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Report
April 2024

Asia employee --- benefits report

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Report

Asia employee benefits report

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1 CIPD foreword

In this era of rapid change, where economic shifts and technological advancements are reshaping industries, the importance of employee benefits cannot be overstated. They serve not only as a tool for attracting and retaining top talent but also as a means to enhance the overall employee experience.

This report delves deep into the heart of employee benefits practices across Asia, with a particular focus on Singapore and Hong Kong. We have gathered insights from HR professionals, business owners, and other industry experts. These findings provide a rich tapestry of information, shedding light on current trends, employer priorities, and challenges faced in designing benefits programmes.

As organisations grapple with the complexities of the post-pandemic world, they are increasingly recognising the need to tailor their benefits offerings to meet the evolving needs and expectations of their workforce. From flexible working arrangements to initiatives promoting equality, diversity, and inclusion (EDI), the emphasis is on holistic benefits packages that resonate with employees on a deeper level.

However, the path to crafting such comprehensive programmes is not without its hurdles. Budgetary constraints and the pressure to 'do more with less' present significant challenges for employers. Yet, it is precisely in these challenges that opportunities for innovation and creativity lie.

This report not only highlights the current state of employee benefits practices but also offers practical recommendations for navigating the complexities of benefits design within budgetary constraints. By leveraging analytics, gathering employee feedback, and embracing digital platforms, organisations can enhance the effectiveness of their benefits programmes while maximising operational efficiency.

Ultimately, this report serves as guidance for policy-makers, benefits providers, and people professionals alike.

May Leng Kwok
Head of Market Development, Global
CIPD

2 AIA foreword

We are pleased to partner with the CIPD to produce this inaugural report which provides critical insights into the evolving landscape of employee benefits. Most respondents say that meeting employee expectations to attract and retain talent is their main concern – and a robust employee benefits (EB) package will support this.

At AIA, we see a recent shift in employee benefits expectations. Where previously benefit reviews focused mainly on improving insurance coverage limits, nowadays companies are increasingly requesting coverage and services that offer greater flexibility and focus on preventative and holistic care. To meet the progressively diverse needs of the workforce, our survey found that companies utilise data analytics and employee input when finalising benefits design.

We believe that you, the reader – be that as an HR practitioner, a business owner or an EB consultant, have similar questions as we do – what is the current EB approach of other companies? What do successful companies perceive are the most important EB needs for the future? What are the main challenges to overcome and what are the potential solutions?

This report seeks to shed some light on those questions, by providing a comprehensive analysis of current and emerging trends. It suggests best practices from case studies in employee benefits management. We hope the insights will both inspire and help organisations with strategic planning, designing, and implementing effective benefits programmes that will drive employee satisfaction and engagement.

David Chow
Director, Group Corporate Solutions
AIA Co. Ltd.

3 Executive summary

This report presents findings from CIPD Asia's new survey of employee benefits, in partnership with AIA. The survey explored the benefits employers provide to their employees, and the strategies and policies implemented in organisations. The survey took place between October and December 2023 and gathered insights from 234 HR practitioners, 130 business owners, and 36 other professionals predominantly working in Singapore (38%) and Hong Kong (40%). Our analysis explores:

- current trends impacting the benefits landscape
- employer priorities and challenges in designing benefits programmes
- the types of benefits employers are providing and plan to provide in the future
- attitudes towards third-party benefits providers.

The aim of this research is to provide readers with a benchmarking and information resource on current and emerging employee benefits practices. We give recommendations on how employers can navigate the challenges they are facing and use their benefits offering to strengthen the employee experience.

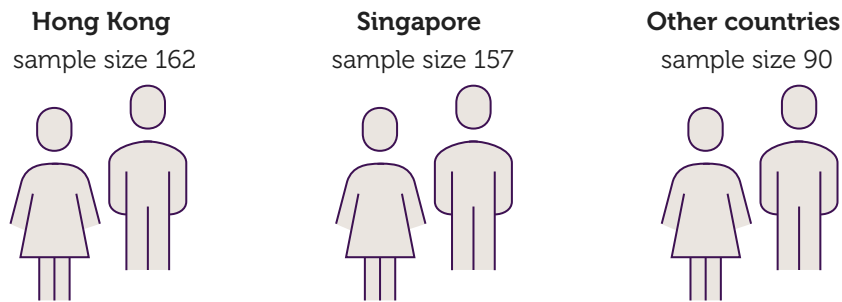
4 Introduction

Organisations across Asia are continuing to battle against pressures driven by the inflationary economic environment. There is a more urgent need for new skills to enable organisational transformation and agility, as other macro trends, such as environmental, social and governance (ESG) concerns and emerging artificial intelligence (AI), gather pace. In the context of increasing demand for talent and shifting employee priorities since the pandemic, companies have been re-examining their value propositions to ensure they remain competitive. The design of a comprehensive employee benefits package provides companies with an opportunity to focus on what the workforce truly values, and plays a critical part in attracting and retaining talent. Employers are therefore taking a more strategic approach to benefits design, with holistic offerings tailored towards employee expectations, such as flexible working, equality, diversity and inclusion (EDI), and wellbeing. The main challenge is to provide a robust benefits programme within budgetary constraints and current pressures for businesses to 'do more with less'.

Aims of this report

This report gives a snapshot of current employee benefits trends and practices in organisations across Asia, with a primary focus on Hong Kong and Singapore. It provides insights on how external factors are shaping the benefits landscape and the current and future priorities for employer strategies. It also explores the challenges that organisations say they are facing and suggestions of how they can effectively compete for talent through their benefits offering. It is useful for employee benefits policy-makers and providers, as well as people professionals within organisations for benchmarking.

Survey participants



Full details of the research methodology are included in the Methodology section. Sample demographics are included in sections 10, 12 and 15.

This report shows that competing for talent is a core driver shaping organisational strategies on workforce benefits. In this climate, employers are focusing on providing benefits that align with employee needs to attract and retain talent. While HR and small business owners recognise that staff are seeking more than monetary benefits, they continue to be challenged with providing a variety of benefits to meet different employee needs within limited budgets. To address this, we recommend that employers enhance their use of analytics, employee feedback, and digital platforms to strengthen the employee experience while increasing operational efficiency. For example, organisations can use online portals to communicate with employees about the benefits offering (assuming they have access to online portals during working hours), and capture data on staff preferences via pulse surveys. Using analytics can help employers review the take-up of existing benefits and explore the reasons why take-up may be low. For example, a certain benefit may align with staff needs but is not being communicated to them in an engaging way. Total rewards statements can also communicate the value of the reward package to employees, enabling them to better understand how the total package can help them and contributing to higher levels of job satisfaction.

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Which trends are impacting organisations' approaches to employee benefits?

Overview

Employee expectations of better work–life balance and work flexibility have driven the phenomena of low engagement and 'quiet quitting', reinforcing the need for organisations to more effectively leverage their value proposition to align with the new world of work. And with ongoing talent shortages, employers recognise the importance of providing a benefits package that meets shifting employee needs and boosts engagement.¹ The challenge is for companies to be proactive in forecasting changing employee needs, rather than reacting to those needs once they have shifted.

