

Lockton Global Benefits

Client Survey report



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How did employers worldwide respond to the impact of COVID-19?

It is clear that the COVID-19 pandemic will continue to affect the wider economy, communities, businesses and individuals for many months to come – but how have employers responded to its impact on their staff? We were keen to identify the key drivers of long term change at our clients’ organisations as a result of the pandemic and the disruption caused throughout 2020 and into 2021.

We invited our clients worldwide to participate in a survey that took place through the months of December 2020 to February 2021. Our focus was on capturing a better understanding of the changing needs and challenges of employers in a post-COVID world in terms of both the delivery of benefits to employees and in wellbeing provision. A range of questions asked firms to consider how they planned to review their benefits packages, addressing for example, potential plans to broaden healthcare provision, review wellbeing strategies, or introduce cost-saving initiatives.

We collected the results between 1st December 2020 and 19th February 2021.

We received a total of 496 responses, spanning 33 countries and representing organisations of varying sizes and from a range of different industries. The results have not been weighted, but a respondent profile has been included to assist with their interpretation.

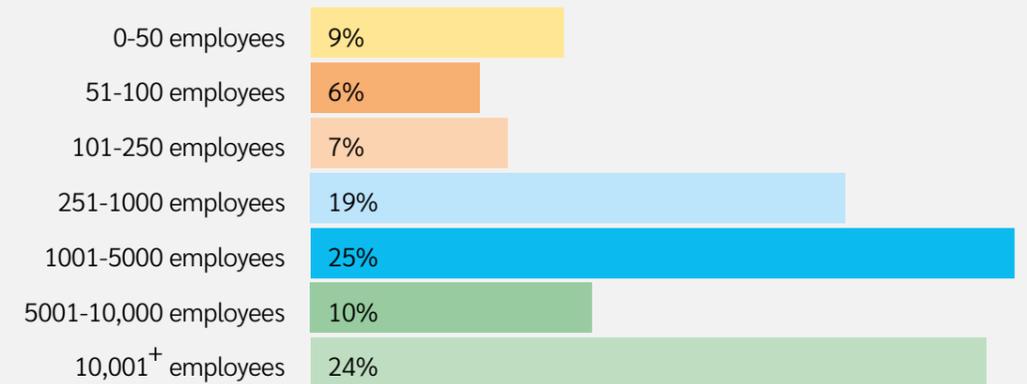
496
responses



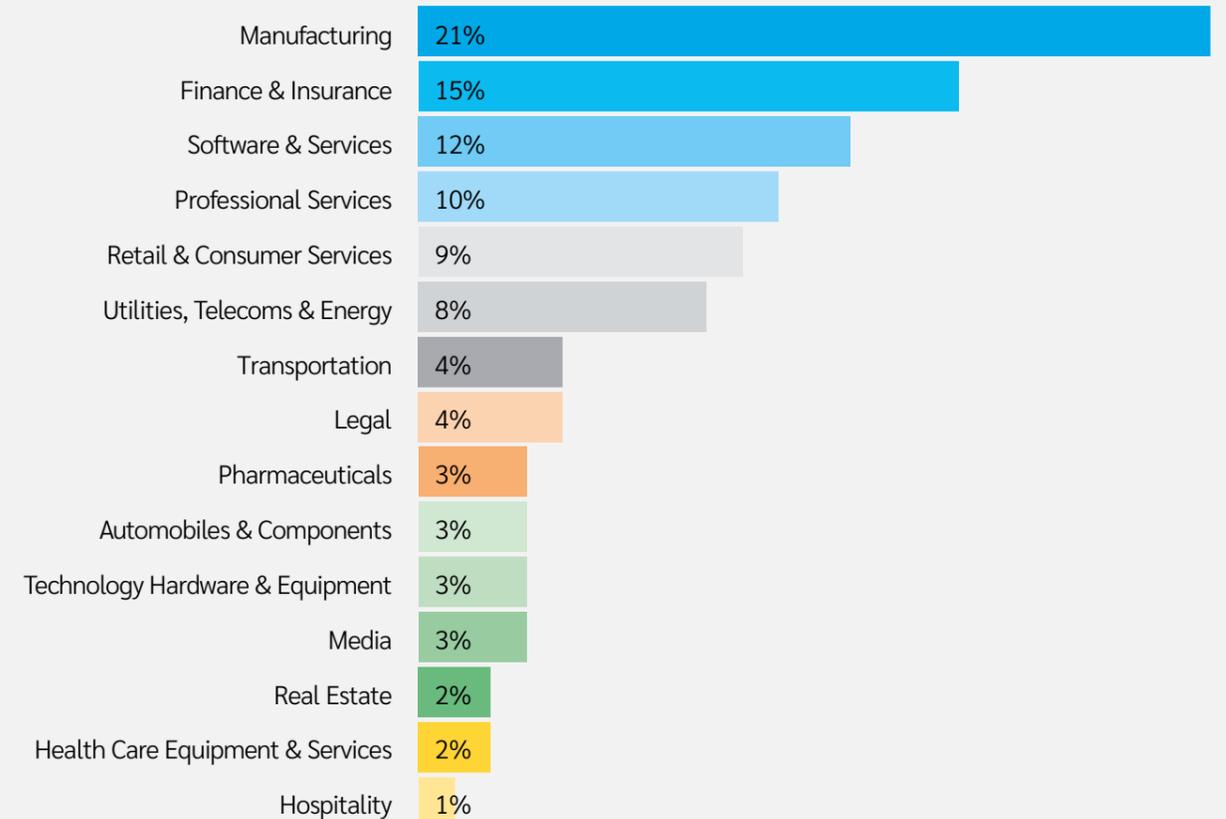
33
countries



EMPLOYER SIZE PROPORTION OF RESPONDENTS



INDUSTRY GROUP PROPORTION OF RESPONDENTS



The respondents were fairly evenly distributed across employer size, but weighted towards manufacturing, financial services and tech sectors (50% of the respondents were in these categories).



Key findings

Despite the significant challenges faced by firms as a result of COVID-19, only a minority have made, or are planning to make changes to the range of benefits they offer their staff. This is testament to the number of employers who already have robust benefits packages in place and who have as a result, supported their teams effectively through the pandemic.

Flu Vaccinations

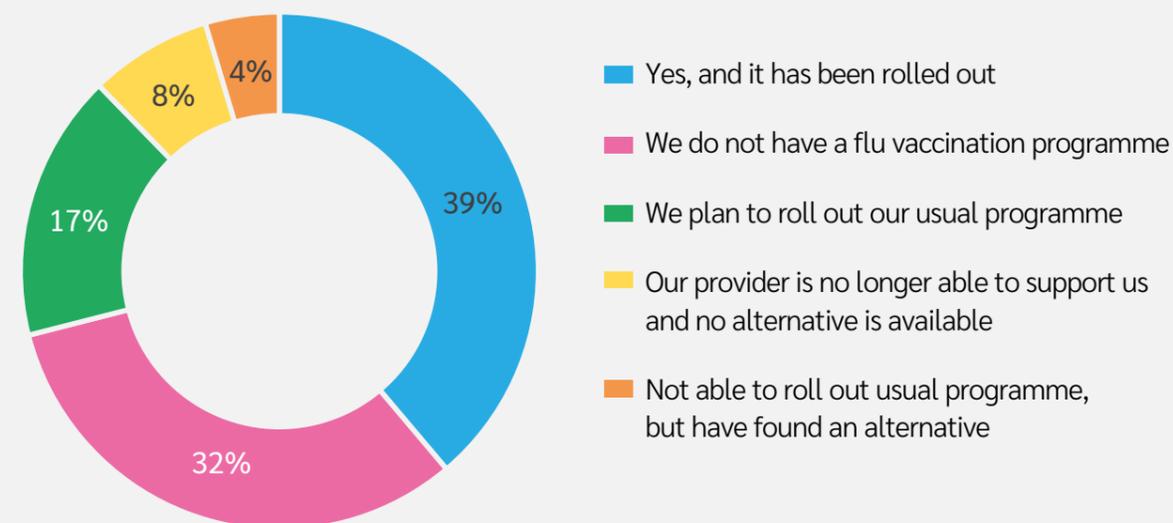
During the height of the COVID-19 pandemic, considerable strain was put on stocks of influenza vaccines worldwide. Demand was at an all-time high – with governments keen to avoid a ‘twindemic’ of COVID-19 and influenza which might overwhelm hospitals, many stepped up campaigns to encourage uptake of flu vaccine programmes.

