



thomsons
ONLINE BENEFITS

Asia Employee Rewards Watch 2010

Summary

© **Thomsons Online Benefits 2010**

Thomsons Online Benefits Ltd is authorised and regulated by the Financial Services Authority.
Registered office: 10th Floor, The Met Building, 22 Percy Street, London, W1T 2BU. Registered in England No. 5398394

Asia Employee Rewards Watch 2010, found that the HR challenge most frequently identified by respondents is employee retention (61.19 percent). This was followed by maintaining/improving morale and employee engagement (54.23 percent) and controlling employee costs (39.80 percent). This reflects respondents' overall confidence and their concern that growth will lead to familiar pressures on employee retention.

The belief that Asia is quietly emerging with fewer economic backlashes than its western counterpart was also demonstrated by the fact that two thirds of respondents (63.68 percent) stated that are preparing for a period of growth, whereas only one in six (13.43 percent) believe their business is heading for a period of contraction.

These findings were among a number of insights revealed in the third "Asia Employee Rewards Watch", in which 201 organisations took part.

Other key findings for 2010 include:

Reward Strategy

- As a result of the recession a staggering eight in ten respondents (85.88 percent) believe that reward professionals are under more pressure to minimise costs and improve return-on-investment in 2010. However, around four in ten respondents (44.72 percent) claimed their reward costs are escalating most significantly on salaries. With these two opposing forces, it is no surprise that reward professionals are unable to demonstrate the return-on-investment in relation to reward spend – over five in ten reward (60.59 percent) professionals cannot defend or poorly defend their reward spend.
- The majority of respondents (50.25 percent) have a documented reward strategy in place. This represents a significant increase over 2008 suggesting that the economic downturn has placed more importance on having a robust governance approach to reward. Surprisingly though two in ten companies still do not have a robust reward framework.
- Despite the importance placed on the ability to report return-on-investment of reward spend, the majority of respondents could not do this very well (33.53 percent), or at all (27.06 percent).

Employee Benefits

- Around a quarter of respondents (26.47 percent) claimed that their biggest issue in relation to their benefits package administration is the burden on internal resources. Whilst around two in ten (23.53 percent) bemoaned the administration efficiency of the benefit providers.
- Nearly two in ten organisations (18.82 percent) did not know how much they spend on employee benefits. Of those that did know, the most common estimate was 15-25 percent of salary (21.18 percent).
- Nearly one third of respondents still use old fashioned paper based processes for benefits administration (37.43 percent).
- The changes companies are most likely to introduce into their benefits package in 2010 are reviewing their health & wellbeing offering (49.12 percent), considering implementing flexible benefits (32.75 percent), and introducing total reward statements (21.05 percent).

Flexible Benefits

- Around four in ten respondents either already have flexible benefits (19.41 percent) or are considering implementing them (21.76 percent), with a handful (2.70 percent) currently in the process of implementing them.
- The majority of respondents (57.46 percent) who are planning to implement flexible benefits are looking to do so within six months to two years. Costs were the primary factor in the implementation decision.

Health & Wellbeing

- The majority of respondents (61.39 percent) source their benefits externally through an insurance broker, with around a third approaching the provider directly (34.81 percent).
- Just under half of respondents (48.73 percent) actively measure and report on sickness absence levels.

To request a free copy of the report please visit www.thomsons.asia/surveyresearch