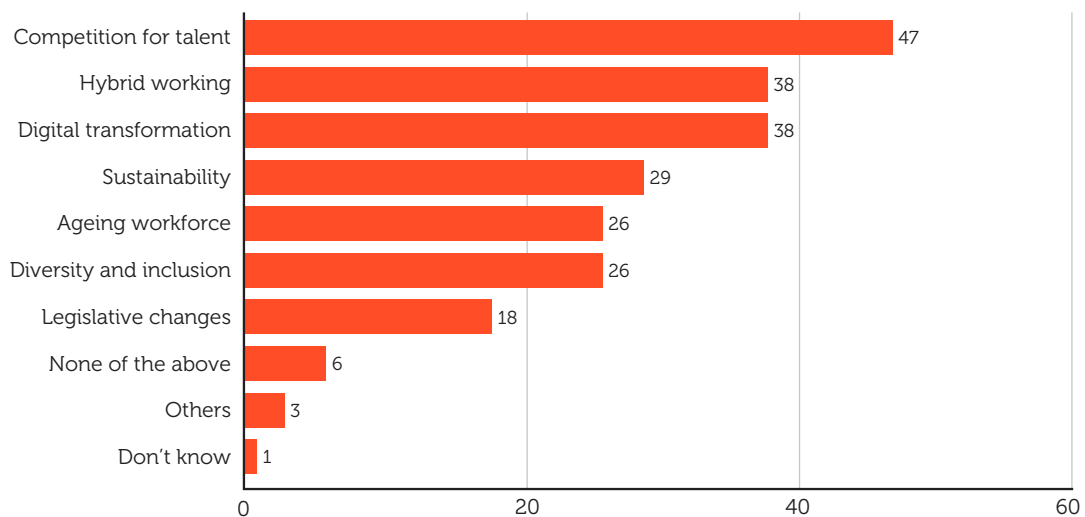
According to CIPD Asia's *HR talent trends report*, large-scale job cuts in particular industries (such as technology) have added the challenge of maintaining workforce motivation while attracting high-quality talent. With the evolving need for new skills development, some skills are now less in demand while others are more in demand. Employers may therefore be simultaneously cutting certain roles and trying to attract people with in-demand skills. In Singapore, the services industries have seen higher numbers of job vacancies – particularly for managerial, executive and technical roles. Meanwhile, Hong Kong has seen growing demand for generalised and mid-level roles, following downsizing at senior levels and companies seeking to maximise their resources by hiring people with a broader range of skills.

Establishing hybrid work norms is continuing to have a significant impact on HR and people strategies. The era of remote work has presented new questions of workplace fairness, inclusion and equality, with double standards arising for workers who are on site and those with a remote or hybrid work arrangement.² Employers are exploring new opportunities to develop creative solutions for their employee value proposition (EVP) and reward management using digital platforms.

Competition for talent is having the biggest impact on the benefits approach

Figure 1 shows the main trends impacting companies' benefits strategy. The top-ranked trend is competition for talent, with nearly half of respondents highlighting this (47%). As many employees seek more than just salary, and with their stronger position to negotiate jobs that meet their expectations,³ employers recognise the need to use the benefits offering as a differentiator to attract and retain talent.

Figure 1: Which of the following trends are having the biggest impact on your organisation's approach to employee benefits? (please select at most 3 options) (%)



Base: n=409.

Hybrid working (38%) and digital transformation (38%) are in the top three trends, cited by around two-fifths of survey participants. These findings are consistent with the CIPD's *People Profession 2023* report, indicating that talent retention challenges and the impact of remote work remain top of mind for people professionals in Asia-Pacific (APAC). According to another recent study, all APAC markets have seen an increase in the prevalence of flexible working arrangements since 2018.

Other key trends are sustainability (29%), ageing workforce (26%), and diversity and inclusion (26%). This reflects ongoing ESG priorities for organisations in the region, with many focusing on developing EDI objectives and improving their strategy.⁴ Research by Willis Towers Watson found that half of APAC employers were considering conducting a review of their EDI benefits.

Some respondents mentioned additional trends, such as the changing socioeconomic and business environment, mental health, and demands of the younger generation. These link to our findings on employer priorities when it comes to designing the benefits programme (section 5) and the challenges they are currently facing (section 8). As one survey participant commented: "I wouldn't put it down to trends, really. We just do what we think is best for the business and the people."

Case study

Global technology company Lenovo focused on the digital transformation of HR operations to enhance the employee experience and drive efficiency, which included transforming its benefits management system. The organisation designed "personalised benefits plans that address employees' unique needs and life stages while ensuring robust and secure integration with internal systems". This initiative helped to foster a supportive work environment and boost employee engagement, while streamlining operations. In the transition from a traditional HR operating model to a digitalised one, enabling data-driven decision-making was a key priority. Alongside rewards analytics provided by their HR information system, the HR team monitors employee usage of the benefits platform and satisfaction levels to measure the impact of the initiative.

Among younger companies (less than five years in operation), the top trend is hybrid working (48%); in more mature companies (five years or more in operation), competition for talent is the most commonly cited trend (50%).

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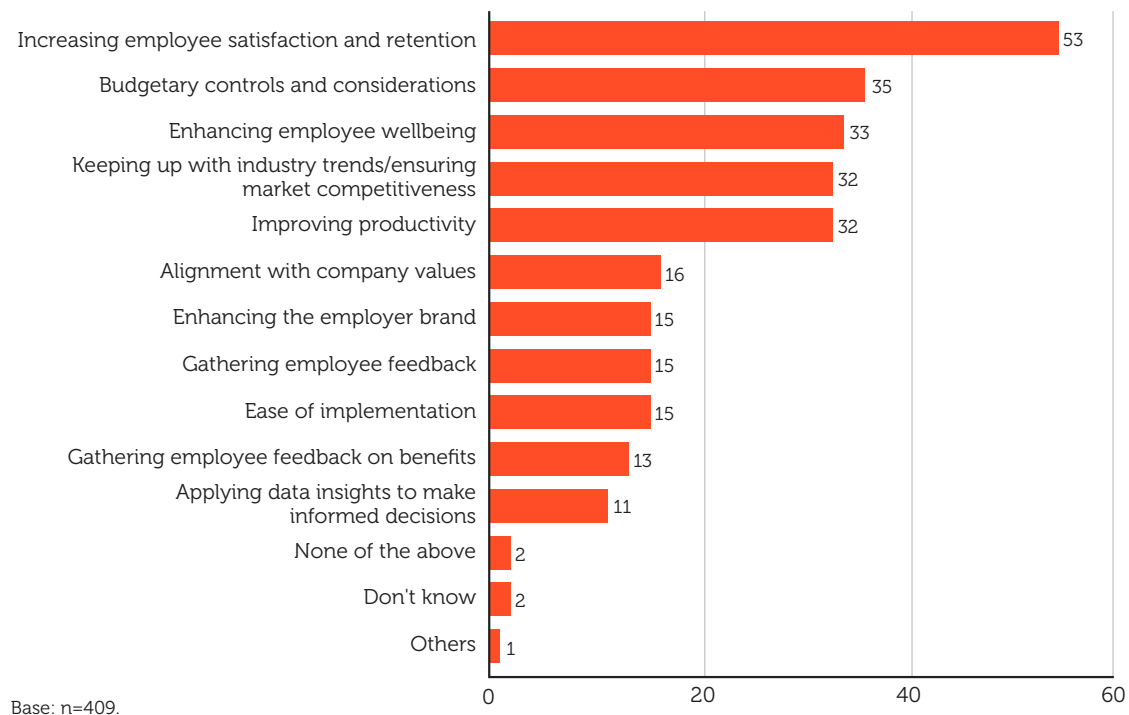
Which factors are important when designing the benefits offering?

