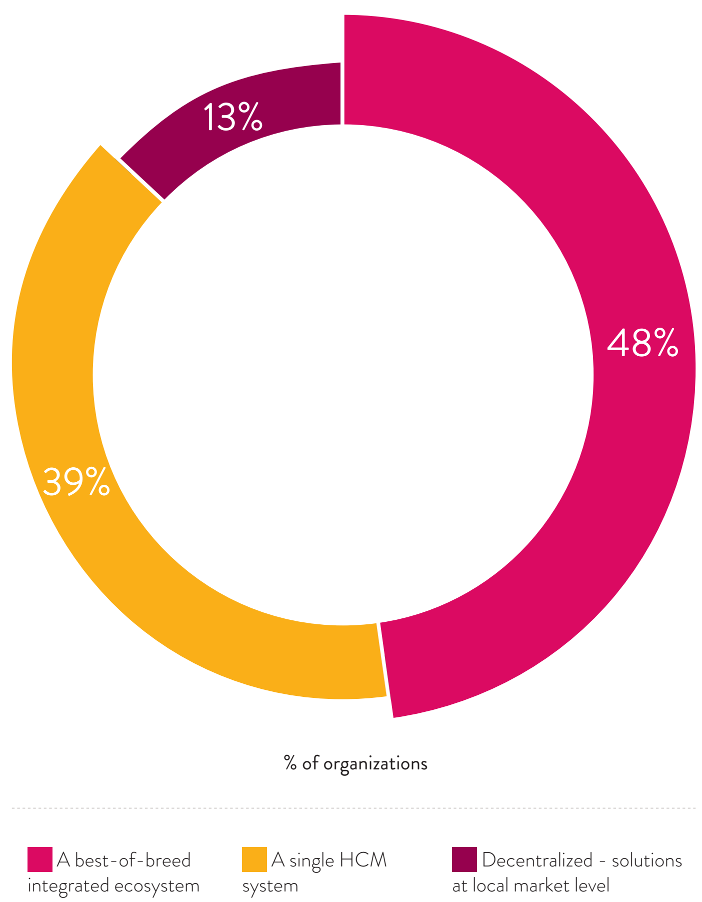
Best-of-breed: which systems are delivering the best results?

So, what technology approach works best for HR teams?

48% of respondents are now using some form of best-of-breed integrated ecosystem.

Well, around half of organizations are now using 'best-of-breed integrated ecosystems'; with 48% of respondents (figure 8) saying that best describes their HR technology landscape. With 32% of respondents self-styled innovators and 31% early adopters of technology, this is obviously the way the market-leaders are moving.

Figure 8 | What best describes your current HR technology landscape?



These best-of-breed ecosystems are also associated with much better outcomes than decentralized systems.

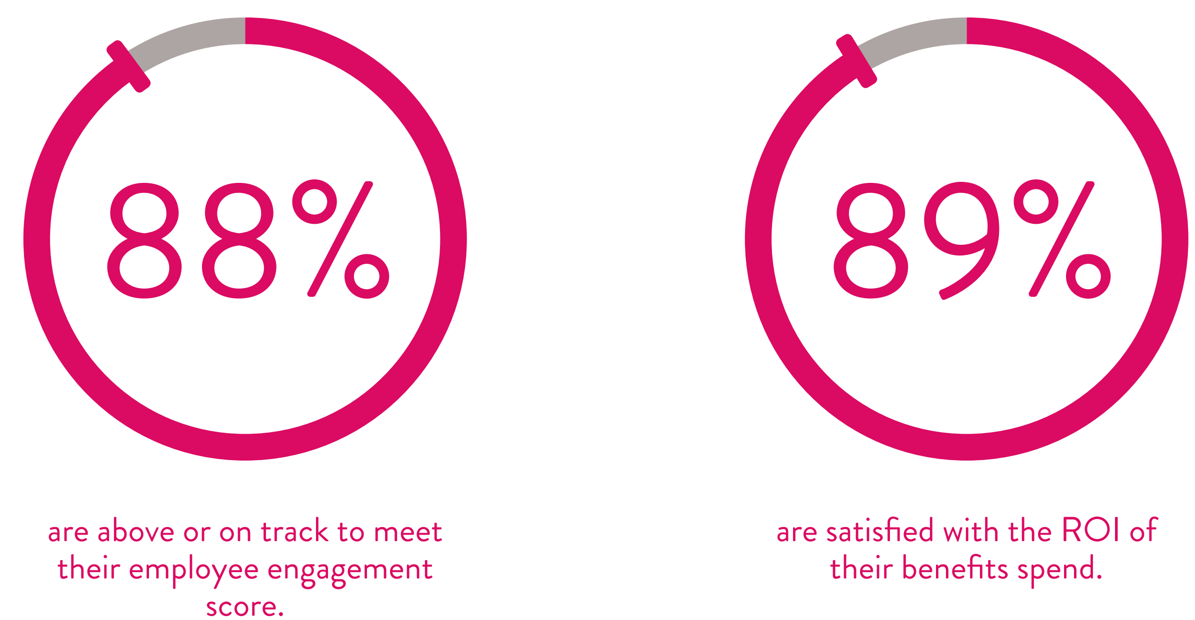
Respondents who have chosen these systems are much more likely to be exceeding their employee engagement targets—with a 'best-of-breed ecosystem' also associated with very high levels of satisfaction with ROI (figure 9).

Decentralized solutions may cater to the needs of the local workforce, but they cannot deliver when it comes to global consistency, nor managing and reporting on benefits globally. Given that organizations now have a 'globally consistent employee experience' as their top priority, this is a failure on many levels: less consistency, less global oversight and, in turn, a poorer employee experience.

However, it is worth noting that this could also be a failure of the right data management as nearly a third (32%) say they 'don't know' when it comes to performance against targets. This is a significant oversight – if they do not know if their benefits spend delivers in terms of employee engagement score targets, how can they know they are spending their budgets effectively?

When it comes to a 'good return' on your benefits investment, a best-of-breed integrated ecosystem – using the leading software applications for each specific need – outperforms a single HCM system significantly. In fact, 88% of organizations with a best-of-breed approach have a very good/good ROI compared to 68% of those with a single HCM system.

Figure 9 | Of organizations using a best-of-breed ecosystem approach:



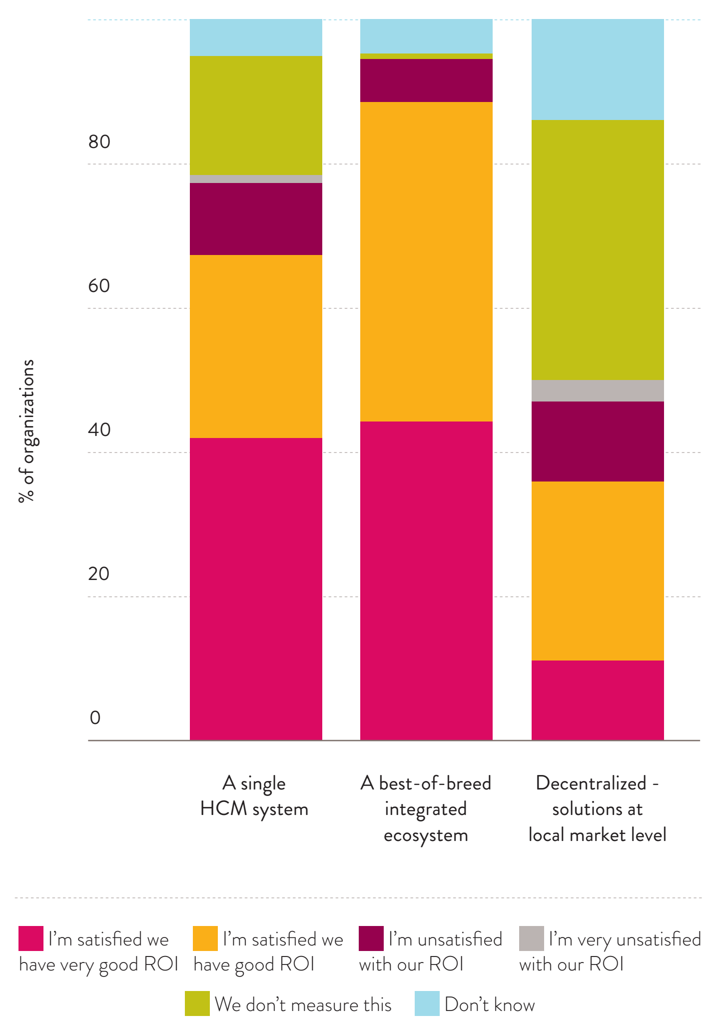
As 'tighter control of global costs' remains the second priority for organizations, best-of-breed integrated ecosystems are the clear winner, delivering on both employee engagement and ROI.

Once again, decentralized solutions perform poorly—partly due to a lack of data, with half (50%) of organizations left in the dark, either not measuring the ROI or not knowing what it is.

This is shocking given the vast amount most organizations spend on benefits—more than half (56%) spend upwards of 15% of employees' base salary on benefits—not to mention the increasing reliance on these benefits to boost employee engagement.

More than half (56%) of respondents spend upwards of 15% of employees' base salary on benefits.

Figure 10 | What best describes your current HR technology landscape? And do you think you get a good return on your benefits investment?



The more tech, the better: why investment gets results

Purchasing technology on a global, rather than a local level, also delivers other benefits, with organizations more likely to be satisfied with the functionality as a result.

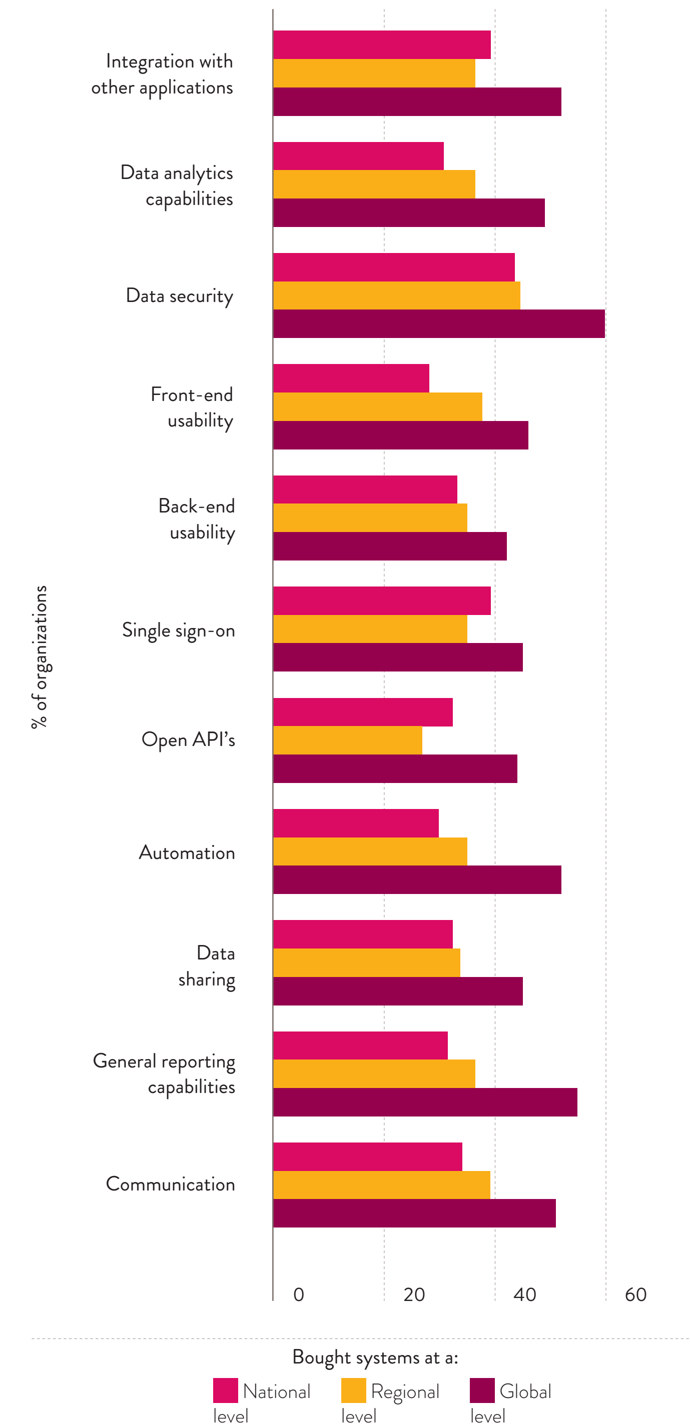
Figure 11 analyzes the satisfaction of respondents with their HR systems by comparing findings between those who bought them at a global level rather than regional, and at a regional level rather than national. There is a clear increase in levels of satisfaction when they are purchased at a global level, compared to regional and local.