In the absence of a COVID-19 vaccine, the advice to make better use of the vaccines we already have against flu was heeded and a surge in public demand caused supplies of flu vaccines worldwide to run low.

Despite this, of those firms who usually provide a vaccination programme, 82% have rolled out,

or plan to roll out their usual programme. Furthermore, only 11% could not implement their usual programme due to issues with supply. The remaining 7% managed to find an alternative provider.

Have you provided / are you providing a flu vaccination programme for your employees this year?



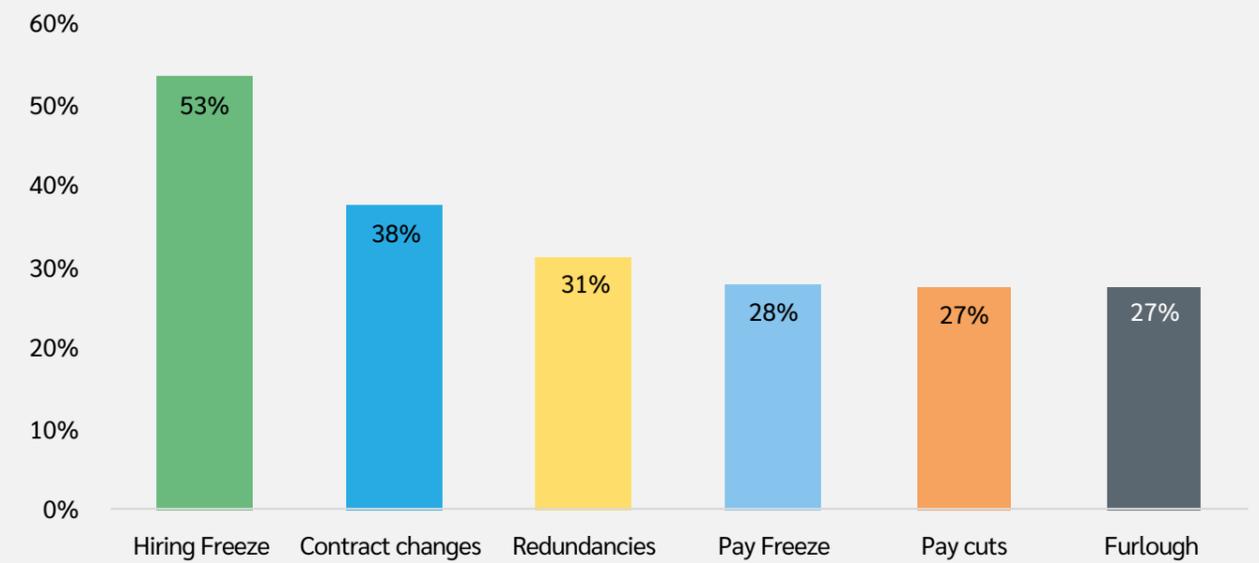
Cost-saving measures

Those firms who are now carrying out cost-saving measures as result of COVID-19 have tended to focus on short-term policies. Hiring freezes are by far the most common course of action with 53% of respondents having implemented them. In turn, 38% of firms have amended their contract terms, to allow for new developments such as changes to working hours or normal place of work.

Thirty percent of respondents indicated that they have carried out none of the stated actions as part of cost savings exercises, while one in 10 had made three or more of the changes stated (these were: hiring freeze; pay cut; pay freeze; working contract amendments; furlough; and redundancies).