Increasing employee satisfaction and retention is the main priority

More than half of respondents said that increasing employee satisfaction and retention is a key factor for consideration in designing the benefits package (53%). The next most important factors are budgetary controls and considerations (35%) and enhancing employee wellbeing (33%) (Figure 2). One survey respondent commented that "providing non-monetary benefits" is an important factor in their organisation. Other recent studies have similarly found that employee wellbeing, satisfaction and retention are key considerations for APAC firms when it comes to their benefits strategy, along

with budget.⁵ Organisations are therefore continuing to deal with the challenge of delivering these solutions within financial constraints. As many countries face rising inflation (with the highest medical cost increases in a decade in 2023), this has been a major pressure over the last few years. Organisations can take different approaches to cutting the costs of benefits programmes. One way is to stop providing a benefit or make it less generous. Another way is to keep the benefit as it is, but find ways to keep the cost to the company as low as possible. A study by Willis Towers Watson found that 71% of APAC employers were planning to improve contract terms with their benefits vendors, while over half were exploring additional funding for their benefits programmes. Meanwhile, a 2022 survey⁶ showed that finding creative ways to reduce the cost of benefits was among the top three employer priorities.

Figure 2: Which of the following factors are important when designing the employee benefits offering in your organisation? (please select at most three options) (%)



It is notable that wellbeing is considered to be equally important as budget, according to our survey findings. This supports the CIPD’s previous research showing that strengthening the employee experience has become a priority for HR professionals across APAC, with many re-evaluating strategies to support and engage staff. In the post-pandemic environment, mental health and wellbeing is a critical focus for organisations, with employee expectations having shifted towards companies catering for their personal needs and optimising work–life balance. An important aspect of wellbeing is financial wellbeing. As inflation has jumped in recent years, more workers have become at risk of money worries. To counter this, employers have sought to offer benefits that either reduce individuals’ risk of becoming financially stressed, or help those who do face difficulties. While smaller employers may be more limited in their ability to improve their benefits package to account for the cost-of-living crisis, they can better communicate with staff how the existing package can help, or signpost sources of financial information and guidance.

A third of respondents said keeping up with industry trends/ensuring market competitiveness is important (32%). This suggests that organisations recognise the importance of using data to deliver competitive offerings in the tight labour market, and therefore need access to benefits benchmarking information. Being aware of the benefit offerings of competitors using benchmarking data is important to ensure their own employee benefits are adequate, but employers should create a tailored approach based on what is suitable for their specific workforce needs.⁷

Gathering employee feedback was highlighted as an important factor by a quarter of respondents (26%). Organisations can prioritise understanding what their staff value to find creative solutions for an attractive benefits package, while potentially reducing costs.⁸ Seeking regular feedback from employees (such as through annual or pulse surveys, management feedback, and staff suggestion boxes) enables benefits to be part of an ongoing dialogue. In this way, employers can put their people at the heart of benefits design (and communication) to get the most out of the offering and enhance the employee experience. An organisation might be offering the 'right' benefits package, but not communicating it in an effective way.

Case study

The United Overseas Bank (UOB) provides an EVP that goes beyond monetary compensation to include "care, growth, and trust, with an active care for employee wellbeing". The bank aims to provide their staff with a balance between financial and non-financial benefits that reflects the company's people philosophy and strategic goals. Utilising insights from data (such as reviewing work patterns and workforce technology tool analytics) is a critical element of decision-making when it comes to implementing benefits. As part of the organisation's employee wellness benefits, all staff are given "an extra two hours off during the workday every month to attend to personal matters, and a choice of staggered start-work times". This has enabled the bank to hire from a larger talent pool, expanding their search to include caregivers and retirees. UOB also provides employees with skills development opportunities through its partnership with the Singapore Institute of Management. Overall, the diverse benefits offering has attracted new talent and enabled individuals to grow their careers.

Both HR practitioners and business owners said increasing employee satisfaction and retention is among the top three important factors, but this was higher among HR (62%) than business owners (35%). This is likely because employee engagement and talent management are more of a priority from an HR point of view.

Case study

Global advertising and public relations company Publicis Groupe has focused on creating inclusive policies that genuinely serve its people's needs. Employees are involved in the process of crafting new benefits, to build a deep understanding of the challenges and preferences of different workforce groups. Based on an extensive review of employee demographics and feedback from individuals regarding their circumstances, the company has incorporated a personalised approach through extra leave entitlements for staff seeking fertility treatments. Publicis also goes beyond compliance with labour regulations when it comes to parental leave, offering a flexible approach that keeps pace with changing employee needs as they move through different stages in their lives. The company's approach provides for a wide range of family structures, including those with elderly family members. Ensuring transparency and open, two-way dialogue with staff is a key priority for Publicis to effectively communicate employee benefits. The HR team runs campaigns to boost engagement with policy changes, as well as encouraging employee feedback through various channels and equipping managers with the know-how to support their team members.

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Which benefits are organisations currently providing?

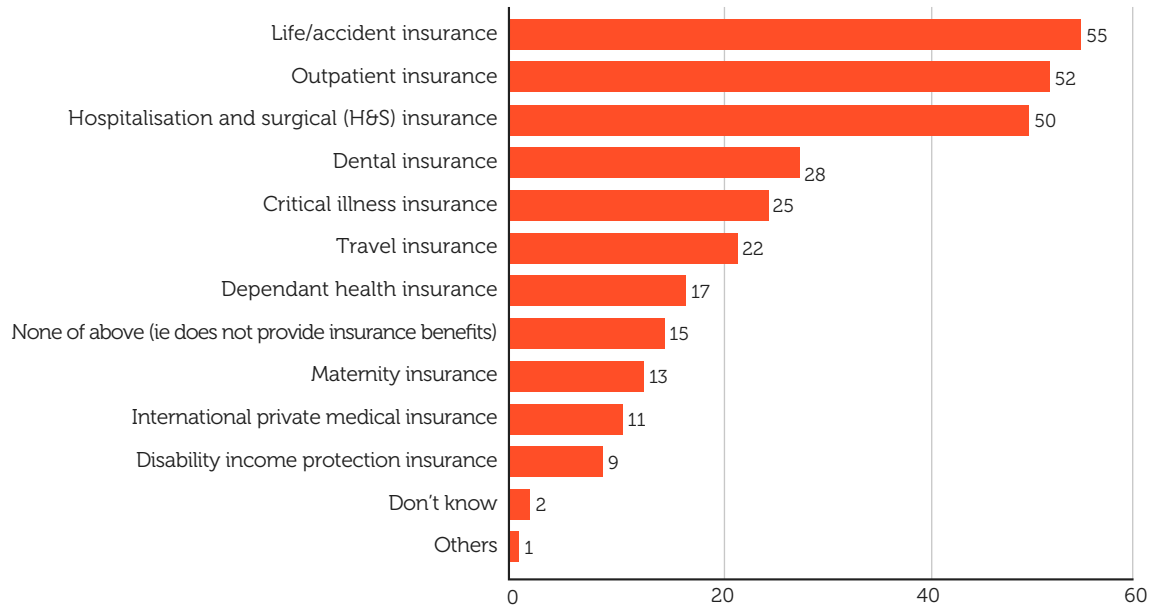
85% of companies provide some form of insurance benefit

Life/accident insurance is the most commonly provided insurance benefit, with more than half of respondents reporting this (55%) (see Figure 3). Despite the increasing incidence of critical illness (particularly cancers and lifestyle diseases), critical illness insurance is only provided by a quarter of employers (25%). Health insurance cover for employees' dependants also represents a significant gap, with less than a fifth currently providing it (17%). Comments from the survey respondents highlighted other approaches to insurance benefits:

"All these benefits have a financial limit which is the same across all levels of employees."

"No 'insurances' – we have universal health care."