Some of the more noticeable differences in satisfaction levels, aside from automation, are in terms of data analytics (31% satisfaction at national level but 49% for global systems) and general reporting capabilities (32% satisfaction at national level but 55% for global systems). With the need to collect and analyze data being vitally important in driving employee engagement (and measuring ROI) these are significant discrepancies and are likely to hamper the ability of HR and benefits teams when it comes to delivering organizational goals.

As we have already seen, global systems can still provide flexibility to tailor benefits to meet local priorities and deliver when it comes to global governance, cost control and consistency.

More organizations are also devising and rolling out their benefits strategy at a global level (34%) – this is slightly behind national level (39%) – showing there is a need for technology that supports a global approach without local compromise.

Figure 11 | Satisfaction with functionality of HR systems



Not there yet: why the tools are not up to the job

The overall findings of our research are incredibly positive—particularly for organizations using globally-integrated ecosystems to deliver employee benefits across regions.

HR teams are also positive about technology adoption, with many believing they are innovators and early adopters.

The research also shows that the HR function is increasingly automated. With their time free from admin burdens they can play an important part in delivering organizational goals—extending their reach into strategy and acting as key drivers of both business and individual performance.

Yet HR teams still believe they are restricted from really fulfilling their potential.

As we explore in Chapters 2 and 3, while HR professionals are experimenting, they are not yet in a position to fully exploit new technologies such as wearables or integrations with providers. Neither are they fully harnessing the power of data analytics.

A future where benefits can be adapted or introduced in response to individual needs and where the impact on performance both of the business and the individual can be easily measurable, even in real-time, feels out of reach for many.

So, what is standing in the way?

Well, HR teams are crying out for better tools and this year's research reveals they are coming up against some huge barriers for investment (figure 12).

The biggest of these is that tools on the market today are simply 'not fit for purpose', and even if they were, there is a lack of boardroom 'buy-in' to fund their purchase.

Figure 12 | Barriers to HR technology investment

This suggests that while many organizations believe themselves to be innovative when it comes to technology adoption, the reality is different. Either more needs to be done to help educate these organizations to make the right purchase, or too often they have to make do with technology that is not up to scratch.

While board members may want to prioritize redesigning jobs and acknowledge that 'low or declining employee engagement' is a major risk, they are not prepared to fund further investment (yet).

Where next? More investment needed to get the job done

Organizations have moved swiftly from design to delivery when it comes to technology – with further investment on the agenda this year to drive the delivery of key areas such as learning and development and reward and benefits. However, organizations are also still reporting that their HR systems are not really delivering everything they need - particularly when they have purchased these on a national rather than global level.

The stark differences in satisfaction levels between organizations with global HR systems and national/regional ones, and the higher satisfaction ratings for best-of-breed ecosystems, points to more significant innovation (and investment) needed over the next few years.

This is not an 'if' but more of a 'when'. These systems are the best way to deliver what the C-suite is demanding—improving employee engagement while at the same time preparing for 'significant' disruption. The right technology is essential to deliver on these objectives.

The fact that nearly 7 in 10 also report that the tools they need are currently 'not fit for purpose' also points to significant product development (particularly in terms of apps and integrations) over the coming years.

Matthew Jackson
Vice President - Proposition and Client Solutions

It's great to see that multinational companies are now 'walking the walk' when it comes to leveraging technology to deliver on engagement and operational strategies. The success of the early adopters – and also lessons learned – has created a best practice guide for companies to follow. That said, there is still plenty of room for companies to continue to innovate and take advantage of the opportunities that the ever-changing competitive landscape presents them.

As companies embed technology to support shared service delivery, ensure a globally consistent yet locally relevant employee experience and also positively impact the wellbeing of employees, the next challenge will be to make sure multiple best-of-breed technologies work in harmony—from an operational, employee and data perspective. If companies get that right, the payoff is clear as demonstrated by the 88% of companies with a best-of-breed ecosystem approach who report over—achievement on their engagement targets.

Chapter 2

Not yet delivering a better employee experience

A 'globally consistent employee experience' is the number one objective this year—an issue that has seen a significant increase in importance since 2018. And a great employee experience relies on technology.

So it is no surprise that organizations offering around 10 different apps or tools to their employees are reaping the benefits, with above-target employee engagement scores. However, there needs to be consistency, and all these tools need to be working together. Without this, organizations run the risk of creating disparate technology and data silos that don't deliver any real value.

Organizations also need to be able to 'plug-and-play' different tools and apps into their technology ecosystem, to give them the flexibility to respond to the ever-changing demands of their global workforce and deliver an exceptional employee experience. Yet, employers aren't able to achieve this. Without this connectivity, they are struggling to add extra functionality on. And of those organizations who state they can do this today, many are still struggling with tools that are 'not fit for purpose', hampering their ability to innovate.

As a result:

Three-quarters of organizations say they are still on the journey to providing a fully digital experience for employees.[7]

Expectations are high: but workplaces are lagging behind

Our lives are dominated by technology. We are becoming increasingly digitally dependent, with a need to be constantly connected—in the UK the average Brit checks their smartphone every 12 minutes of the working day while globally we spend an average of six and a half hours a day online.

It is not just our smartphones that are getting smarter—so are our homes with the world market for Internet of Things (IoT) devices expected to soar to more than 64 billion devices by 2025. With the global population forecast to rise to 8 billion at that time, that means an average of eight IoT devices for every person on earth. This includes smart speakers, smart appliances and wearable devices, which are set to grow exponentially to 1.1 billion worldwide by 2022.

So, as consumers, we not only own more technology than ever before but we also expect it to be intelligent and intuitive. Yet, enter the workplace and the tech is often lagging behind... particularly when it comes to the employee experience, despite this being is a high priority for organizations.

It's therefore no surprise that the overwhelming majority of employees surveyed by the human capital management think tank, The Workforce Institute, wish their workplace technology was as powerful as their personal technology and delivered the same experience.[8]

So, there is clearly no other option; to meet employees' expectations, HR and benefits technology needs to get smarter.

More than half of all employees surveyed worldwide (55%) agree it is easier to search for new movies on Netflix than to check the details of their employee benefits.[9]

Still on the journey: benefits last to benefit from tech

When HR departments began their digital journey some years ago, the focus was on redesigning HR processes and improving service outcomes. HR teams have come a long way on that journey when it comes to the candidate experience and even learning and development...but the employee experience, when looking at it in its entirety, is still behind.

7. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

8, 9. The Workforce Institute, https://workforceinstitute.org/workplaces-falling-behind-todays-on-demand-culture-user-friendly-technology-a-top-priority-for-2019/

3 in 4 HR functions use state-of-the-art digital tools such as games and mobile apps to support employee development...

Yet, only 1 in 3 HR leaders are making 'redesigning the employee experience through technology' a priority on their worklist for 2019.[10]

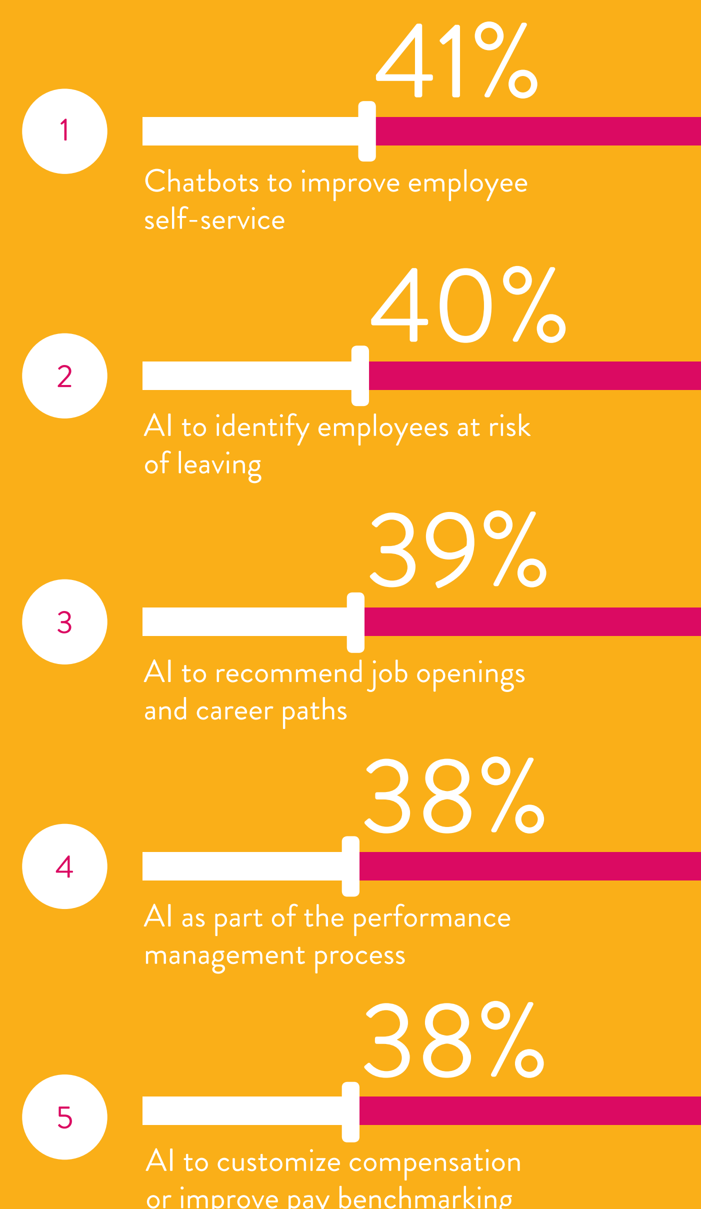
Part of the delay is due to the fact that three-quarters of organizations are 'still on the journey to providing a fully digital experience for employees'.

So, what's the next step?

Addressing employees' increasing expectations of consumer-grade technology at work, remains one of the C-suite's top workforce concerns.

This is mirrored in the research, which shows that HR enhancements are high on the list of proposed technology investments this year (figure 7).

Figure 13 | Top five AI investments for HR this year



Source: Mercer Global Talent Trends 2019

10. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

Increasingly these tech investments will involve intuitive and intelligent systems, with AI high up the investment agenda according to the Mercer's Global Talent Trends 2019 report (figure 13).

All these enhancements—whether it is learning and development or customized compensation—are geared towards the individual and it's this personalization that delivers a more engaging experience for employees.