Fewer than 1% of respondents stated that they planned to make any reductions in the benefits provided to staff. This is a positive indication that the wellbeing of staff and the value of their benefits packages are considered to be a higher priority to firms than cost savings.

Have you carried out any of the following actions as part of cost saving as a result of COVID-19?



53%

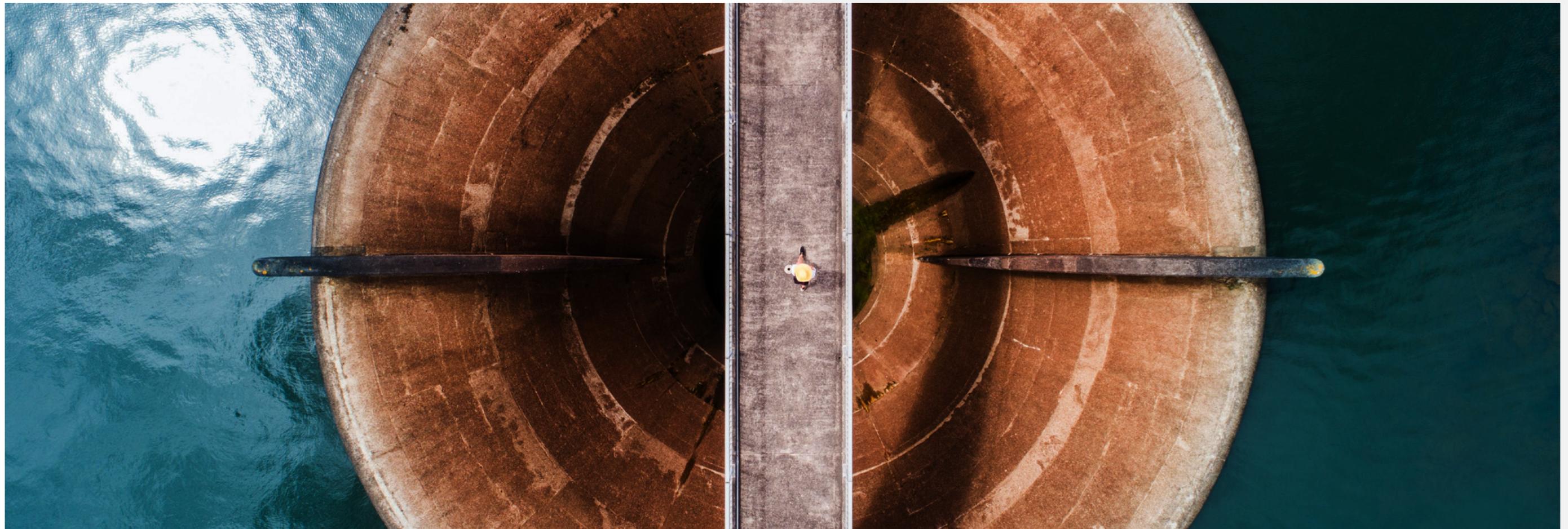
used hiring freezes as cost-saving measure

