



# INTRODUCTION

Attracting, engaging, and retaining workforce talent is one of the biggest challenges facing today's businesses. It has been widely proven that, failure to do so, will have an adverse impact upon workplace employee turnover rates—resulting in higher business spend in areas of recruitment, onboarding and employee training.

The old age solution of investing more in employee compensation spend is, of course, not sustainable over the long term— and, what is more, is quickly losing appeal with the modern employee market. Instead, employers are finding new and innovative ways to create a unique Employer Value Proposition— through a range of flexible and tailored benefit solutions.

The possibilities within workplace benefits continue to grow and today's employers are investing more in healthcare, wellness,

work-life benefits, pension, and insurances. Furthermore, with the emergence of new cloud-based technologies, targeted and salient information becomes available at the employees' fingertips— from salary and paid time off to a menu of workplace activities and benefits.

To gain traction, the employer's benefit offering must be individualized to meet the needs of each employee. As workplaces undergo the biggest generational shift in modern times, employers would be wise not to assume a one-size-fits-all benefit solution would be equally as effective for all. Of course, employee wants and needs sway per demographic, sector and location. It's important that employers know exactly which benefits are valued and by whom. With this insight, employers will succeed in developing an attractive offering and gaining a tangible return on their investment.

# ABOUT THE STUDY

Benify is a global HR technology leader, applying its digital compensation and benefits portal to modernize and empower employee engagement approaches. Our Benefits Gap Study is the only study of its kind in the world and provides an industry benchmark for today's employers. Using Big Data collated from across more than 15,000 employees and HR personnel across 9 industry sectors, we have been able to accurately map which benefits produce the best value throughout each

stage of the employee's lifecycle. The data has also been broken down to reveal trends per demographic, industry and profession. The findings provide a factual basis for further strategic development of our award-winning employee reward solutions, as well as providing our customers with actionable insight to maximize both value and effect of their employee reward strategies. The survey took place in spring 2017



## BENEFIT CATEGORIES

The following benefits are explored in the study. Responses by employees and employers refer to the many versions of these benefits as follows:

- **Wellness benefits:** Include gym memberships, access to a workplace gym, massage, activities which qualify for a wellness subsidy, lifestyle counseling etc.
- **Car-related benefits:** Include company car, parking space, fuel allowance, congestion charge, etc.
- **Healthcare benefits:** Include naprapath and chiropractors, occupational healthcare, online health services, gastric treatments, prenatal care, etc.
- **Insurances:** Include travel insurance, group insurance, private healthcare insurance, etc.
- **Pension benefits:** Include salary exchange, Bonus exchange, digital or non-digital pension advice, etc.
- **Lunch benefits:** Include lunch subsidy scheme, vending machines, workplace cafeteria, etc.
- **Workplace personnel clubs:** Include sports teams, volunteer groups, alumni associations, wine clubs, etc.
- **Work-life balance:** Include home cleaning subsidy, childcare, child tutoring, dinner kits, meal planning services, etc.

## GENERATIONAL CATEGORIES

For the purposes of our study, we refer to the following employee generational groups:

**Baby Boomers:** Born 1945-1964, they are characterized by a high birth rate resulting from a post-war economic boom and younger marriage ages. As a group, they are self-reliant, work-centric, and competitive, often equating work and position with self-worth.