Additional benefits for high performers are one of the top three things employees say would improve their performance.[11]

However, getting the employee benefits proposition right is not just a means of boosting individual performance.

It is widely recognized that there is a link between the employee experience and attracting talent. However, this is about more than great benefits, it's about immersing employees in a great experience, which in turn, improves the employee proposition—something that is a vital part of attracting and retaining the best talent.

So, while organizations have placed an emphasis on the employee experience being 'globally consistent' what they also need is the ability to manage delivery on a regional or local level, ensuring true local relevance for employees. They then need to go one stage further, enabling employees to interact with their benefits through a consumer-grade experience.

How are they working towards this goal? Well, as we saw in Chapter 1, the most effective way is through a best-of-breed ecosystem. This not only allows for third-party connectivity to automate processes, but gives organizations the ability to quickly trial new technologies to see if they are having an impact on their employee wellbeing and engagement and therefore, providing a good return on investment.

Organizations managing their benefit functions in this way see much higher engagement scores as a result.

of organizations with best-of-breed ecosystems are above their annual employee engagement score targets.

11. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

The more the better: engagement increases with more applications (to a point)

Being able to plug-and-play applications has a number of benefits: reward teams can quickly find out what works (in terms of increased employee engagement, wellbeing, retention etc.) and then adapt their benefits offering to ensure a better ROI.

That's why, generally speaking, the more HR software applications respondents have, the better they perform against their employee engagement target and the more satisfied they are likely to be with their benefit spend ROI (figures 14 and 15). Although there is a tipping point once the number of applications exceeds 11.

This approach also enables organizations to deliver their number one objective—a 'globally consistent' employee experience. They are able to manage their benefits technology ecosystem at a global level, while configuring and tailoring offerings at a local level.

89%

of organizations would value easy-to-use 'plug-and-play' style applications within their technology ecosystem.

Figure 14 | How many HR software applications are you using across your organization? And how are you performing against your annual employee engagement score target?

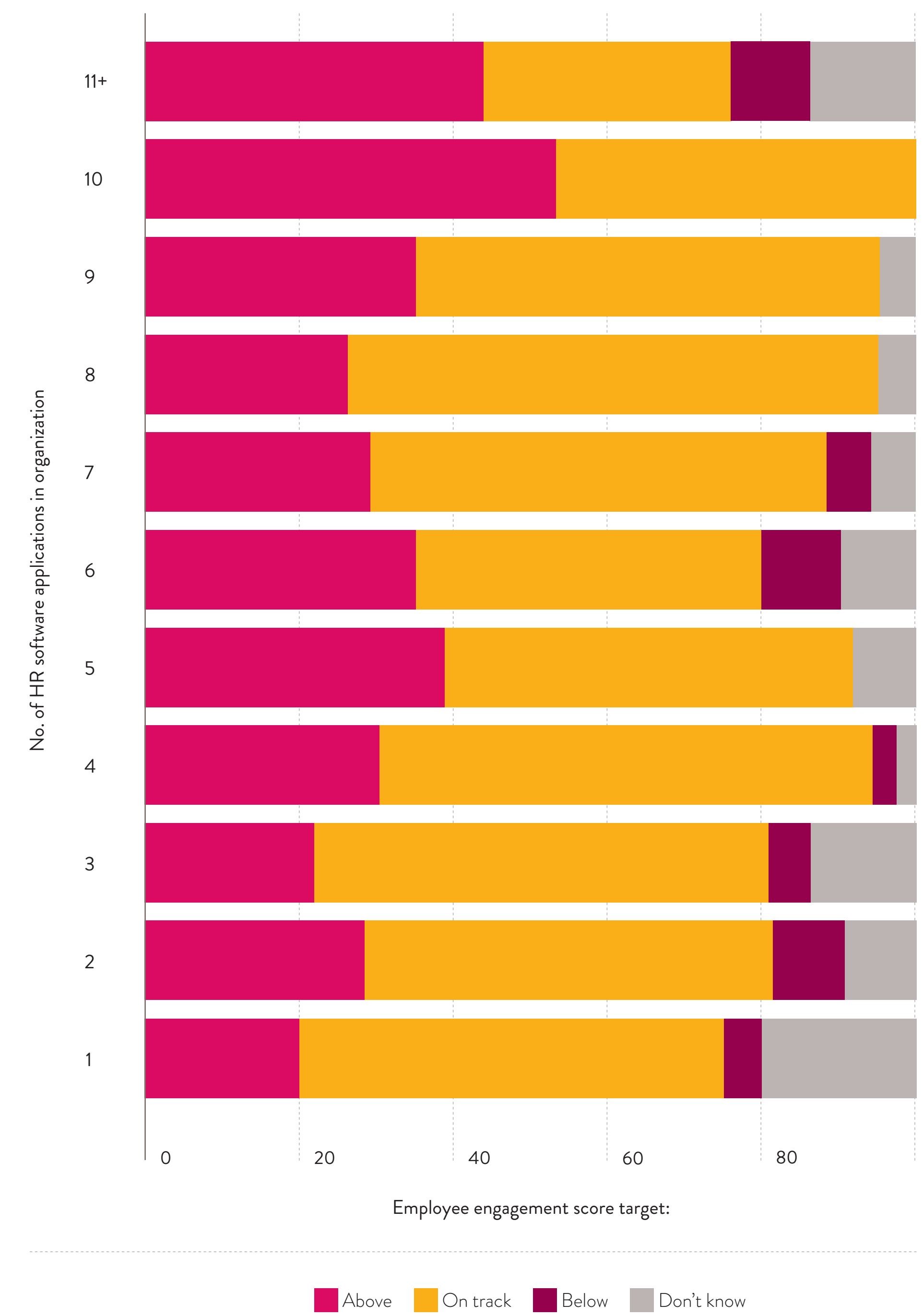
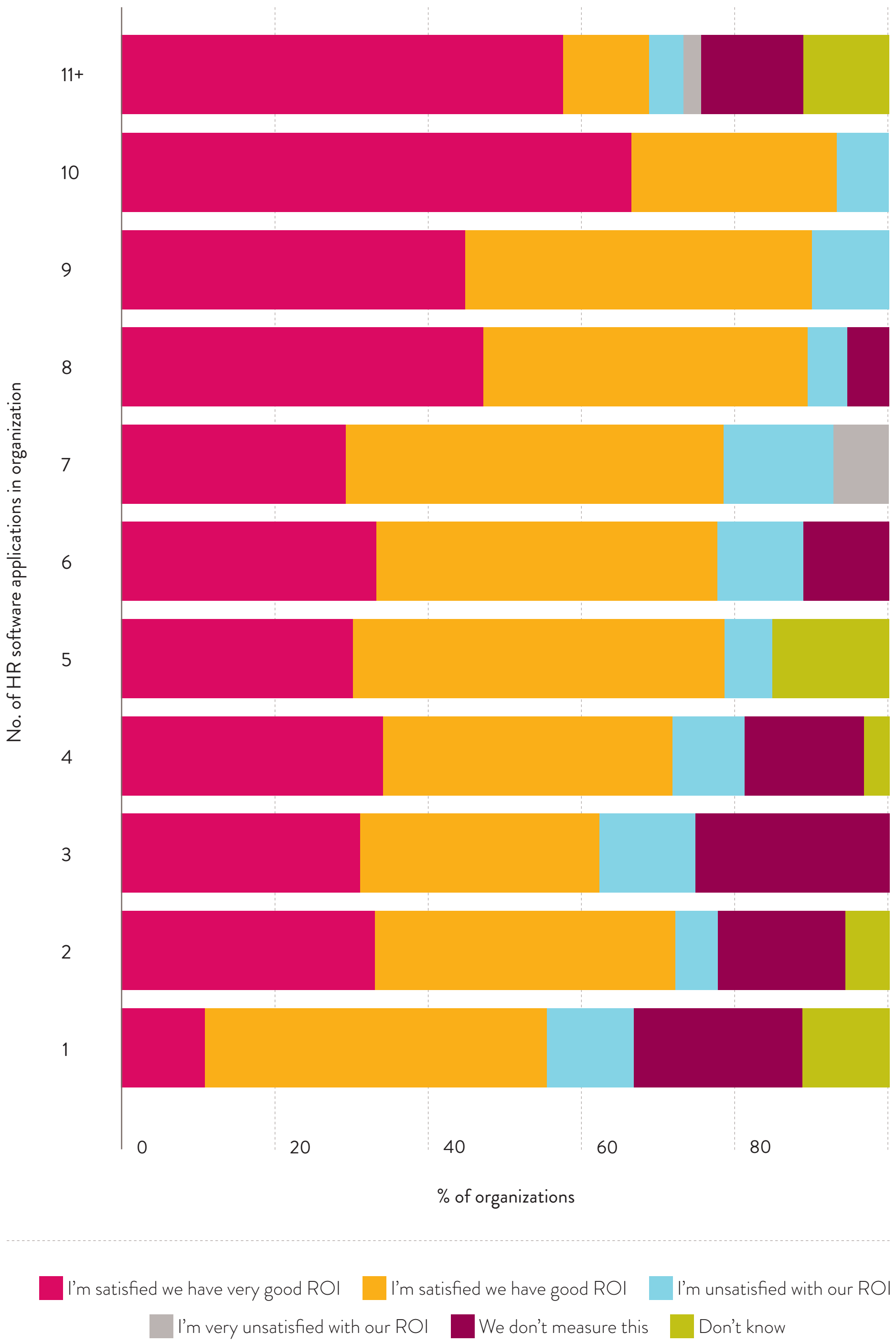


Figure 15 | How many HR software applications are you using across your organization? And do you think you get a good return on your benefits investment?



Too much choice: can it be a bad thing?

Offering more diverse rewards and compensation is this year's number one rewards priority.*

*Mercer's Global Talent Trends 2019

However, helping people make choices is not just about giving them more options.

This is especially true for flexible benefits, where too many irrelevant choices can lead to little return. In fact, as you can see from figure 14, employee engagement actually slips once the number of applications exceeds 11.

For benefits teams to help select and signpost the most suitable apps and tools for different employee groups, they need reliable data on benefit take-up levels, and employee satisfaction with each. However, as we will see in the next chapter, many HR teams still do not have this data.

This approach also needs a more integrated people strategy, something identified in the Mercer Global Talent Trends 2019 report as being important to strategy effectiveness. The various apps and tools that are increasingly offered to employees might span talent acquisition, compensation and benefits, mobility and learning, but these are often managed by HR silos which 'can create a fractured employee experience'. So HR professionals need to come out of these silos and 'integrate' their people strategy for it to be truly effective.

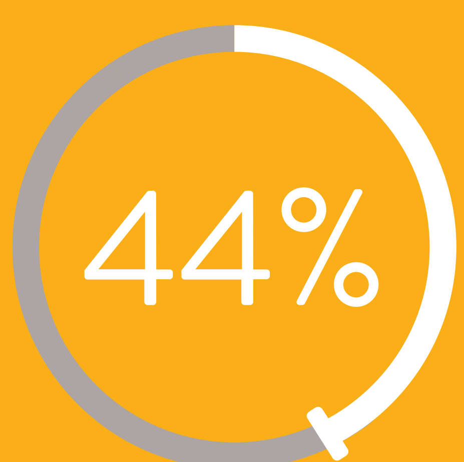
Once again, this will see HR and benefits teams' roles evolve more strategically over the next few years.

Connectivity: it's the order of the day—but the tools aren't there yet

Respondents are overwhelmingly positive about the value of having easy-to-use 'plug-and-play' applications within their overall HR systems (89%), with figures 14 and 15 showing the optimum number of applications is around 10. Yet over a quarter of organizations have software that doesn't allow for plug-and-play-style apps in any capacity.