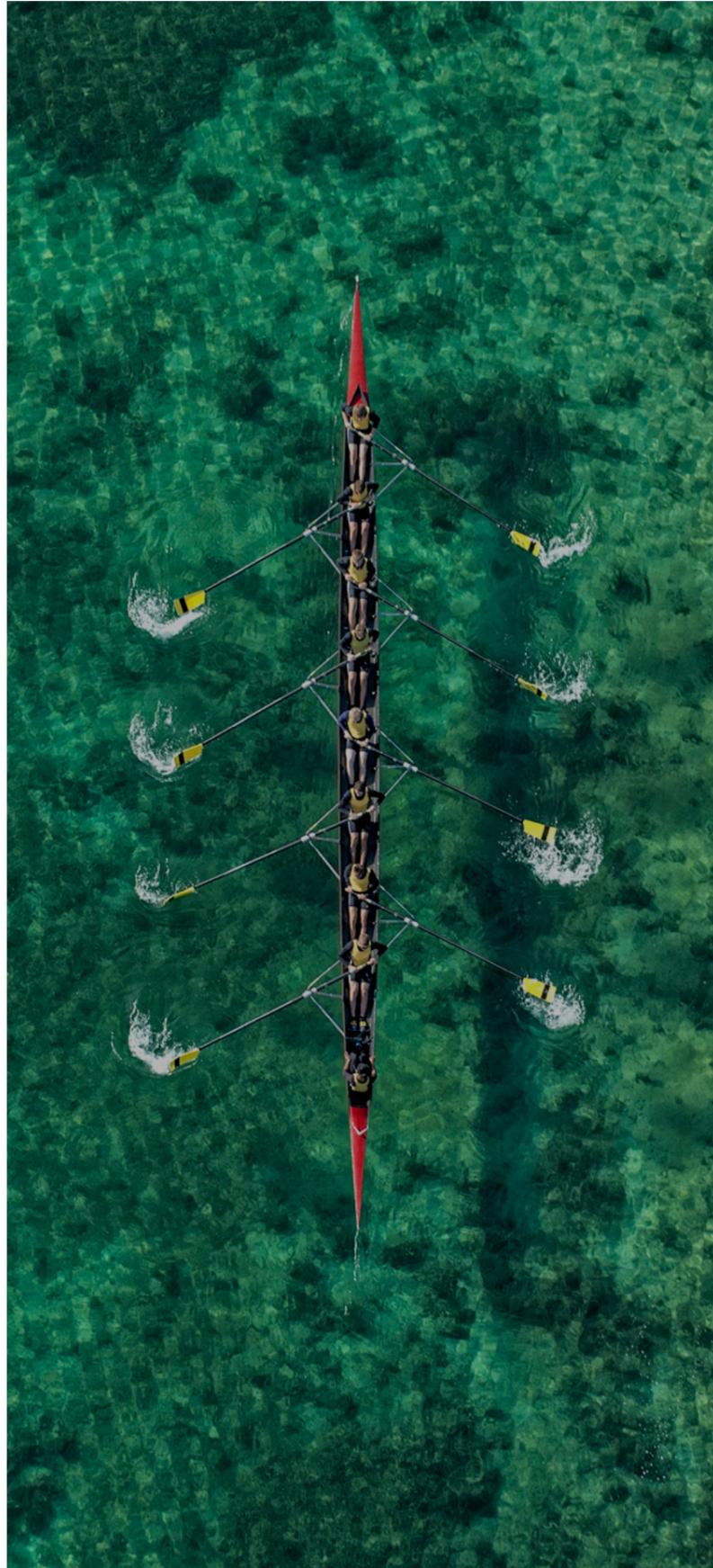
38%

have amended contract terms

30%

have taken none of the stated actions





Benefits for purpose

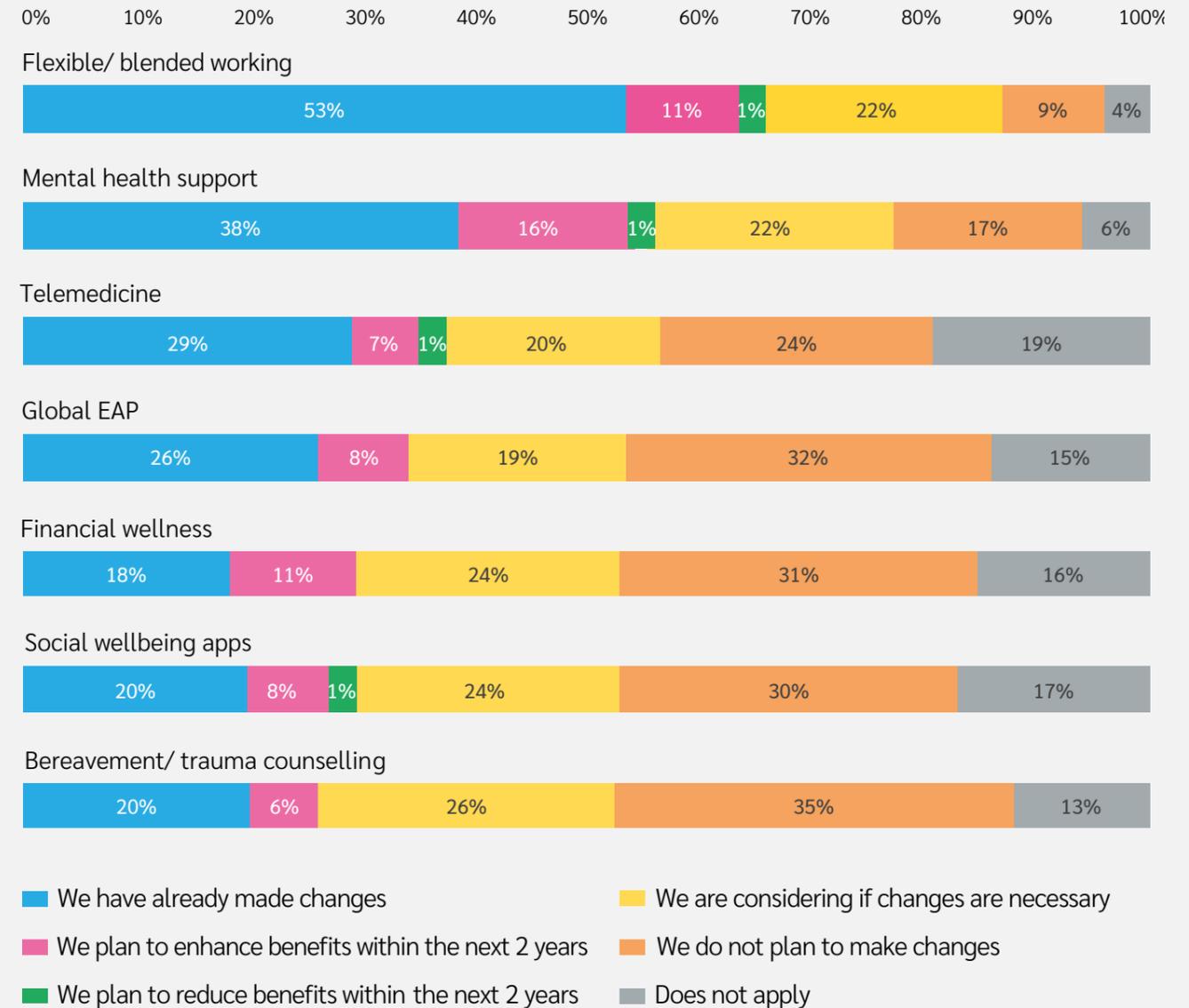
Conversations with our clients over the past six months have highlighted the desire to maintain benefits to employees, continuing to support their health and wellbeing through this turbulent period. Survey results reinforce this anecdotal evidence, with only a very small minority of respondents stating that they are planning on reducing benefit provision to employees. This once again highlights the importance that firms are placing on employee benefits. In spite of an inevitable push to save costs, it is clear that benefits remain a valuable and vital element of any employment package.

Half of respondents already have whole-of-workforce coverage of medical insurance provision. Nearly half of those who didn't plan on rolling out either a voluntary plan or the existing plan to the rest of the workforce.

Where changes have already been made to a wellbeing strategy, this is – not surprisingly – most common in areas such as flexible working and mental health. More than half of firms had extended or plan to extend their support for employees in this area. This increased focus on provision of mental health services and encouragement for employees to obtain support is borne out in the increasing incidence of mental health medical insurance claims of our clients in many territories over the last 12 months.

Outside of health and wellness benefits, over a third of firms surveyed do not plan on making changes to their provision in any area and around a quarter of firms are still considering if changes are necessary.

Is your organisation thinking of making changes to its wellbeing strategy?