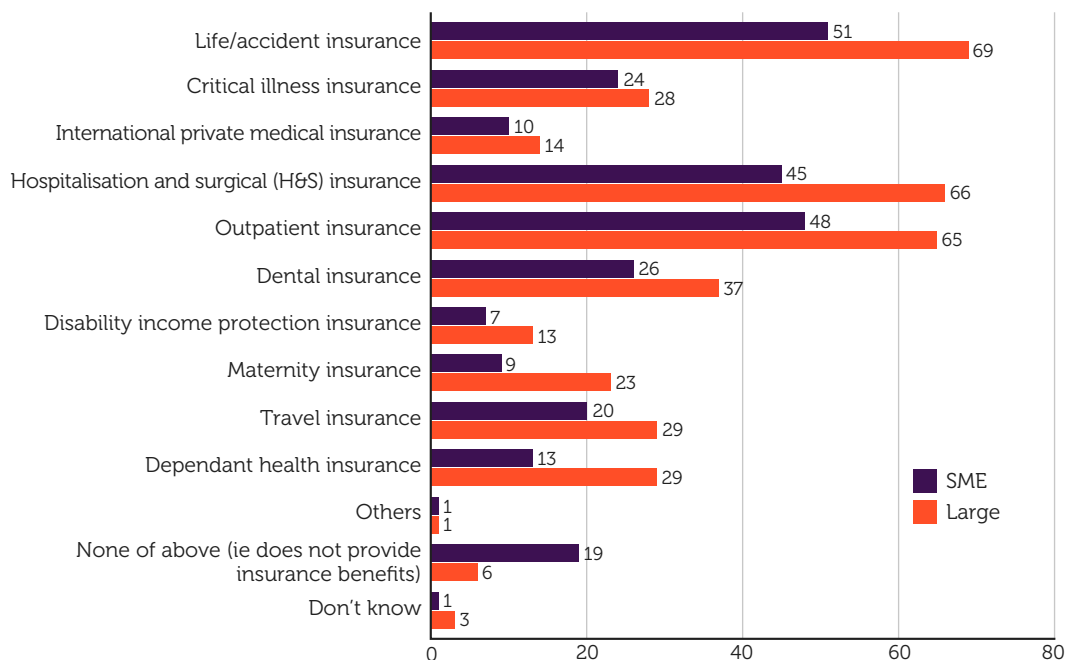
Figure 3: Which of the following insurance benefits does your organisation currently provide to employees? (please select all that apply) (%)



Base: n=409.

As shown in Figure 4, small organisations (with 200 employees or fewer) were more likely to say they do not provide any of the insurance benefits (19%), compared with larger organisations (with 201 or more employees) (6%). SMEs tend to have more limited benefits packages and resources to manage them – particularly the smallest companies, which often do not have any HR staff. In particular, respondents from SMEs were less likely to say they provide life/accident insurance (51%) or hospitalisation and surgical insurance (45%) compared with those from large organisations (69% and 66% respectively).

Figure 4: Insurance benefits currently provided to employees, according to organisation size (%)

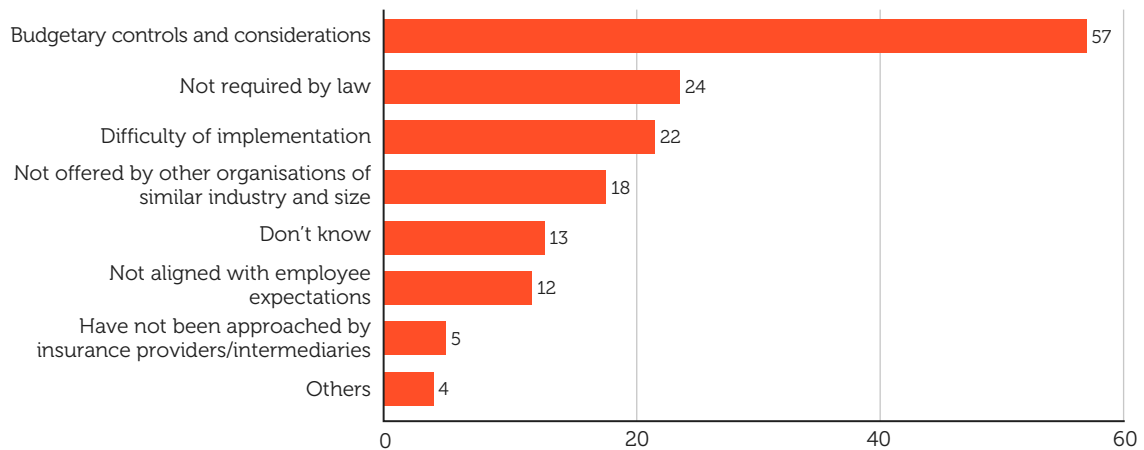


Base: SMEs: n=301; large organisations: n=100; don't know: n=8.

Barriers to offering insurance benefits

Among organisations that do not currently provide insurance benefits, the main barrier is budgetary controls and considerations (57%). Previous studies have indicated that the increasing costs of benefits plans was a key challenge for many APAC employers, with medical inflation and rising premium costs being a main concern since the pandemic.

Figure 5: What are the current barriers to your organisation offering insurance benefits? (please select all that apply) (%)

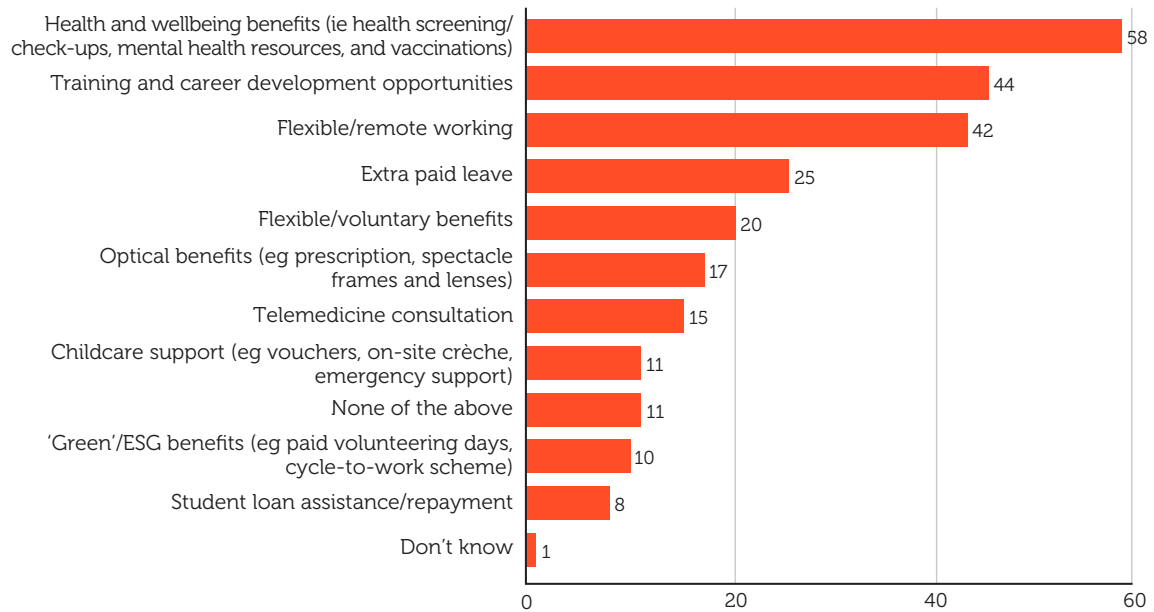


Base: n=100.