While other HCM systems do allow for this in principle, they are hampered by the fact that this functionality still does not equate to a truly integrated ecosystem – they are not at the heart of a truly holistic ecosystem. This, connectivity in turn, makes it more difficult to achieve the global consistency that organizations now prioritize.

Figure 16 | Looking only at respondents with HR software that allows plug-in applications:



cite 'tools not fit for purpose' as the top barrier to HR technology investment.

Even when they have a system that allows plug-in applications, a significant number (44%) still say there are issues: topping these is that 'tools are not fit for purpose' which is the number one barrier to HR technology investment (figure 16).

Wearables and wellbeing: the hot topics of 2019

One area that is rising up the agenda is employee wellbeing. While it's not a new topic, it is now the fourth highest priority for organizations, with employers increasingly recognizing that wellbeing apps and tools can improve the employee experience (and the health and happiness) of their employees.

Wearables in the workplace driving wellbeing include Fitbits, heart rate monitors, Apple watches and other wearables, mainly in relation to fitness tracking. Currently only 33% of global employers collect data from these, but this will soar to 81% within the next three years. Interestingly, by 2020 83% of organizations will also be collecting data generated from building sensors, on employees' footfall or desk time for example, in a bid to create a more engaging and healthy working environment (figure 23).

These wearables are often adopted as part of a preventative strategy in an effort to help employees stay well, rather than just providing them with benefits to help when they become unwell. And this doesn't stop at physical wellbeing. More needs to be done to help with mental and financial wellbeing. This can include more comprehensive employee assistance programs (EAPs), or providing access to mental wellness apps such as Calm and Unmind, and tools to help with budgeting, workplace ISAs or saving tips. However, once again organizations need an integrated ecosystem for these to be effective—not only can they introduce these tools more quickly, but also track their use and impact on engagement scores as well as employee wellbeing.

Measuring and metrics: it's all about the ROI

So how do these investments fit into the bigger picture?

In many organizations the investment in technology is already paying off—and should continue to do so. After all, if an organizations' leadership is satisfied with the ROI they are achieving, it makes the business case for further investment in technology that much easier.

The positive news is that, on the whole, respondents are satisfied with the return they get on their benefits investment (and the only way they can measure this is through technology).

More than third say they have a 'very good' ROI on their benefits spend ...with a further third calling their ROI 'good'.

There are some organizations who are still in the dark though. More than one in 10 respondents admit they don't measure their benefits spend ROI (see figure 17).

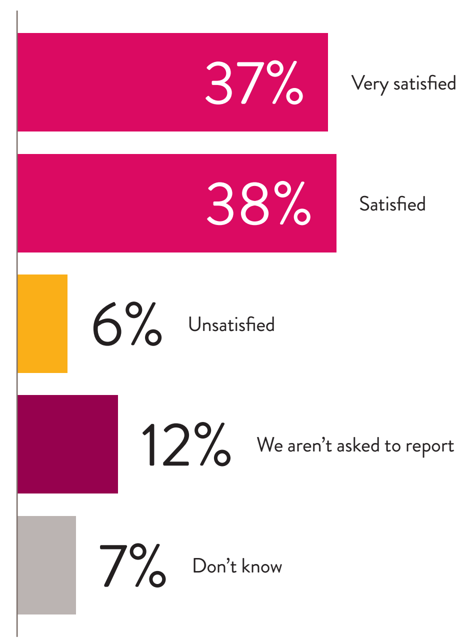
Matthew Jackson
Vice President - Proposition and Client Solutions

The continued focus on wellbeing and in particular mental health is truly wonderful to see. Yes we can create technologies that are nice to use, intuitive, personalized and so on—but it is imperative that we are helping to create real, tangible outputs and positive impacts on our employees' lives.

Whether that is easy access to online workouts while on the road travelling for business or a short audio series helping new parents adjust to balancing family with work—we have to be thinking about the end result of what technology is looking to achieve.

Figure 17 | Do you think you get a good return on your benefits investment?

Figure 18 | Is your leadership satisfied with the ROI on your organization's benefits spend?



ROI is obviously important, but it's not just about ensuring value for money. Respondents who are satisfied with their ROI (and whose leaders are satisfied with their ROI) are much more likely to be exceeding their employee engagement target scores.

For respondents who are unsatisfied with their benefits ROI the opposite is true – they are more likely to be missing their employee engagement targets.

Senior management either need to be looking at this or HR departments need to be driving the agenda with solid data and analytics.

Link between benefits investment and employee engagement

So we have established in figures 17 and 18 that a large number of organizations are satisfied with the ROI on their benefits investment.

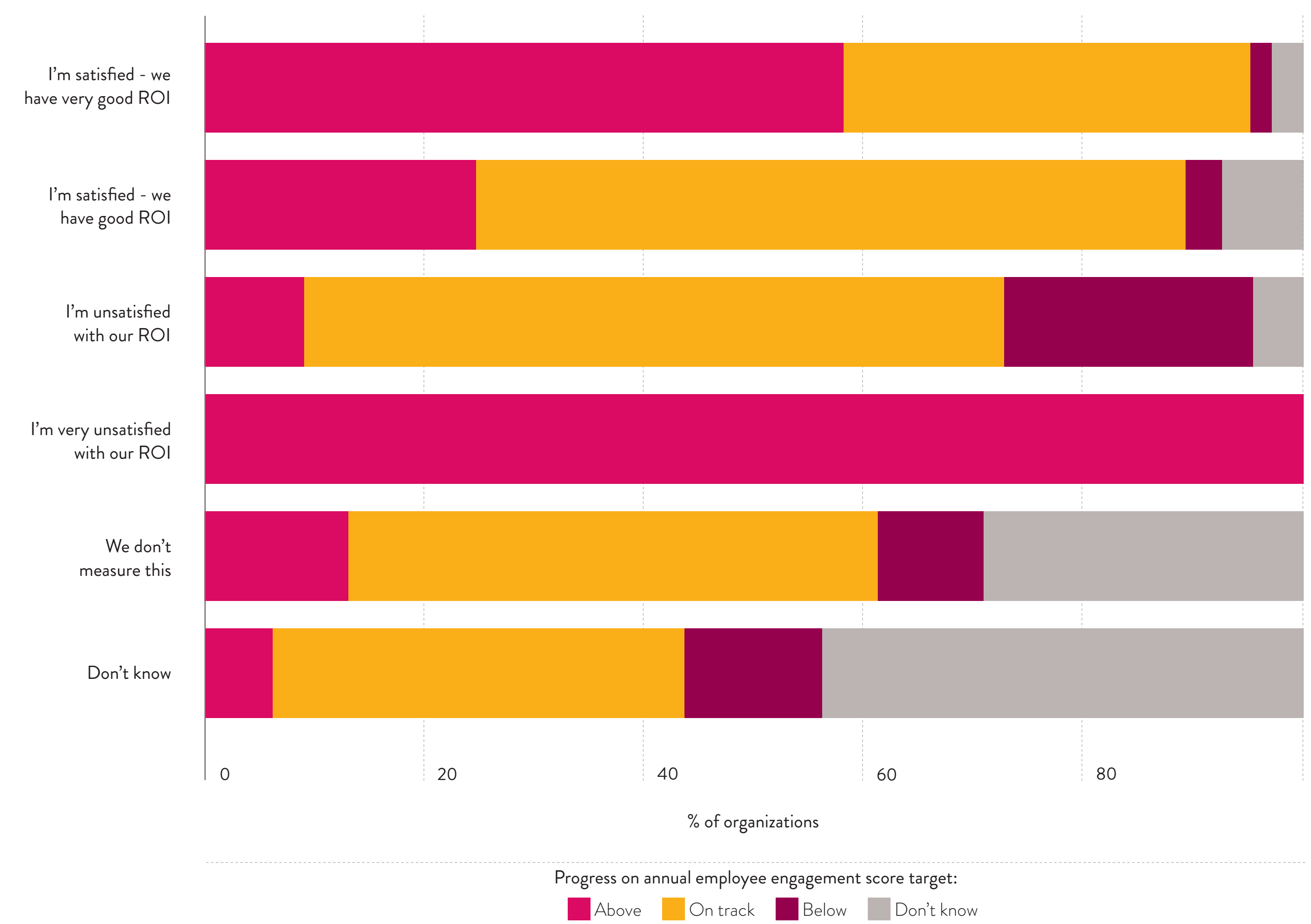
Combine this with scores on annual employee engagement, and correlate them, and you discover a very clear link between the two as we can see from figures 19 and 20.

Organizations were asked:

Do you think you get a good return on your benefits investment? And how are you performing against your annual employee engagement score target?