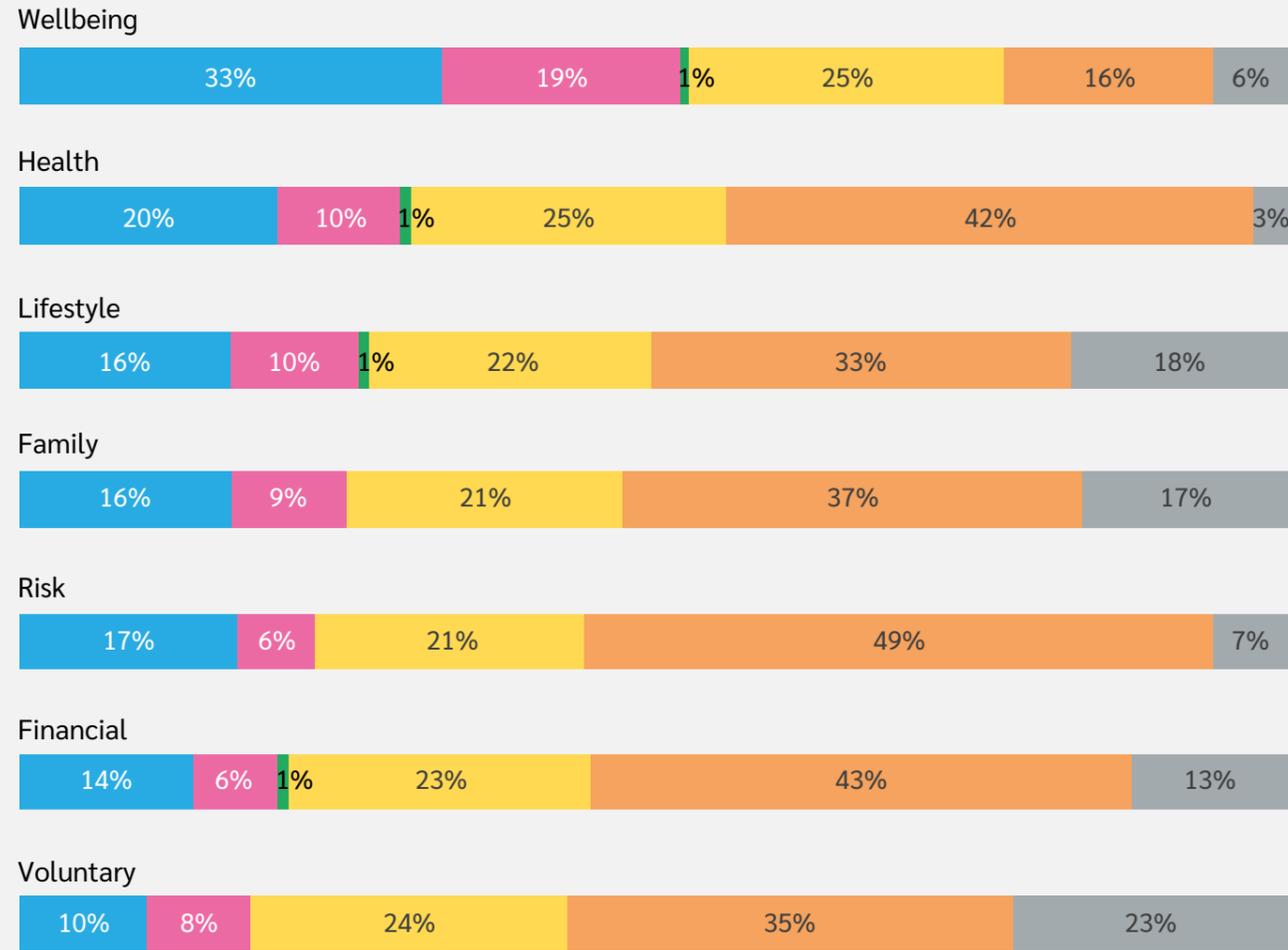


COVID -19 testing (antigen and/or antibody)



Have you/ how do you plan on reviewing your benefits package for effectiveness/ ROI as a result of COVID-19?