Three in five employers are providing health and wellbeing benefits

Looking at which non-insurance benefits are currently provided, Figure 6 shows the majority of organisations are focusing on health and wellbeing benefits (including health screening/check-ups, mental health resources such as employee assistance programmes, and vaccinations) (58%). This mirrors our earlier finding that employee wellbeing is among the most important factors when designing the benefits offering, as highlighted by respondents. With the shift towards more empathic leadership styles as a result of the pandemic, demonstrating genuine care towards employees has become an organisational priority. Other research has shown that HR professionals are taking a more holistic approach to wellness to support staff and their families, encompassing mental health programmes, childcare benefits and financial wellbeing.

Figure 6: Which of the following other employee benefits does your organisation currently provide? (please select all that apply) (%)



Over two-fifths of respondents said they are providing training and career development opportunities (44%) and flexible/remote working (42%). This suggests that amid the talent retention issues experienced by many employers, people professionals in some organisations are focusing on longer-term investments in their staff while providing the work flexibility that employees are demanding, to improve the EVP. The CIPD's *2023 People Profession survey* similarly found that skills development was the main workforce priority among practitioners in APAC. Flexible and remote working can also help reduce costs for workers, such as commuting or child/eldercare costs.

Case study

As part of a work–life integration initiative at [Deloitte Singapore](#), the HR team introduced an extended sabbatical policy. One member of staff took 12 months off to care for a family member, since he had previously used his paid leave allowance to compete in a triathlon. Similarly in Australia, the organisation integrated a programme that enables employees to take three months' unpaid leave for studies, travel, or time out from work.

Respondents working in SMEs are less likely to say they provide health and wellbeing benefits (51%) and training/career development opportunities (39%) compared with those in larger organisations (81% and 60% respectively). Aside from limited staff and financial resources, smaller employers may have less capacity to consider wellbeing or skills development programmes due to current supply chain and business continuity pressures. Other research has shown that lack of awareness among small employers of wellness programmes and their benefits is a barrier.⁹

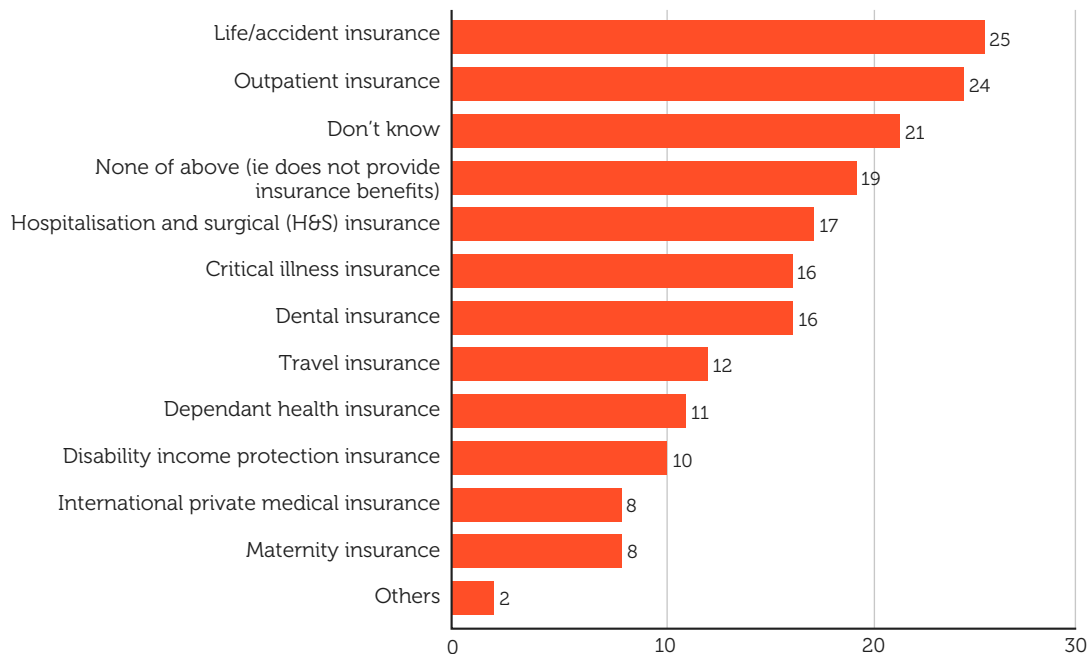
8

Which benefits are organisations focusing on for the future?

The majority of employers are looking to add or enhance some insurance benefits in the next two years

Figure 7 shows the insurance benefits that organisations are most commonly focusing on for improvement in the future are life/accident (25%) and outpatient insurance (including outpatient clinical and specialist insurance) (24%). A fifth of respondents said 'none of the above' (ie does not provide insurance benefits) (19%) or 'don't know' (21%). Developing a benefits strategy can be part of good governance practice, to optimise the offering for staff and reduce costs.¹⁰ While our data suggests some employers do not have a clear future strategy in place, it does also show that 60% are seeking to revise at least some of their insurance benefits in the next two years. Previous research similarly indicated that most organisations in Asia were reviewing or changing their benefits package last year, with medical benefits being among the top three benefits under consideration. This could be because they are trying to catch up with what their competitors are offering, or trying to get ahead of competitors.

Figure 7: Which of the following insurance benefits is your organisation looking to add or enhance in the next two years? (please select all that apply) (%)



Base: n=409.

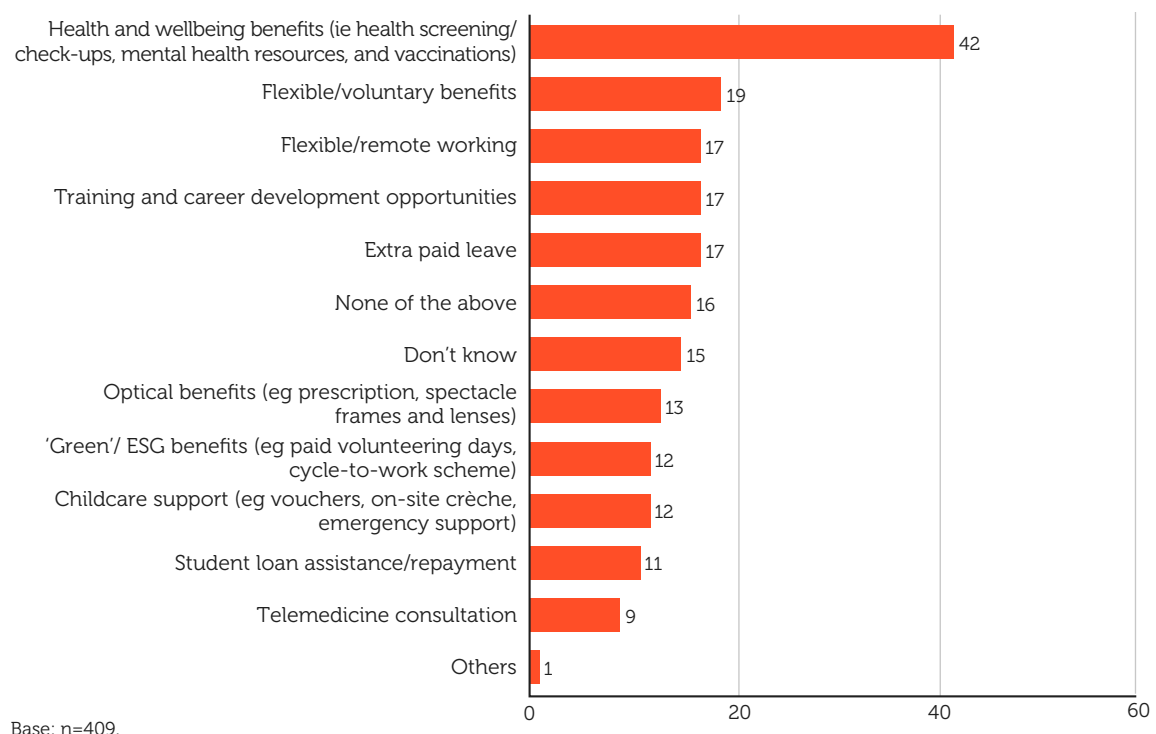
Case study

A Singapore-based aerospace company launched a scheme to support their employees' financial awareness, as an important aspect of supporting overall wellbeing during a cost-of-living crisis. They recognised that their employees have changing needs throughout different life stages and it is important to provide support throughout those stages. The programmes included lunchtime talks from financial advisers on topics such as retirement planning and medical insurance options. The company had recognised that retirement planning was lacking within particular segments of the workforce, leading to issues experienced by employees with their financial decision-making. To ensure sustainable impact of the programme, the HR team embedded retirement planning within the Corporate Learning Roadmap. They also highlighted the need to tailor initiatives to the evolving landscape, such as policy changes.