As you can see, nearly six in 10 organizations who have a very

Figure 19 | How ROI on benefits investment correlates with employee enagement

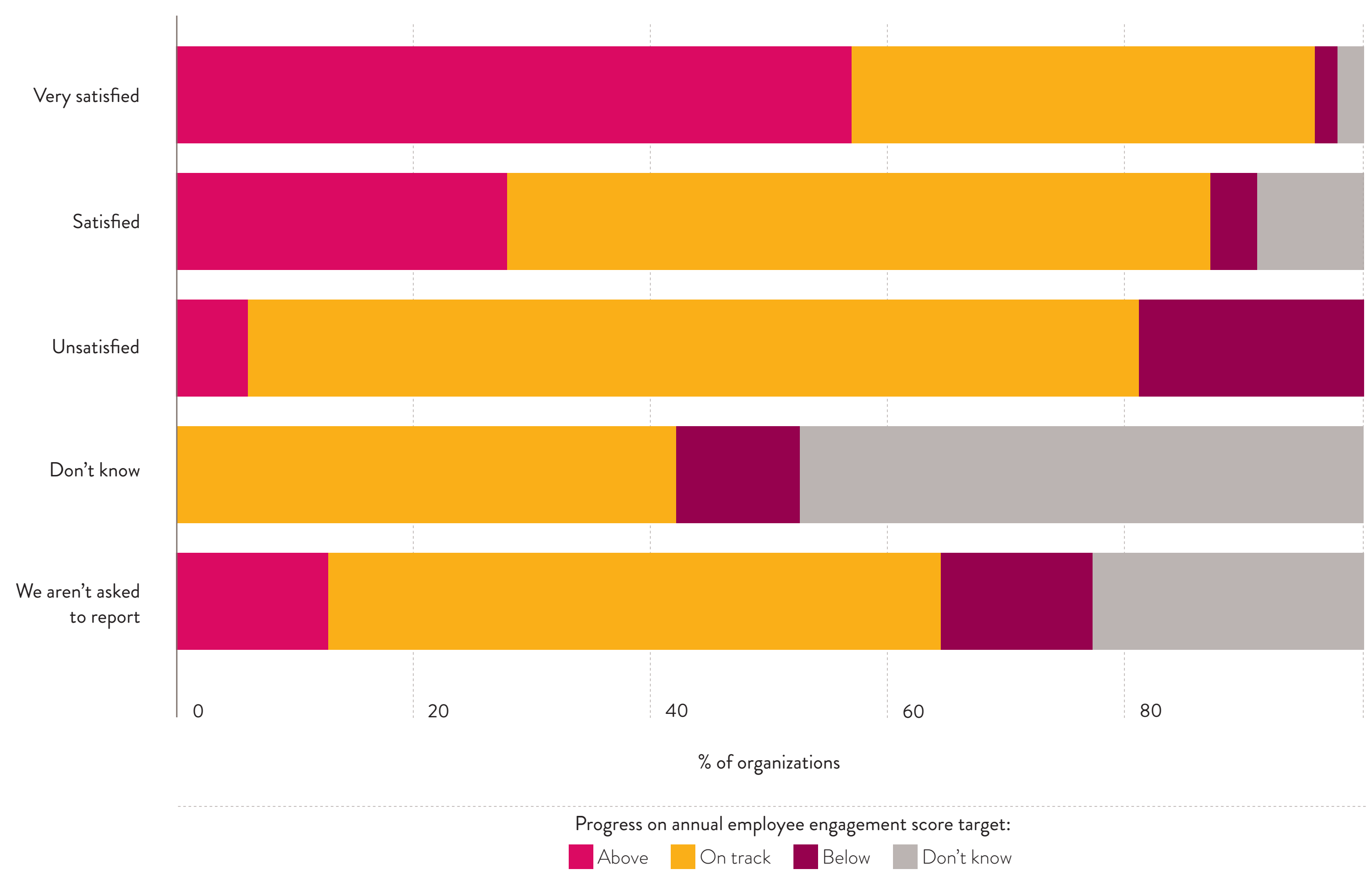


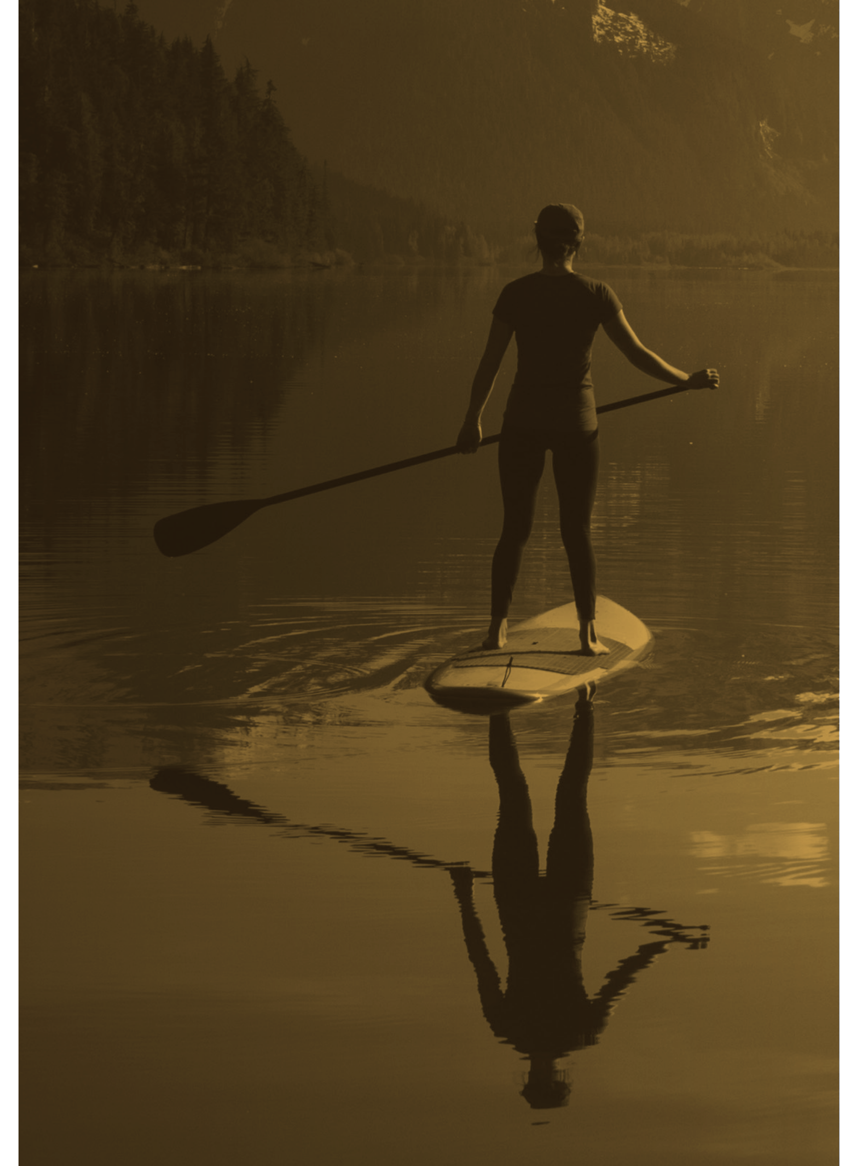
good/good ROI are exceeding their annual employee engagement score targets.

However, surprisingly all of those (100%) who are very unsatisfied with their ROI are still at least on track with their employee engagement scores.

Perhaps HR teams should challenge themselves to review their measures of engagement to ensure they are really rigorous enough—after all, why are they not happy with the return on their investment? There must be a reason. Surely, if their employee engagement scores are on track, they should feel the same way about their ROI. Or is the issue the fact that they are not measuring employee engagement accurately? This is obviously an area that needs more focus.

Figure 20 | How leadership satisfication with ROI on benefits investment correlates to employee engagement





The results of this question are broadly similar and once again show that being very satisfied with benefits ROI is strongly linked to having an above-target employee engagement score.

However, there is an anomaly—three in four leadership teams are unsatisfied with their benefits ROI and yet still believe their employee engagement score is on target.

Perhaps, the issue here is that their employee engagement scores are not accurate enough or they do not have enough data (or the right data) to make the correlation between spend and engagement—something we explore in the next chapter.

Jonathan Day-Miller
Director - Enterprise Consulting

Technology is so pervasive. That can be a good thing, or a bad thing. One thing that is certain is that it presents an opportunity to create seamless transitions across an individual's work and personal life, supporting a better work/life blend that has been talked balance. This means that any aspect of an employee's day that doesn't deliver on this seamless experience, stands out and has a potentially inflated negative impact on an employee's perception of their reward, job, or company. The research shows that organizations have laid the large foundational blocks needed to digitize the employee experience and are now focusing on the other key areas that have a tangible impact on employee engagement—like L&D and reward and benefits.

In all this, connectivity is key. We are awash with innovative technologies that each offer something valuable to employees—but if we operate in an infrastructure that doesn't encourage open and simple connectivity, we are missing out on so many opportunities to engage our employees and create advocates for our companies. We must be smart with what we choose, but we must also break down barriers preventing us from being agile and fast to change.

Chapter 3

The data disconnect

Without big data, you are blind and deaf and in the middle of a freeway.

Geoffrey Moore,
Organizational theorist, management consultant and author.

This report clearly shows a discrepancy between what organizations think they are achieving and the reality. Only these organizations don't always realize this discrepancy, because they're operating in the dark without the data and data analytics they need to inform decision-making.

Pensions are a great example, partly because they are universal but also because of the billions of dollars invested in employee pensions every year.

Longer working lives are having a huge impact on pension provision, healthcare costs, workforce and succession planning as well as learning and development as employees need to be reskilled and upskilled throughout their careers.

Yet, only four in 10 organizations are currently using employee data to forecast retirement. This highlights a huge issue with data collection, analytics and action.

More to measure: organizations are playing catch up

Organizations reveal that they are playing serious catch-up. The next three years are going to be transformative as the analzying and harnessing of employee data becomes an organizational priority. In the three fastest growing areas of data collection, the use of data to measure key areas of employee benefits will more than double in a relatively short space of time (figure 23).

This rapid transformation, powered by technology, will in turn extend to the role of the HR and benefits professional too.

As we have already seen, investment in automation to free up teams for more strategic-level work is one of the top five priorities when it comes to tech investment. So, HR's role will evolve into one that is more strategic—something that will be facilitated by an increased emphasis on data analytics.

Data collection: getting the business basics right

To really understand this data journey, we need to look at what organizations are doing well today and where they are still lagging behind, when it comes to using employee data to deliver on organizational goals.

Our research shows that respondents are quite clued up when it comes to using employee data to help report on issues within the business.

The top three issues where employee data is used to report in the business are:

- Departmental cost control (73%)
- Employee performance (65%)
- Employee engagement (61%)

This makes sense. After all, these are all very quantifiable areas—and they are relatively easy to collect data on.

However, there is a significant number (15%) who are missing the point, as they are still not reporting on 'anything' (see figure 21). This is a glaring oversight considering how much is spent on employee benefits and how important employee data is in measuring ROI and engagement.

When you drill down into the figures and look at what organizations are using data to report on then the percentage of organizations not collecting data on key metrics rises significantly.

For example, forecasting retirement (which as we have already discussed has a huge impact on pension costs, succession planning and healthcare costs from an aging workforce) is something that organizations are still largely failing to do well given only 43% of organizations currently use employee data for this purpose.

When looking at the employee data organizations are currently collecting (figure 23), there is still a heavy reliance on survey results and demographic data. While these are useful insights to collect, it is areas such as benefits take-up, program data and building-generated data that will see a huge uplift in the next year. Organizations are set to increase the amount and variety of people data that they gather in order to build a more holistic view of their employees and create offerings that really meet their needs.

Figure 21 | Are you currently using or do you plan to use employee data to report on anything within the business?

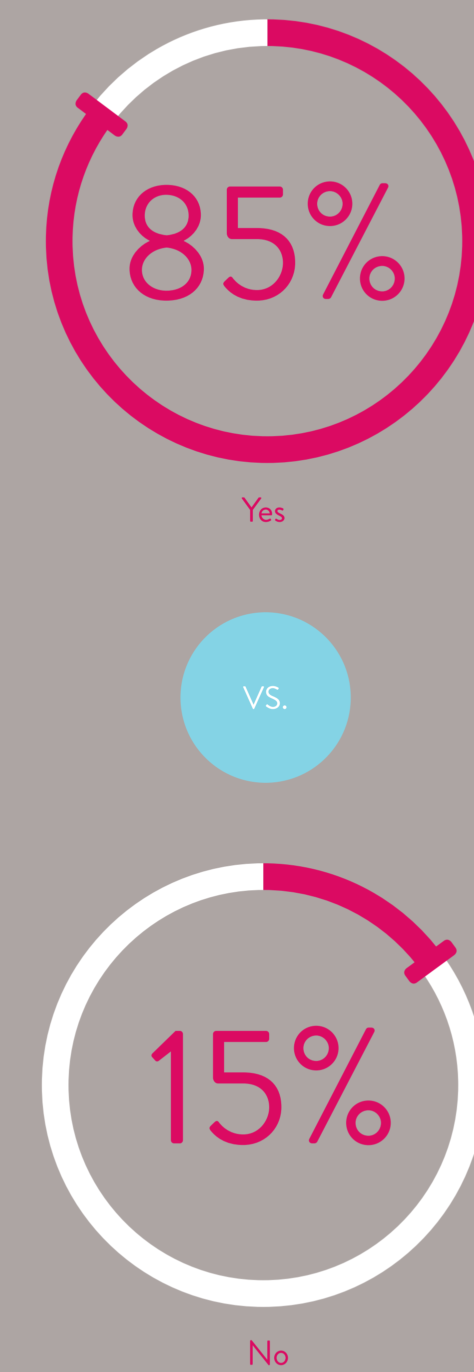


Figure 22 | Which of the following are you currently using employee data to report on? And which do you intend to use employee data to report on in future?