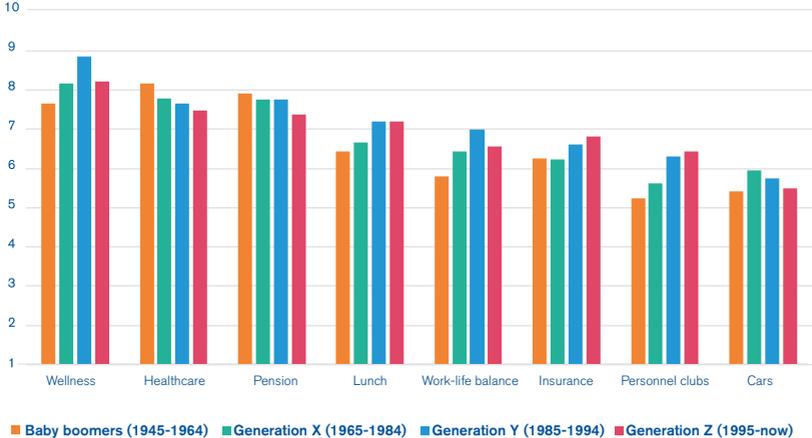
**Generation X:** Born 1965-1984, they are better educated than their predecessors and came of age in an era of two-income families, a faltering economy, and the birth of the computer age. Tend to be independent and self-sufficient, valuing freedom and responsibility.

**Generation Y:** Born 1985-1994, they are known as the "millennials" and by 2020 are expected to account for more than 50% of the workforce. Value interpersonal relationships and take a more creative and innovative approach to solving problems than any previous generation before them.

**Generation Z:** Born after 1995, they are known as the "post-millennials" and are the youngest generation in the workplace. Their most pervasive characteristic is their widespread and daily use of technology, earning them the nickname "digital natives".

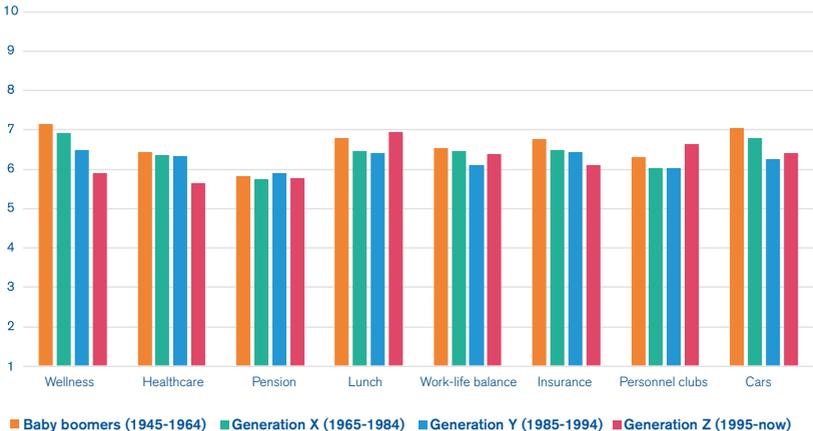
# RESULTS

## HOW IMPORTANT ARE THE FOLLOWING BENEFITS?



Of the 15,000 employees surveyed, the majority identified wellness, healthcare, and pension benefits as the 3 most important workplace benefits. The results show that the importance attributed to pension and healthcare benefits will increase as the employee grows older. Car benefits generally have the lowest level of importance to employees of all generations.

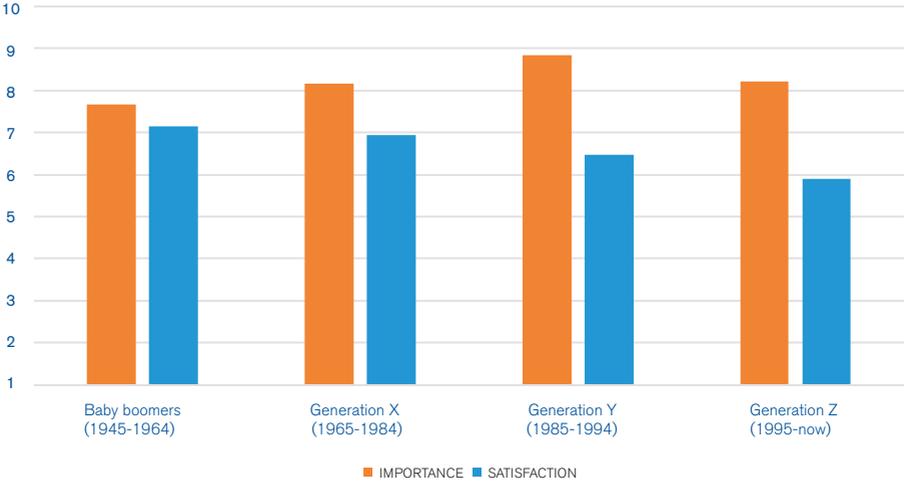
## HOW SATISFIED ARE YOU WITH THE FOLLOWING BENEFITS?