Health and wellbeing benefits are being prioritised

Two-fifths of employers are planning to add or improve their health and wellbeing benefits in the future (42%). Flexible/voluntary benefits were the second most commonly cited, with 19% of respondents saying this type of offering is up for review in the next two years (see Figure 8). This indicates that many organisations want to expand their core workplace benefits programme beyond traditional financial benefits, to help staff address physical, emotional and social needs as part of enhancing their overall wellbeing. There could also be a demographic consideration for this strategy: given the ageing workforce in APAC, employers need to provide benefits to help people stay fit and healthy for as long as possible.

Figure 8: Which of the following other employee benefits is your organisation looking to add or enhance in the next two years? (please select all that apply) (%)



Other studies have similarly shown that flexible benefits are among the main ones companies are considering to review in future. This indicates that providing staff with the autonomy to select benefits that suit their needs has become a key priority for APAC employers. This allows the organisation to account for differing expectations among the diversity of workers in the region, which has a rapidly growing younger generation.¹¹ Mercer's study also found that 27% of APAC companies were implementing flexible benefits plans to mitigate rising medical costs. Integrating more tools and services to help people customise their benefits options therefore helps organisations to stand out and enhance employee engagement, while enabling better financial control.¹² Although flexible benefits can reduce the cost and risk to the organisation, they can also increase them for the employees. Therefore, if companies are going to give people the freedom to make choices, they should be prepared to explain the potential consequences of those choices.

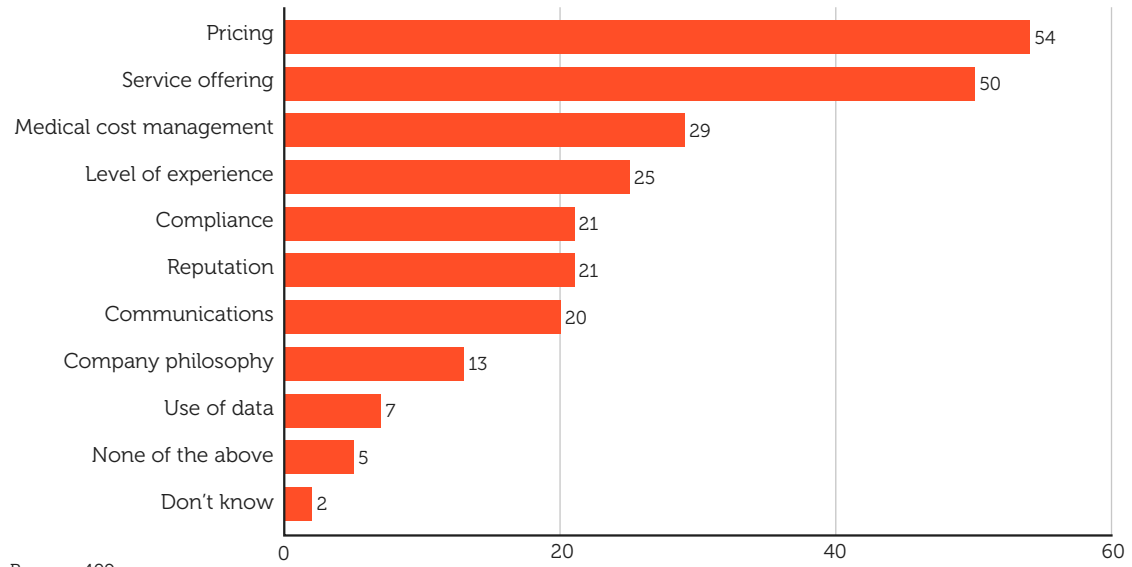
Case study

Following the pandemic, Alibaba revised its leave package to allow staff extra paid time off to attend family reunions, as well as for new parents and employees who have worked at the company for over 10 years. This aligns with their company values: "Work is for now, but life is forever. We want our employees to treat life seriously when they work and enjoy work as one enjoys life. We respect the work-life balance decisions of every individual."

What are employers' attitudes towards benefits providers?

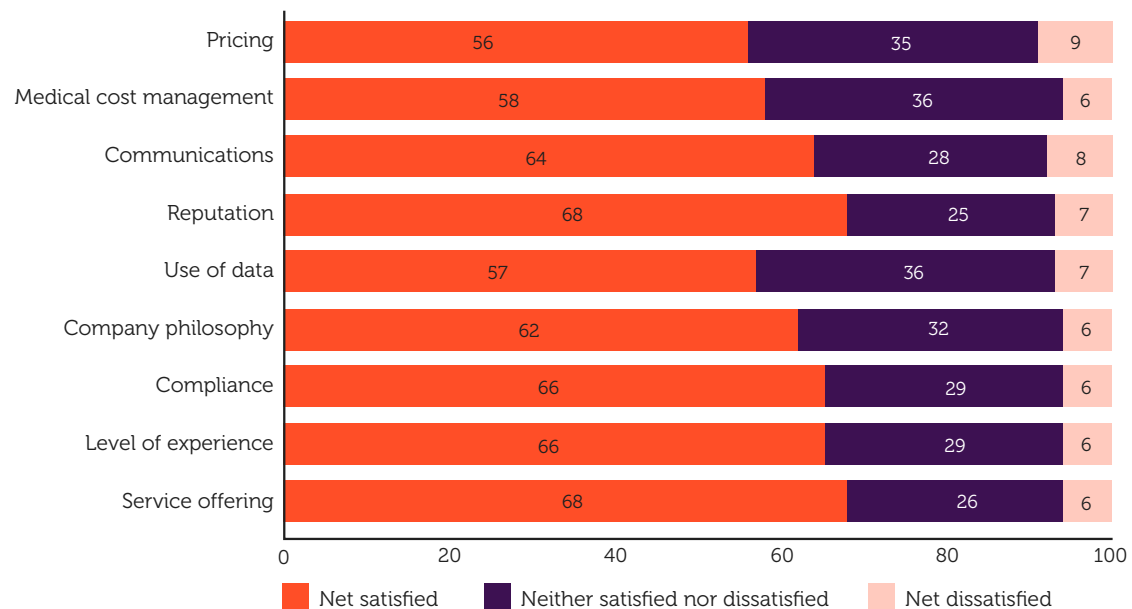
In the climate of higher cost-consciousness, employers are taking stronger action to manage their benefits budgets. The survey respondents indicated that their top three considerations when selecting a benefits provider are pricing (54%), service offering (50%), and medical cost management (29%) (see Figure 9). This reflects findings that the majority of APAC employers have been focusing on improving contract terms with their vendors, and seeking additional funding for benefits programmes (through risk financing arrangements and increasing the employee share of cost). In our survey, HR practitioners were more likely to say that service offering was a main consideration (57%), compared with business owners who said this (37%). This may be due to HR usually being the main point of contact with providers, therefore the quality of the service is more important to them. Service quality differs in terms of the level of service that's given to HR (such as data, answering queries, etc), and the service that employees receive. If employees feel the service offering is poor, the money being spent on the benefit may be wasted.