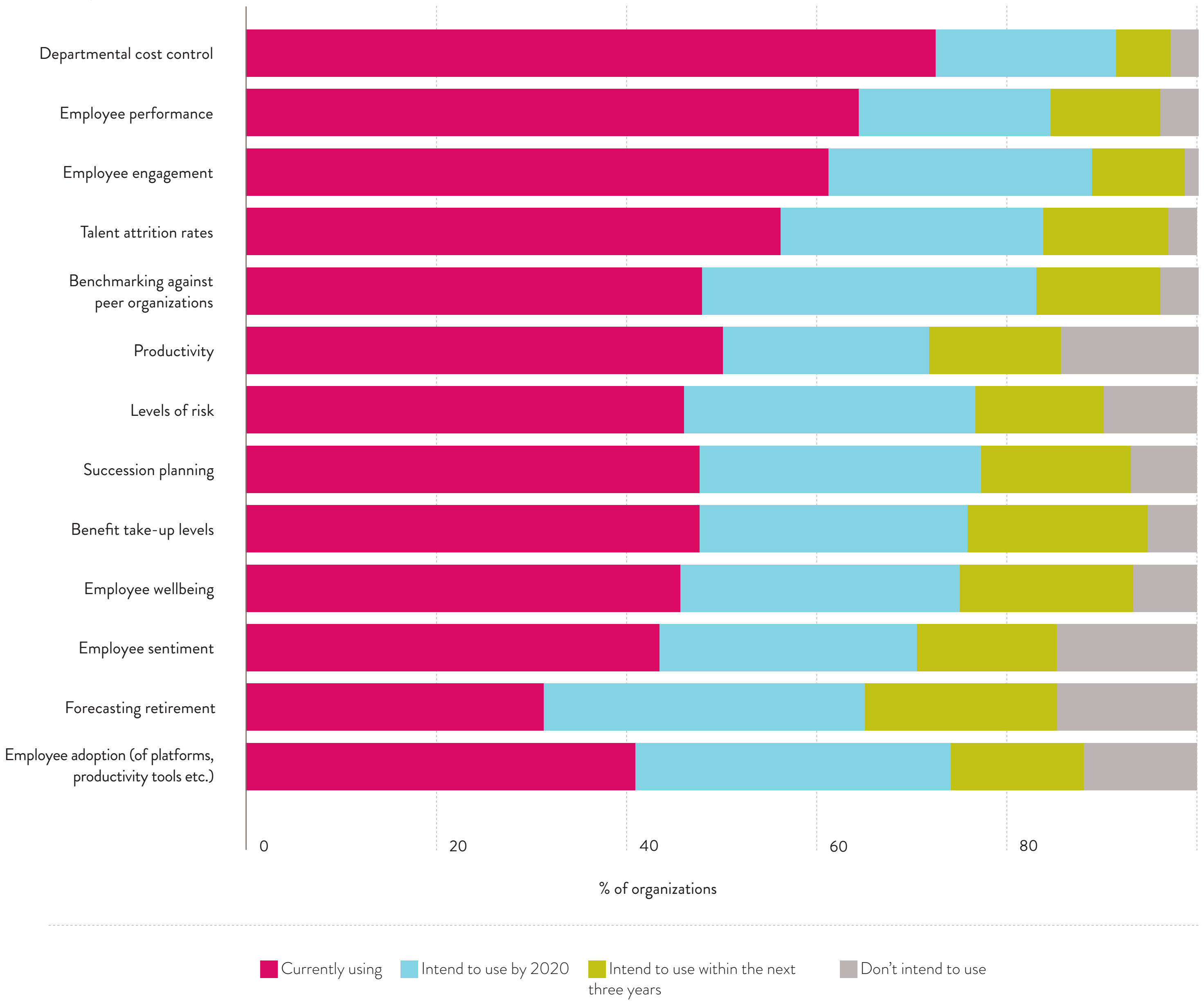
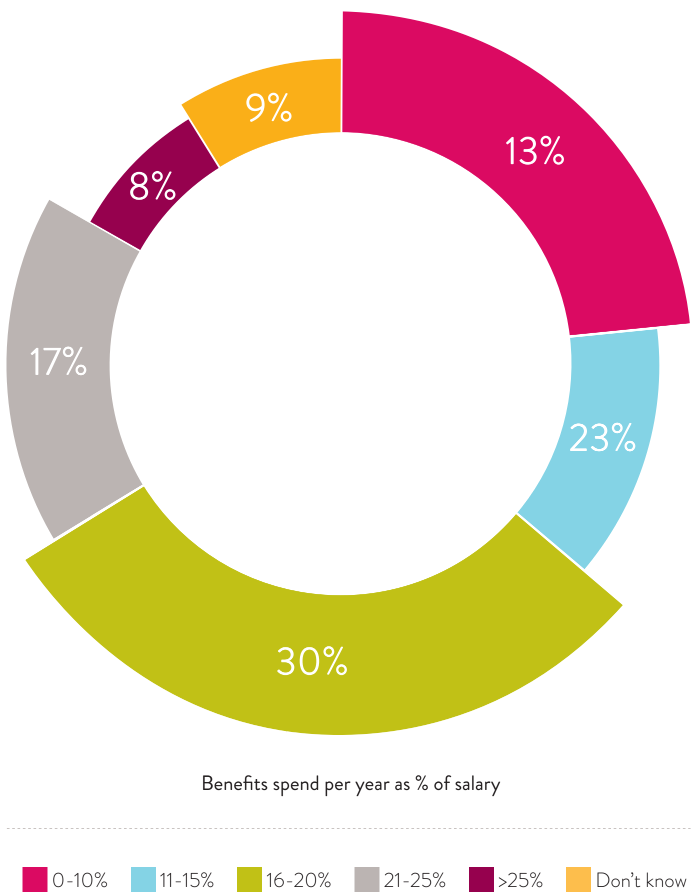


Figure 23 | Are you currently collecting employee data points in any of the following? And which points do you intend to collect?

	Currently collecting	Intend to collect by 2020	Intend to collect within the next 3 years	Don't intend to collect
Employee engagement survey results	65%	24%	9%	2%
Demographic data (age, marital status, ethnicity etc.)	62%	20%	12%	6%
Employee benefits data (benefits take-up and scheme engagement)	56%	28%	13%	3%
Program data (participation in training, outcomes of key projects and assignments)	52%	23%	15%	10%
Performance data (data captured through assessments)	52%	29%	12%	7%
Building-generated data (football, temperature, brightness)	39%	25%	18%	18%
Data from wearables	33%	28%	20%	19%

Figure 24 | How much do you spend a year on benefits per employee? (as a percentage of salary)



The data blindspot: benefits take-up lags behind

Organizations spend huge sums on benefits with more than half (56%) spending upwards of 15% of employees' base salary on benefits.

However, almost one in 10 (9%) are making decisions without any data, admitting they do not know how much they spend per employee (see figure 24).

Given the vast spend on benefits, there are glaring oversights when it comes to collecting and analyzing benefits data to see if that spend is actually effective.

The percentage of organizations using data to report on benefit take-up levels for example is surprisingly low.

Just under half of organizations make an effort to report on benefit take-up levels... so they do not have the data to support decisions or inform spending.

So even though employee engagement is a top priority for organizations, it's clear they are missing a trick in not linking benefits take-up-among other factors such as employee sentiment and wellbeing-to engagement.

Misaligned with organizational goals: areas lagging behind

What really stands out in these figures is the mismatch between what is currently high on HR's agenda (as shown in Chapter 1) and the data being used to support these initiatives.

For example, employee wellbeing is a hot topic—rising to number four in the top five priorities for employee benefits teams in 2019-yet just 46% of organizations are collecting data from employees about wellbeing and then using this data to inform decisions about benefits.

It is a similar story for employee engagement – 43% of executives believe that low or declining employee engagement is the top human capital risk their organization faces. Yet nearly four in 10 organizations still do not have the employee data they need to deliver on this business objective.

Employee sentiment is only measured by 44% of organizations, and while 42% plan to collect data on this over the next three years, it is an area lagging behind employee wellbeing and employee engagement. Yet employee sentiment is another good indicator of the success of engagement and wellbeing strategies.

The new data landscape: a lot can change in three years

There is inevitably a lag between setting an agenda and delivering it, which probably explains why cost control (a top priority during years of austerity) has the highest percentage of employee data currently being used to report on it as shown in figure 22.

However, take into account future-plans – those intending to use employee data for different goals either by 2020 or within the next three years – and the picture becomes clearer. In a few years' time, a vast amount of employee data will be at organization's fingertips.

The emphasis will then switch to analyzing this data to harness its full potential and utilizing it to predict future trends, such as workforce planning. For this, organizations will need to use data analytics and AI. Although many organizations are also lagging behind when it comes to predictive analytics tools with only around one in 10 using these.

Only 12% of organizations are using predictive analytics[12]

So, one obstacle may be the technology itself as organizations continue to struggle with disparate systems that aren't talking to each other, many of which have no analytics capabilities, or capabilities that aren't centralized to provide a single source of truth.

If it works why isn't every organization doing it?

However, the overall picture is still very encouraging – in the next three years HR and employee benefits will be data-driven. In turn, this should lead to better employee engagement and increased ROI on benefits spend.

Yet, not every organization will benefit because there are still those that are not using their employee data effectively.

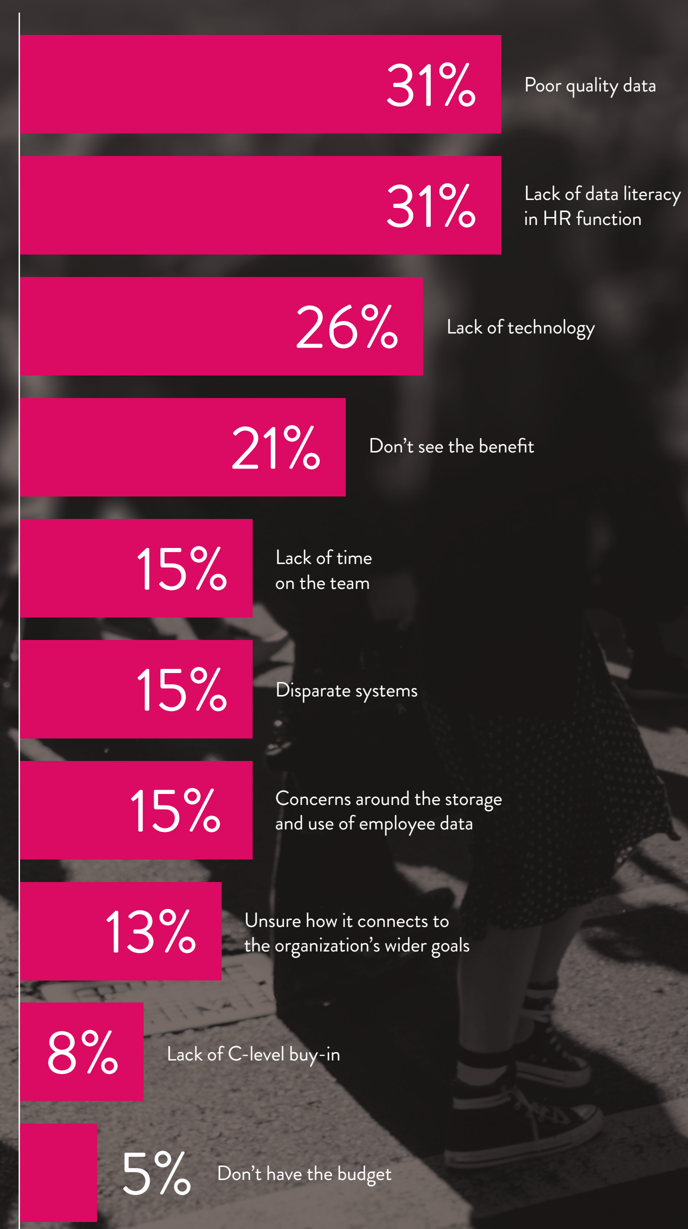
So, what is the problem?