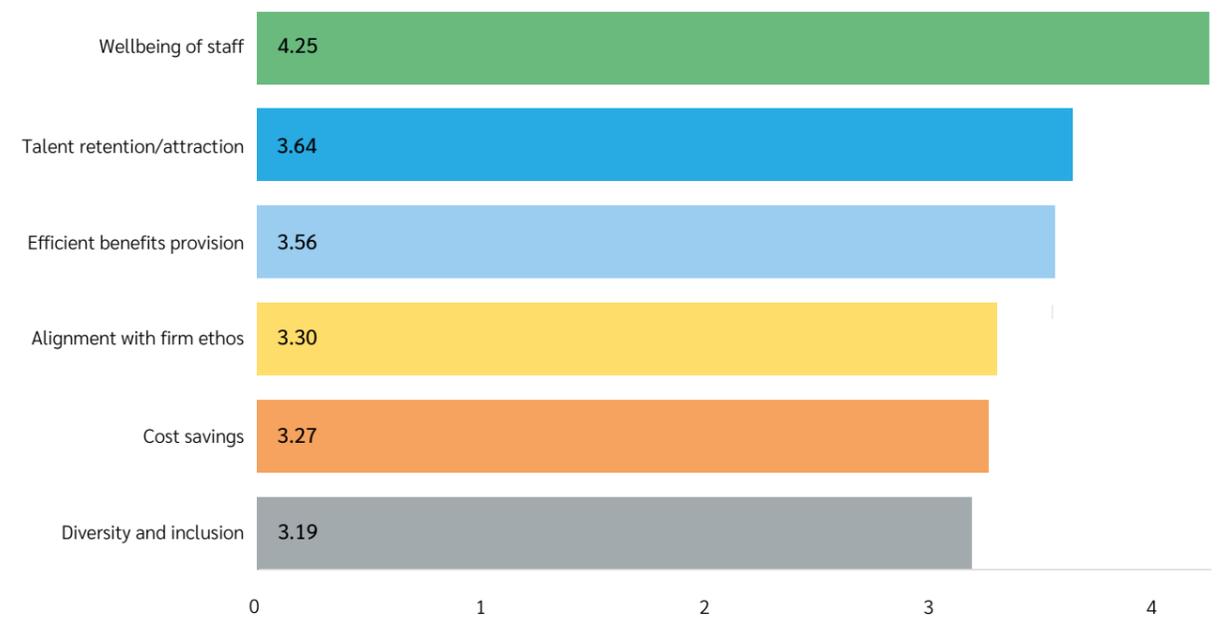
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



■ We have already made changes ■ We are considering if changes are necessary
■ We plan to enhance benefits within the next 2 years ■ We do not plan to make changes
■ We plan to reduce benefits within the next 2 years ■ Does not apply



What is the key driver(s) of change being made to your benefits package?



Need to balance priorities

As clients review and determine their benefits packages, it is clear that HR retains the difficult task of balancing competing initiatives within firms. Whilst COVID-19 has driven substantial change in the areas of health and wellbeing in particular, a significant proportion of employers haven't yet made any changes to their wider benefits strategy in light of the pandemic.

When we asked about the key drivers of change, the most notable result was the similarity of scores. The average score (across a scale of 0 to 6) was over 3 in each and every case. The wellbeing of staff topped the list (with an average overall score of 4.25) in all countries and across all industries, but there was little differentiation in terms of the importance placed on each of the measures considered.

Provision of ongoing support

It is clear that the health and wellbeing of employees remains at the forefront of clients' minds when determining benefits provided to staff. The mental and physical wellbeing of staff continues to be a top priority. As the pandemic begins to recede, it is crucial that firms continue to fine tune their response and gain a deeper understanding of the ongoing challenges facing their teams. Doing so will allow them to embrace new opportunities for increased awareness, robust support and the provision of updated, relevant benefits packages that reflect the far-reaching impact of COVID-19 on their employees.



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