Figure 9: What are your organisation's main considerations when selecting an employee benefits provider? (please select at most three options) (%)



Looking at levels of satisfaction with current benefits providers, Figure 10 shows the factors that respondents were overall most likely to say they are satisfied with are reputation (68%) and service offering (68%).

Figure 10: Thinking about your current employee benefits provider, how satisfied or dissatisfied are you with each of the following? (%)



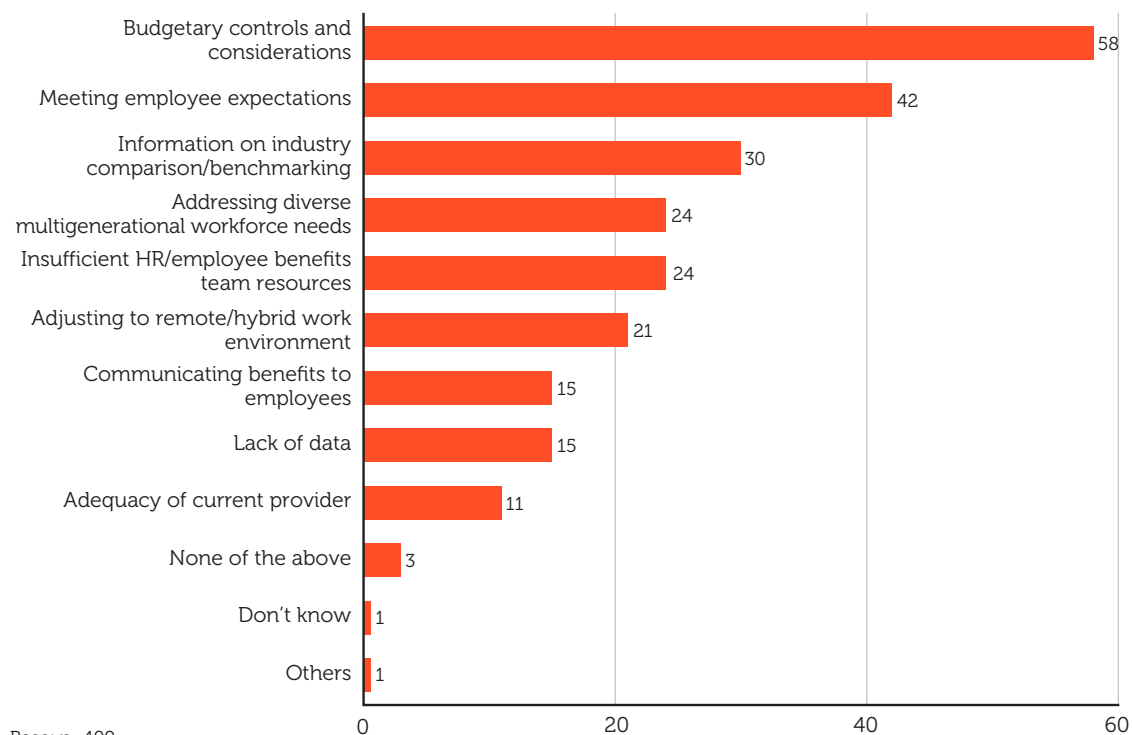
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What challenges are being faced in designing the benefits programme?

Cost considerations are a challenge for the majority

The top three current challenges highlighted by respondents are budgetary controls and considerations (58%), meeting employee expectations (42%), and information on industry comparison/benchmarking (30%) (see Figure 11). With an increasingly diverse workforce, offering benefits that meet individual employee preferences is a priority to attract and retain talent. Creating these solutions within financial constraints is a significant tension being experienced by people teams in APAC, as indicated in the CIPD's *HR talent trends report*. Comments from survey respondents on other challenges faced included the ageing workforce, measuring the needs of workforce groups, and providing region-specific benefits.

Figure 11: What are the main challenges your organisation is currently facing in designing the employee benefits offering? (please select at most three options) (%)



To design affordable programmes appropriate for various employee groups, companies should ensure they involve staff in conversations when designing benefits. Effective communication about benefits across multiple channels that employees can easily access is also important, to help individuals understand what is available to them and increase engagement.¹⁵ In the survey, communicating benefits

to employees was only cited as a challenge by 15% of respondents. Employers are unlikely to know they're facing a challenge unless they regularly check that employees know what benefits are on offer and why they are provided.

While three in 10 respondents said information on industry comparison/benchmarking is a current challenge, our earlier finding showed only 11% highlighted applying data insights to make informed decisions as an important factor in designing their benefits offering. Even though the survey results suggest benchmarking data may be difficult for employers to access or use, measuring the impact of their own benefits offering is advisable. Organisations can implement metrics to assess the effectiveness of current programmes and understand how they compare with others in the market. Previous studies have shown that APAC employers are looking to analyse their insurance claims and usage data to understand cost drivers, while forecasting future risks. This highlights the role of HR or rewards advisers to make the business case for investing in HR information systems and skills in data analytics, so that the people team can evaluate the return on investment of the benefits spend – both in terms of HR and business measures.

SME key findings

- More than two in five SME respondents highlighted competition for talent as the trend having the greatest impact on their benefits approach (45%).
- Increasing employee satisfaction and retention is the top important factor in designing the benefits programme, with half citing this (49%). Applying data insights to make informed decisions is the least important factor (9%).
- Half of SMEs are currently providing health and wellbeing benefits (51%), while two-fifths offer training and career development opportunities (39%).
- 65% plan to add or enhance at least some of their insurance benefits in the next two years. Only 16% of SMEs said they don't know which they are considering for review.
- Nearly half are planning to review health and wellbeing benefits (47%).
- The majority said budgetary controls and considerations are the main challenge their organisation is currently facing in designing the benefits programme (58%). Similarly to the overall sample, a quarter of SMEs mentioned insufficient HR/employee benefits team resources as a key challenge (26%).

10

Hong Kong findings

Context

Like most organisations in the APAC region, as the Hong Kong economy recovers from the pandemic, employers continue to face pressures to retain talent while business costs are rising. As employee expectations shift and demands for broader benefits offerings grow, companies are recognising the urgent need to deliver more efficient programmes and keep up with others in the market to remain competitive. Changing employment relationships, industrial change and organisational agility, and the hybrid work environment were factors highlighted in the CIPD's 2023 research as mainly impacting Hong Kong organisations. Managing talent also emerged as a core focus for the country's people professionals to address business and operational risks.