12. Mercer Global Talent Trends 2019,
https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html

Well, if you analyze the data from respondents that don't use employee data, this reveals that the biggest blockers are 'poor quality data' and a 'lack of data literacy in the HR function' (see figure 25). A further quarter lack the technology to use employee data effectively. All of this suggests that intuitive technology to deliver quality data and make it easier to analyze, could provide a valuable service for these respondents.

Interestingly, a lack of C-level buy-in is not a big issue and neither is lack of budget, indicating that the biggest barriers to using employee data are coming from within the HR and benefits function – with these teams hampered by poor data, lack of technology and disparate systems.

Figure 25 | Among organizations that don't use employee data to report on anything, what are the biggest blockers?



Hand in hand: the right data leads to better employee engagement

The incentive for organizations to invest in better systems to facilitate data analytics, including predictive analytics, is that it gets results.

Organizations collecting and using employee data are likely to see a huge impact on employee engagement as they start to make better, smarter decisions—creating a benefits strategy that will make a difference to their people.

We know this because respondents that currently use data to report on business issues are getting better results across a range of metrics. As figure 26 shows, they are far more likely to be exceeding or meeting their employee engagement score targets.

Those below target or who don't know how well they are performing against annual employee engagement scores are firmly in the minority. Collecting and using employee data clearly works. But where are they performing best?

Employee sentiment (which only 42% of organizations currently collect and use data on—lagging behind all other areas listed in figure 23) actually tops the list. When organizations measure employee sentiment they outperform or meet their annual employee engagement scores in 92% of cases. This is a huge win and one that far too many HR teams are missing out on.

The same applies to the adoption of employee platforms, productivity tools etc. which as we saw in figure 23, far too many organizations are not collecting employee data on. However, when they do, the investment really pays off. In fact, as we can see from figure 27, those who are measuring employee adoption of technology are more likely to be satisfied with their ROI.

Figure 26 | Organizations that use employee data and how they perform against their annual employee engagement score targets

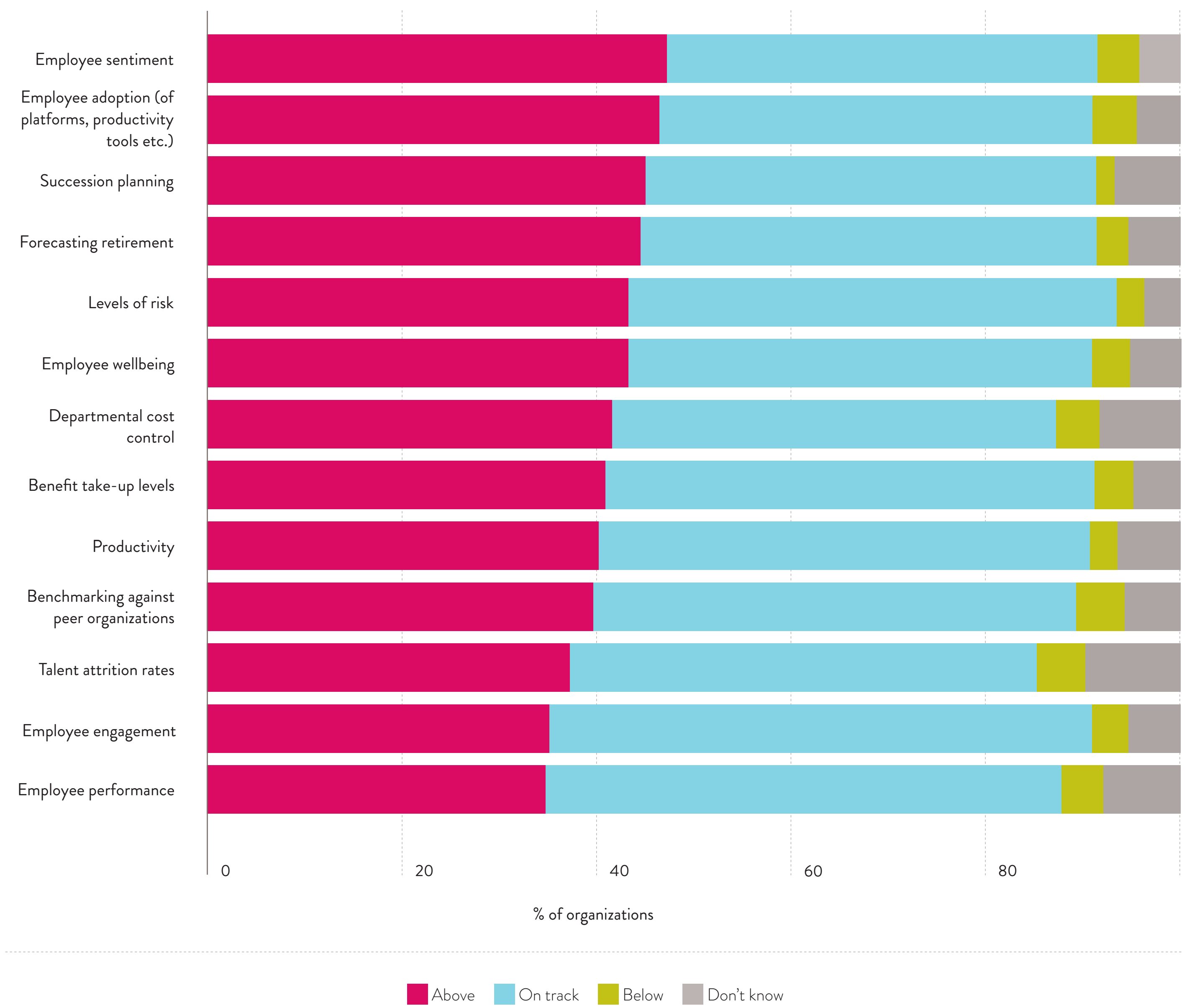


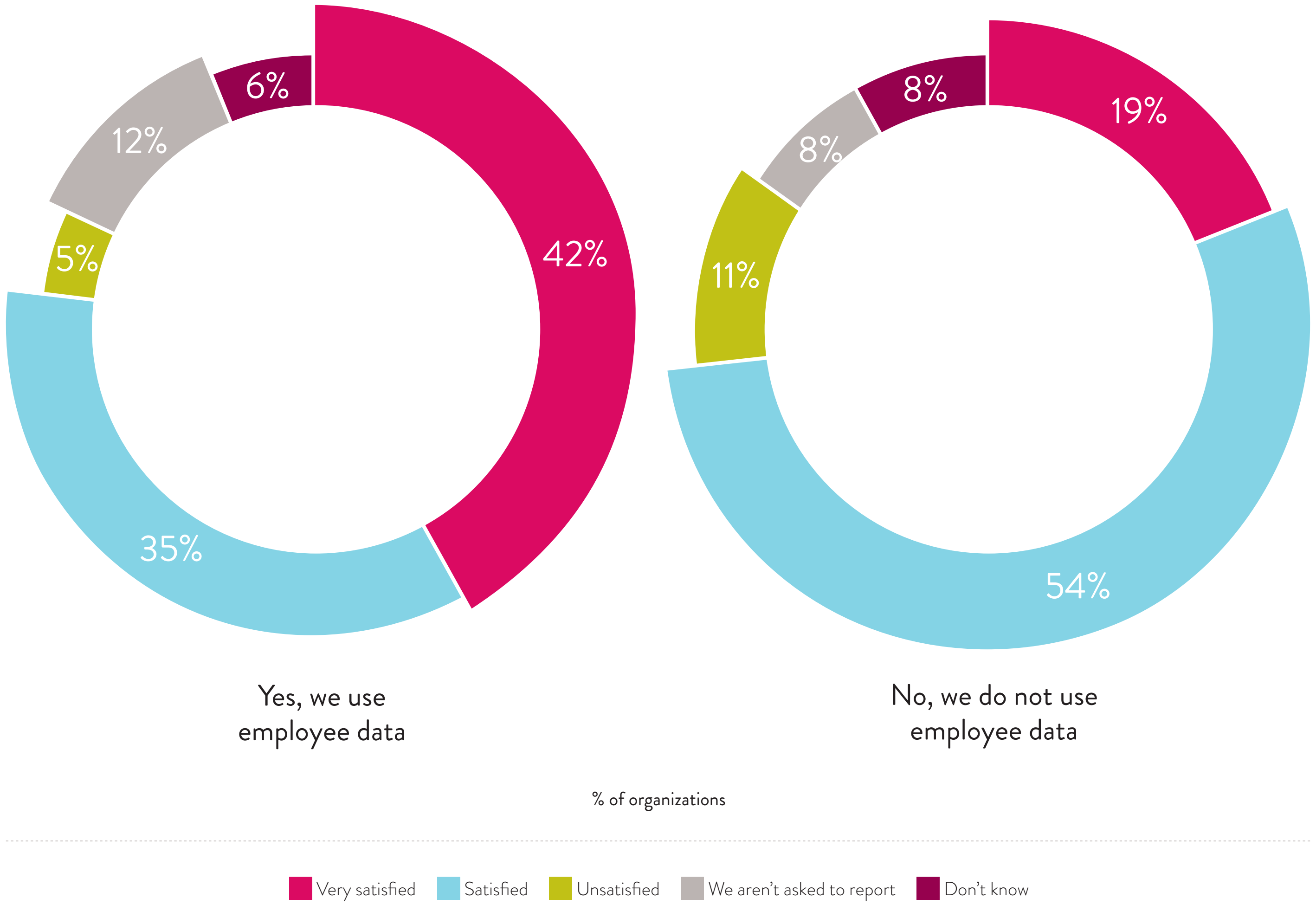
Figure 27 | Organizations that use employee data and how satisfied they are with their benefits ROI

There is also a clear association between respondents that use employee data to report on issues within the business and their leaders' satisfaction with benefits' ROI.

However, it is important to note that an association such as this does not indicate cause—so it is not possible to conclude that using data leads to better ROI, or that improved ROI leads to better use of employee data. However, there is a strong correlation as you can see in figure 28 which looks at the satisfaction of leadership with their benefits ROI.

Organizations that use employee data to report on business issues are more than twice as likely to be 'very satisfied' with their ROI on benefits spend than those that don't.

Figure 28 | Are you currently using or do you plan to use employee data to report on anything in the business? And how satisfied are your leadership with your benefits ROI?



People analytics: the next piece of the data puzzle

We have already identified that investment in tools to effectively collect and report on data is a priority. Among organizations that are not yet collecting employee data on key areas such as employee wellbeing, nearly half will start doing so in the next few years.

However, what happens to the data when they collect it? Organizations need the capability to analyze the data to report on business issues.

Tech problems may be a barrier to better data collection, but there are people problems too. That said, there are some very encouraging signs for the future.

More and more organizations are investing in people analytics teams—although this is relatively recent as most have only been doing so in the last year. As you can see in figure 29, there has been a massive increase in the number of organizations that have implemented people analytics teams in the last year and a half.