Based on a scale of 1-10, employee satisfaction for the benefits on offer generally scored a rating between 6-7 — just above base satisfaction level. Workplace pension benefits received the lowest satisfaction rating across all generations. Generational Z employees are most satisfied with their lunch benefits and workplace/personnel clubs. The Baby Boomers are most satisfied with their wellness benefits.

# WELLNESS IN THE WORKPLACE

## THE WELLNESS GAP — THE GROWING DIVIDE BETWEEN SATISFACTION AND PRIORITY



Wellness benefits promote healthy living and have been proven to produce positive effects for workplace productivity- and absence levels. The results of the Benefits Gap study map clear disparities between the value which each employee places on wellness benefits, and how satisfied they are with their offering. Not only is this gap evident across all workplace groups, but moreover, the gap actually tends to grow greater in size for each newer generational group.

The data also affirms that wellness benefits continue to be the most important benefit category for employees— irrespective of industry sector. A strong case can be made for increased employer spend and communication in this area to align employee want with the offer and maximize both value and effect.

Breaking down the results on a generational level, wellness benefits tend to be most appreciated by Generation Y employees (those born between 1985-1994). On average, younger employees gave wellness benefits an importance rating of nearly 9 points out of 10; however, on average, they were just slightly above satisfied with their current offering— with an average satisfaction rating as low as 6.5.

Those belonging to the Baby Boomer generation were the only respondents to indicate fairly high satisfaction with their workplace wellness benefits. This level of satisfaction aligned well with the fairly average level of importance which this group places on wellness benefits.

While the data does not provide any real diagnosis of the disparity between satisfaction and priority, the indicators of a poor alignment are often owing to the benefit design (not rich enough to fully meet employee needs), scope (too narrow in choice), and/or understanding (education and communication).

# THE PENSION GAP

## HIGHEST IMPORTANCE, LOWEST SATISFACTION

Workplace pension benefits is the category which, when combined, returns the lowest satisfaction rating across all generations. This impression is well below the level of importance which today's employees actually place on pension benefits— with most employees ranking the category within their top 3 most important benefits.

When probing respondents as to why they are dissatisfied, a common theme presents itself: *the employee does not know that they have the benefit and/or feels it is too complex to engage with and participate in.*

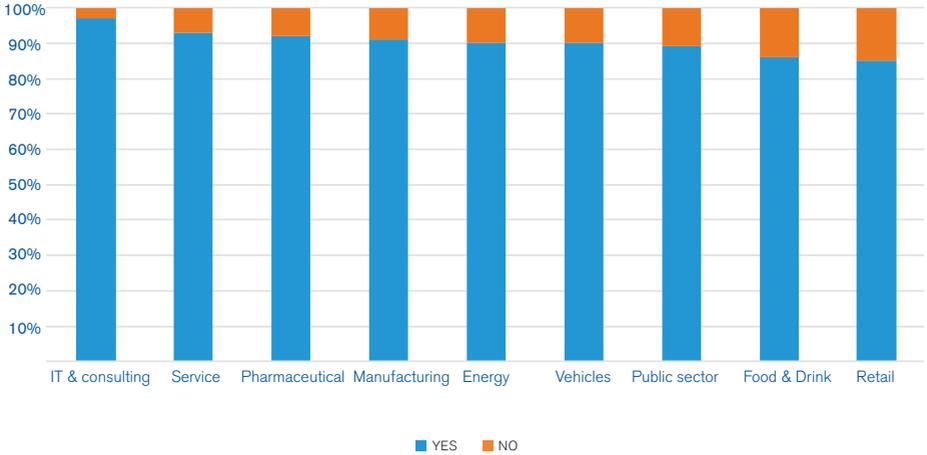
The data maps stark differences in awareness per industry sector. This lack of awareness is most acute in retail sectors— with up to 15% of all employees indicating that they are not aware if their employer provides them with a workplace pension. Awareness is highest in the IT & consulting