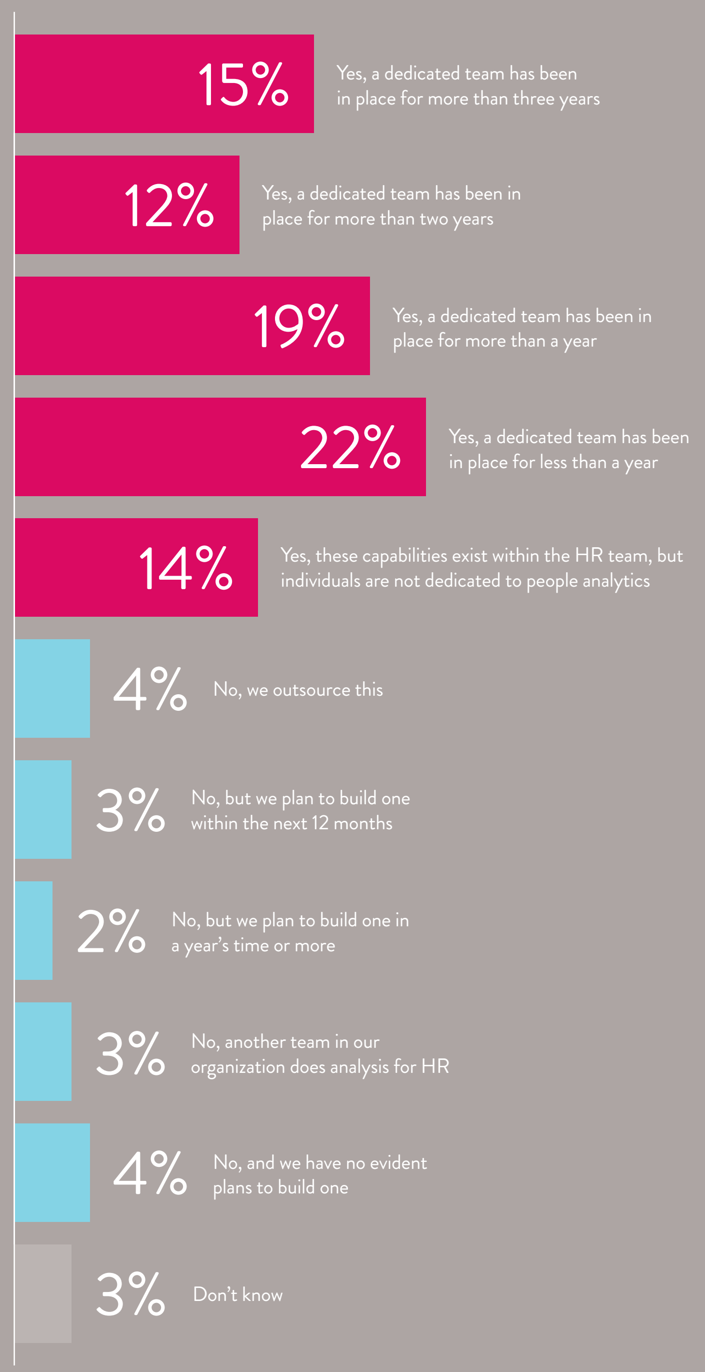
Despite many respondents citing a lack of in-house expertise as a barrier to using employee data to report on business issues, more than two-thirds have a dedicated people analytics team in place—while a further one in nine have people analytics capabilities within the general HR function.

So why are fewer than half currently using this employee data to measure a range of organizationally-critical issues from employee sentiment to benefits take-up?

This suggests that these teams are either:

- Not being put to best use, or
- They do not have the training (or scope) to get involved in data analytics.

Figure 29 | Do you have people analytics capabilities within your HR organization?



Upskilling existing talent: how tech is transforming HR teams

Ensuring that teams, either within the organization or externally, can really harness the power of employee data is inevitably the next step. And it's positive to see that many organizations are preparing to do this, whether that be to outsource these capabilities to third parties or upskilling existing teams.

Figure 30 | Will you upskill your existing team members or hire-in external talent in the next 12 months?

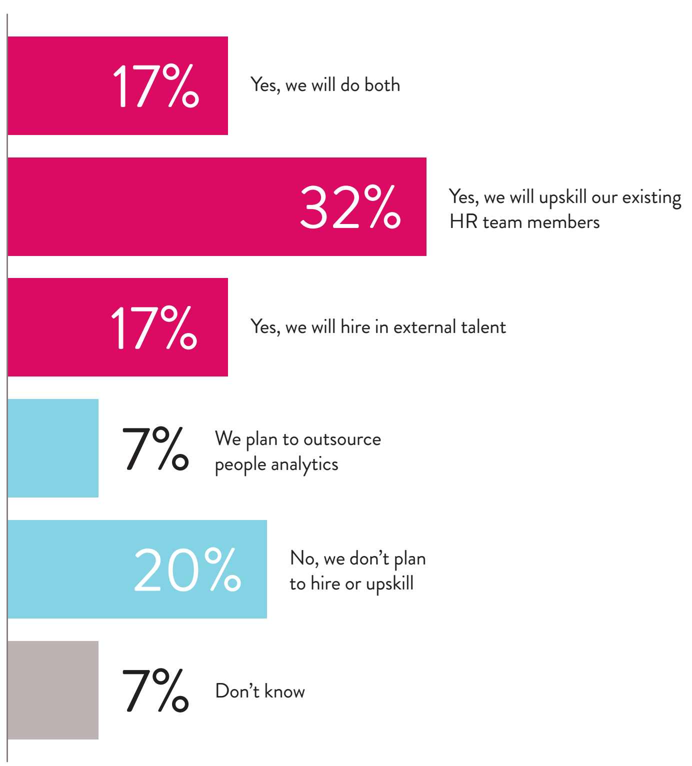


Figure 30 shows that HR professionals don't need to worry about tech taking their jobs – a common misconception about digitalization and increasing automation – as the majority of organizations plan to upskill their people team or bring new talent in.

The function has seen significant digitalization but there's little indication that this will diminish headcount in the mid-term. In fact, it's an exciting time to work in this function.

We will see an evolution of skills, as professionals working in this sphere upskill their roles and become far more strategic. As businesses increasingly look to HR teams to supply data-based insights that play a real role in measuring and informing people and business strategy, their value to the organization will also increase. This mirrors HR's transformation from process to strategy – and reflects the findings in Chapter 1.

Lawrence Sutton
Director - Enterprise Consulting

"Nobody has cracked it so far, but the future of data analytics is bright."

There is so much data out there. The untapped value in that data is astounding, and up until now nobody in our industry has found the key to unlock it. That's because it's really hard! There are so many different types of data, in different places with different levels of integrity and many just don't know where to start.

But things are changing. Now that companies are embedding technology into their operations to engage and automate, data is rising to the surface. There is a still a level of standardization required to truly realize the value in the data, but imagine being able to understand the predicted cost of employment for an R&D team in India versus Vietnam at the click of a button. I'm not talking about looking at average salaries and benefit premiums – I'm talking about looking at salaries, benefit premiums, historical benefit utilization, cost of living, typical career progression for specific job types and the financial impact, mobility costs – all analyzed holistically to give you a data-based assessment to inform your strategic decision. The future of data and what we do with it in this space is really exciting!

Conclusion

HR driving a smarter people strategy

As this research reveals, HR professionals now see themselves as innovators, using technology to drive their people strategy and improve employee engagement—a marked shift from how HR has historically been perceived.

But despite this new generation of innovators, there is a big disconnect between how HR think they are approaching technology and how it's being used in practice. Not only that, but in many cases HR tech isn't meeting the needs of the market and is a barrier to further technology investment.

The biggest disconnect is found in how data is being used today. However it's clear from the research that this is set to change significantly over the next few years.

Employers recognize that they need more accurate data and effective analytics to really add value to their employee benefits proposition—and also to deliver the seamless consumer-level technological experience that employees now expect for an exceptional experience.

As a result, within the next three years there will be exponential growth in the amount of data being collected and analyzed by virtually every organization.

From benefit take-up levels to employee wellbeing, HR and benefits professionals will (often for the first time) have the insights and analytics they need to truly transform their benefits proposition, tailoring it to the individual as a means of driving and rewarding performance.

With so many organizations having to transform their ability to collect employee data, this will require a significant amount of investment in technology—as well as in expertize, with many choosing to upskill existing staff in data analytics so that they can fully harness the power of data.

This shift in the skill set of HR and benefits professionals will see them operating at a more strategic level, becoming real game changers within organizations.

In turn, we will see:

- More innovation: Organizations want to 'plug-and-play' apps and tools into a connected ecosystem to adapt to the changing demands and needs of their employees. However, many say that these tools 'are not fit for purpose' today. As 'more diverse rewards' are a top priority for organizations, expect to see greater innovation in this area as HR tech providers step up.
- More investment: The stark difference in satisfaction levels between organizations with global HR systems and national/regional ones, and the higher satisfaction ratings for best-of-breed ecosystems, indicates there will be significant investment in best-of-breed solutions over the next few years. Organizations need to have the capability to offer the tools and apps needed to attract, retain, and engage talent, while also focusing on employee wellbeing. So, investment in a fully-integrated HR and benefits ecosystem that enables connectivity with providers will be a priority for those organizations that do not yet have this ability.
- More individualization: Employees expect tech to be intuitive and intelligent—not just consumer-grade and user-friendly, but also tailored to their requirements. So, expect smarter tools that signpost employees to the benefits that are most relevant for them. Also, this year's research shows that there is a real demand for compensation and rewards to be more tailored to performance. However, organizations need the data and analytics to deliver on this promise.
- More proactivity: Instead of reacting to problems, HR and benefits teams will start to predict issues before they impact on talent strategies and organizational goals. However, professionals in this sphere will only be able to do this once they start to analyze and action the vast amount of data they will have access to. This is an area that needs the most work —particularly as only 12% are using predictive analytics currently. This is the next step.

Without a redesign of the technology that underpins the entire benefits function, the risk is that while new tools and apps and data analytics will deliver better benefits, better employee engagement scores and a better return on investment, organizations will still fail to unlock the true potential of technology to transform the employee experience.

Methodology

A total of 380 HR and reward professionals working in multinational organizations with global responsibilities in the UK, Europe, Middle East, Africa, North America, Latin America and Asia Pacific, the Caribbean and Oceania took part in the online survey for this research in 2019.

Respondents completed a questionnaire on their HR and benefits software landscape, whether the the technology on offer is meeting their needs and what they are doing to prepare for the workforce of tomorrow.

Appendix

1. Mercer Global Talent Trends 2019, https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html
2. World Health Organization, https://www.who.int/mental_health/in_the_workplace/en/
3. The Workforce Institute, https://workforceinstitute.org/workplaces-falling-behind-todays-on-

About Thomsons Online Benefits

Thomsons Online Benefits is a SaaS provider of global employee benefits and employee engagement software. It is a wholly owned subsidiary of Mercer, a global consulting leader in advancing health, wealth and career. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC). Thomsons' award-winning platform, Darwin™, is the global market leader for automated employee benefits administration.

With over 2.8 million lives on Darwin™, it connects employees with their benefits in over 100 countries and 36 languages. By using the right combination of editions, Darwin™ provides a tailored solution to meet a variety of employee benefit and reward needs, including employee engagement, managing risk, controlling costs and streamlining benefits administration. Its ability to constantly evolve and cater for shifting workforce needs has made it the provider of choice for eight of the world's top ten technology companies.

Thomsons has received 109 industry awards, including the prestigious Brandon Hall Group gold award for Best Advance in Rewards and Recognition Technology in 2015, and the latest win, Most Effective Use of Benefits Technology at the Employee Benefits Awards 2017 for our work with Bristol-Myers Squibb. Mercer and Thomsons combine world-class consulting and broking with innovative technology, driving transformation in the way that benefits are designed, communicated and administered.

Innovation generation: the big HR tech disconnect
2019/20 report

United Kingdom
T: +44 (0) 203 435 7800
E: connect@thomsons.com

Singapore
T: +65 6383 1700
E: asiapac@thomsons.com

United States
T: +1 844 567 9253
E: connect@thomsons.com

W: thomsons.com
@ThomsonsOnline
thomsons–online–benefits

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