sectors, with as few as 3% of all employees showing the same lack of awareness. Employees within this sector are also the most satisfied with their workplace pension offering, confirming a clear trend between awareness (communication) and satisfaction (value).

Examining the generational differences, the youngest members of the workplace returned the lowest levels of awareness towards workplace pension benefits. This is indicative of a greater generational trend which shows that employees are more likely to develop a greater awareness of their pension benefits as they near the end of their employee lifecycle. Clearly, this lack of awareness among the workplace's younger members has created a value deficit which must be addressed if employers want to maximize the value and effect of their offering.

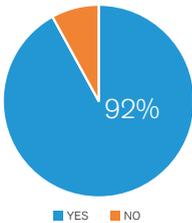


## DOES YOUR EMPLOYER PROVIDE YOU WITH A WORKPLACE PENSION?

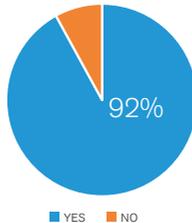


*"In the retail sector, as many as 15% of employees are unaware whether or not they have a workplace pension."*

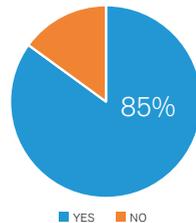
**Baby boomers (1945-1964)**



**Generation X (1965-1984)**



**Generation Y (1985-1994)**



*\*All participants have access to an occupational pension. Generation Z employees have not been included in the graphs above as occupational pensions are usually paid as of the age of 25.*

# A DIAGNOSIS OF EMPLOYEE HEALTHCARE

## DIVERSIFYING THE OFFER INCREASES APPRECIATION

The data returned for employee healthcare benefits (apart from group health insurance) show that employees place a high level of importance on healthcare at each stage of the employee lifecycle—ranking within the top 3 benefits for each of the employee generational groups.

This consistently high level of regard for healthcare benefits — indiscriminate of age, sector or location — may be owing in part to a whole variety of reasons. Often, most local markets will offer favorable tax concessions when employees enroll in certain healthcare benefits. It may also be due to the fact that up to 82% of the workplaces which took part in the study provide their employees with a choice of at least 8 various healthcare benefits through the Benify cloud portal.

Benefits which are ranked highest on the list by employees are company healthcare plans, counselling and therapy, visual treatments, chiropractic and naprapathy services, fertility treatments, maternity care, gastric surgery and online doctor services. The provision of a diverse selection of benefits and ease with which the employee can access those benefits, with the added financial benefit of cost sponsorship or fiscal concession, generally increases employee engagement and facilitates a higher participation rate. As the data strongly suggests, employers who can provide a broad offer to their employees will have little difficulty in engaging their employees in the area of healthcare benefits.

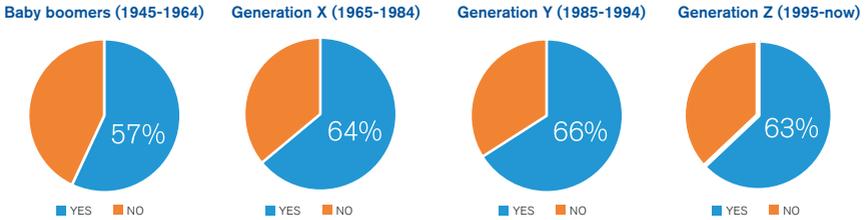
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*"Healthcare benefits rank in the top 3 benefits across each generational group."*

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# THE LIFE BALANCE

## DO YOU FEEL THAT YOUR EMPLOYER HELPS YOU TO BALANCE YOUR WORK AND HOME LIFE?



*\*The diagrams show that Generation Y employees believe that they receive the most help from their employers in balancing their work and home life.*

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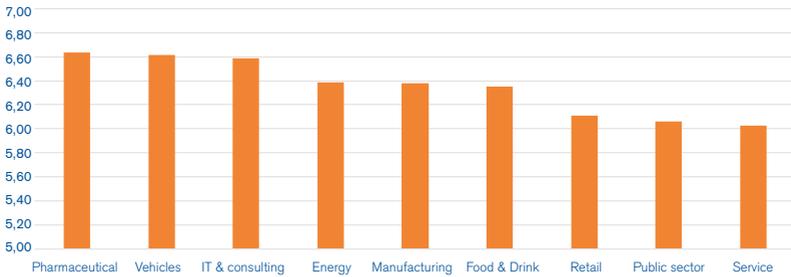
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## MAPPING SATISFACTION PER SECTOR

Those employed within the pharmaceutical industries generally tend to be the most satisfied with their overall benefit offering. These employees are followed closely by those employed within the automotive- and IT & consulting sectors.

Employees who display the lowest levels of overall satisfaction can be found in the services industry, followed closely by the public sector.

### AVERAGE SATISFACTION RATING PER SECTOR



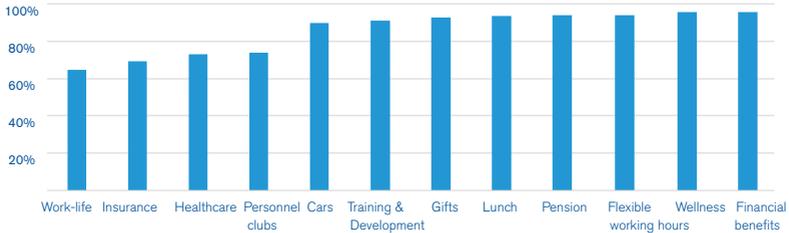
### THE TOP 3 BENEFITS ACROSS EACH SECTOR

Using data from 15,000 employees across a total of 9 different sectors, Benify can reveal the top 3 employee benefits per each sector.

<b>PHARMACEUTICAL</b> <ul style="list-style-type: none"> <li>Wellness</li> <li>Gifts</li> <li>Insurance</li> </ul>	<b>VEHICLES</b> <ul style="list-style-type: none"> <li>Financial benefits</li> <li>Pension</li> <li>Cars</li> </ul>	<b>IT &amp; CONSULTING</b> <ul style="list-style-type: none"> <li>Wellness</li> <li>Insurance</li> <li>Gifts</li> </ul>
<b>ENERGY</b> <ul style="list-style-type: none"> <li>Wellness</li> <li>Gifts</li> <li>Work-life balance</li> </ul>	<b>MANUFACTURING</b> <ul style="list-style-type: none"> <li>Wellness</li> <li>Gifts</li> <li>Lunch</li> </ul>	<b>FOOD &amp; DRINK</b> <ul style="list-style-type: none"> <li>Cars</li> <li>Wellness</li> <li>Gifts</li> </ul>
<b>RETAIL</b> <ul style="list-style-type: none"> <li>Cars</li> <li>Lunch</li> <li>Wellness</li> </ul>	<b>PUBLIC SECTOR</b> <ul style="list-style-type: none"> <li>Lunch</li> <li>Cars</li> <li>Insurance</li> </ul>	<b>SERVICE</b> <ul style="list-style-type: none"> <li>Wellness</li> <li>Cars</li> <li>Gifts</li> </ul>

# THE FORGOTTEN BENEFITS

## WHICH BENEFITS ARE MOST RECOGNIZED BY EMPLOYEES



Financial benefits (such as bonus programs and salary exchange benefits) attract the highest level of awareness across all employee groups. This is followed by wellness benefits which also attract relatively high levels of employee awareness.

In stark contrast, employer-funded benefits such as personnel clubs, occupational healthcare, insurances and work-life balance benefits receive the lowest levels of awareness across all employee groups. In fact, as many as 35% of today's employees are unaware if they have access to work-life balance benefits; and up to 30% of all employees are unaware if

they have access to workplace insurance benefits.

The data suggests a lack of alignment in areas of healthcare benefits—a clear indicator of a communication deficit. While healthcare benefits consistently rank within the top 3 most important benefits for each age group, the data also reveals that up to 27% of all employees remain unaware whether or not they have access to healthcare benefits via their employer. Such a communication deficit can carry deep negative effects on the levels of employee engagement, enrollment and satisfaction— decreasing the value and effect of the benefit investment.

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*"30% of employees are unaware if they have insurance through their employer."*

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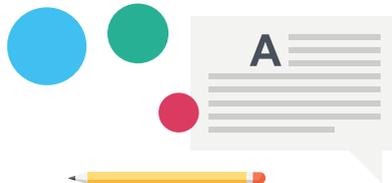
## SUMMARY

The Benify study maps contrasting trends across employee demographics and sectors, exposing varying degrees of preference, awareness, engagement and satisfaction with offered workplace benefits. For example, when we delve a little deeper into the workforce's different generational groups, we can quickly see that the more experienced generations tend to be more satisfied with their current offering, while the younger members will often place higher demands on their employers.

When we examine trends among the workplace's older generations, we find that there is a lot of value to be found in healthcare and pension benefits, which not only rank high in importance for the Baby Boomer and Generation X employees, but so too the workplace's younger generations. Of particular concern for today's employers, therefore, is that pension benefits actually receive the lowest satisfaction rating across all employee groups. We can see a similar trend when we examine the equally popular healthcare benefits— with up to 30% of employees responding that they are unaware whether they have access to insurance through their employer.

Shifting focus to younger employees, we see that they place a great deal of importance on wellness benefits, lunch benefits, work-life benefits, insurance benefits and personnel clubs— all of which have less appeal for their older counterparts. Scoring a record high of nearly 9 points out of 10, Generation Y employees show record interest levels in wellness benefits (such as gym, massage, yoga etc.). Important to note, however, is that this benefit also holds the greatest value across all employee groups and industries. Yet, in spite of the evidence, most employees are clearly greatly satisfied with their current offering, with the benefit scoring an average satisfaction rating of just 6.5 out of 10.

When comparing sectors, we find that private sectors appear to hold the upper-hand in the struggle to attract top employees. Employees from the public sector return the second-lowest satisfaction score across all industries, showing that public sector employers must work harder to offer and communicate an effective benefits package across all employee groups.



## ABOUT BENIFY

Founded in 2004, Benify's smart technology today helps thousands of blue-chip businesses around the world to manage their compensation and benefits and increase employee engagement. Through an award-winning cloud portal, Benify makes it Great at Work for millions of employees worldwide anytime and anywhere.

The Benify portal focuses on three crucial workplace experiences:



***The employee experience:*** Benify's anytime portal involves employees in their work life and helps HR administrators and managers to maximize each touchpoint in their lifecycle — creating impactful, tailored employee experiences. Employees can see and appreciate their total reward, as well as browse, enroll and engage with a variety of workplace benefits, insurances, workplace events and employer interactions.



***The HR & Manager experience:*** The Benify portal provides a powerful and dynamic communication tool with which to create and manage a variety of messages, e-mails, reminders, notifications and surveys. Importantly, outreach and offers carry the potential to be filtered to different workforce groups and demographics for closer communication. Benify's smart analytics and reporting tools help to align employer communication and benefit strategies for more effective results.



***The Global Director experience:*** The Global Rewards Director, sitting at company headquarters, gains a pan-international birds' eye view of benefit management across the entire organization. Costs, risks and participation can easily be dissected, analyzed, monitored, and presented for actionable management globally.

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