Trends impacting organisations' approach to employee benefits

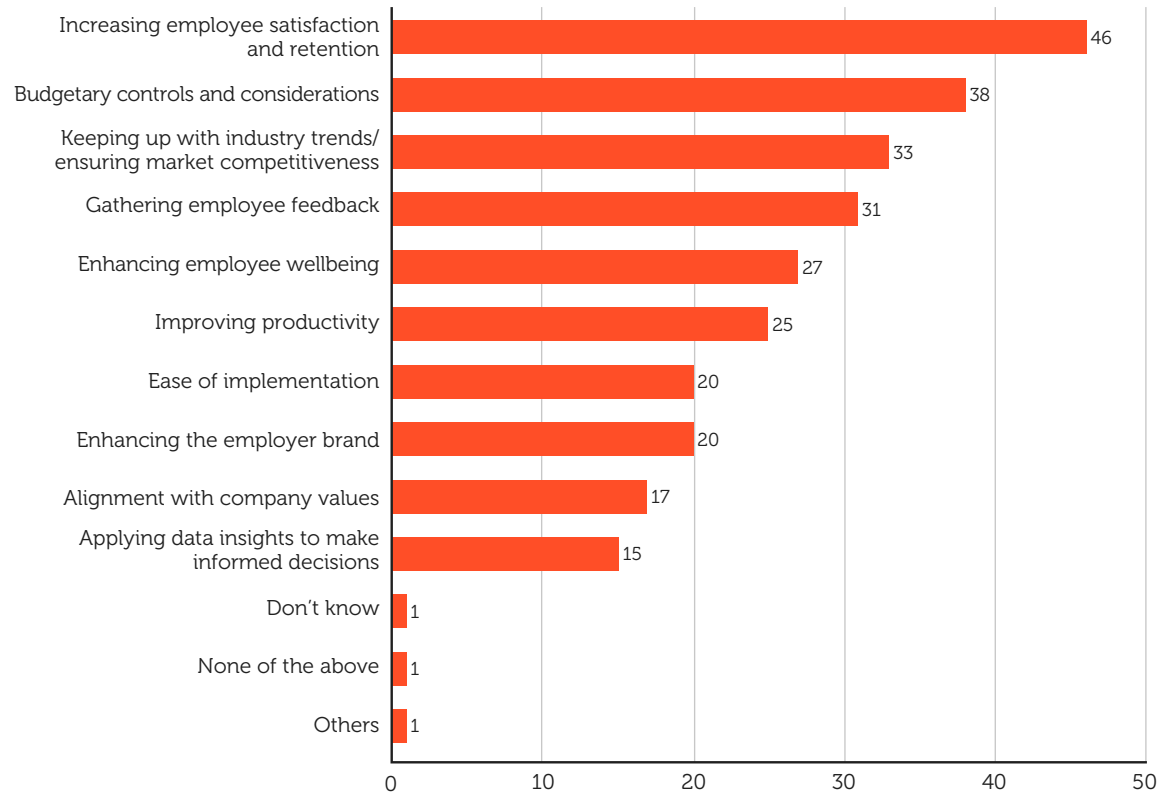
Similarly to the international sample, competition for talent is the top trend in Hong Kong (46%), followed by digital transformation (43%). Sustainability was highlighted by a third of respondents (34%) as the third most commonly cited trend, which mirrors the CIPD's 2023 report finding that demand for responsible business and social impact was among the main drivers of change in Hong Kong companies.

In both Hong Kong and Singapore, digital transformation (43% and 30% respectively) and competition for talent (46% and 48% respectively) were among the top three trends. Hong Kong respondents highlighted sustainability as one of the top three trends (34%), whereas hybrid working was among the top three in Singapore (39%).

Important factors in designing the benefits offering

As Figure 12 shows, increasing employee satisfaction and retention is top of mind for Hong Kong employers, as for those across all the countries sampled. More than two in five said this was an important factor when designing their benefits programmes (46%). Achieving this within financial constraints is a key concern, with 38% highlighting budget as one of the most important considerations.

Figure 12: Which of the following factors are important when designing the employee benefits offering in your organisation? (please select at most three options) (%)



Base: n=162.

Keeping up with industry trends/ensuring market competitiveness is among the top three most important factors, with a third of respondents citing this (33%). Nearly a third said gathering employee feedback is important (31%).

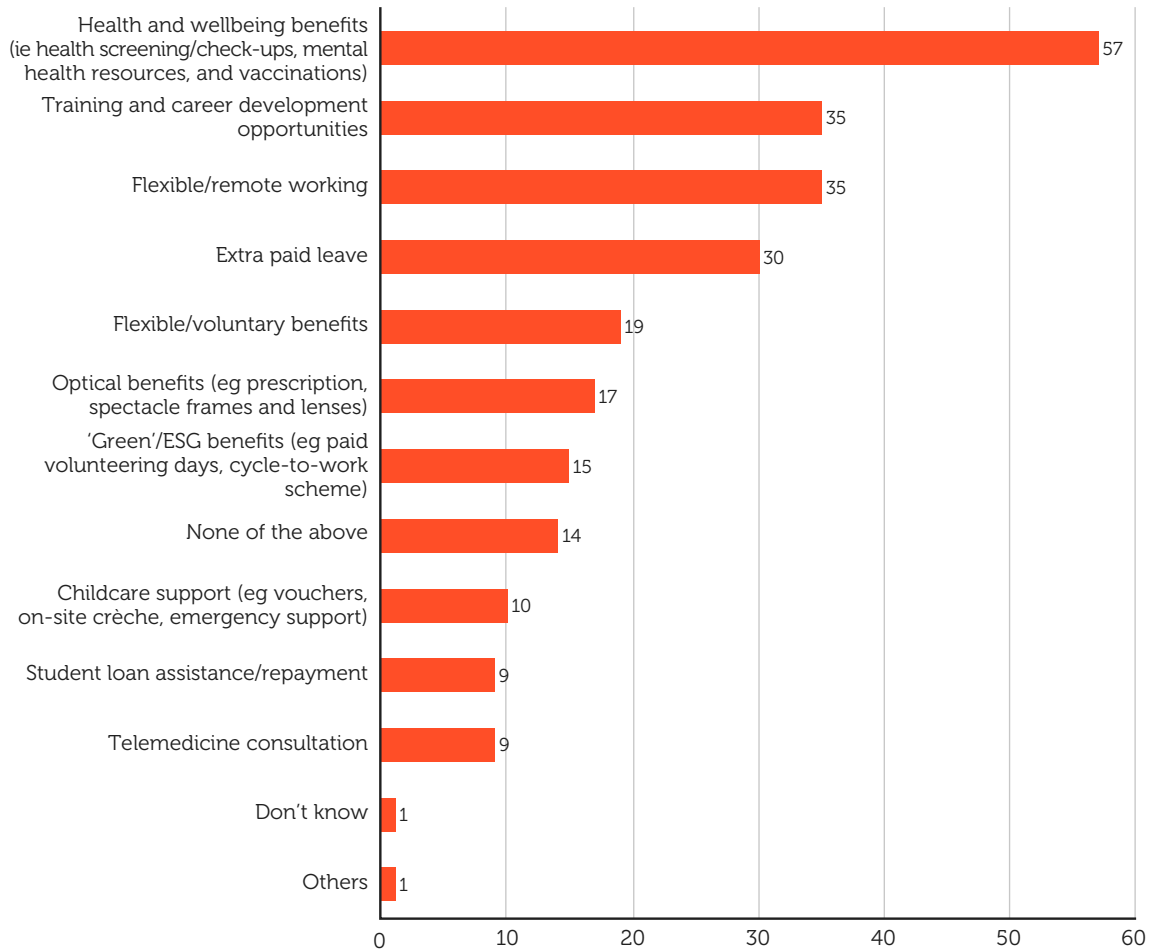
In both Hong Kong and Singapore, respondents said increasing employee satisfaction and retention is the most important factor (46% and 47% respectively) and that budgetary controls and considerations are the second most important factor (38% and 36% respectively).

Benefits currently being provided

Over three in five Hong Kong employers currently offer outpatient insurance (63%) (versus only 52% across all countries).

Similarly to the international sample, health and wellbeing benefits are the most commonly provided among the non-insurance offerings (57%), but only 9% of Hong Kong employers are currently offering telemedicine consultation (see Figure 13). Just over a third are providing training and career development opportunities (35%) or flexible/remote working (35%).

Figure 13: Which of the following other employee benefits does your organisation currently provide? (please select all that apply) (%)

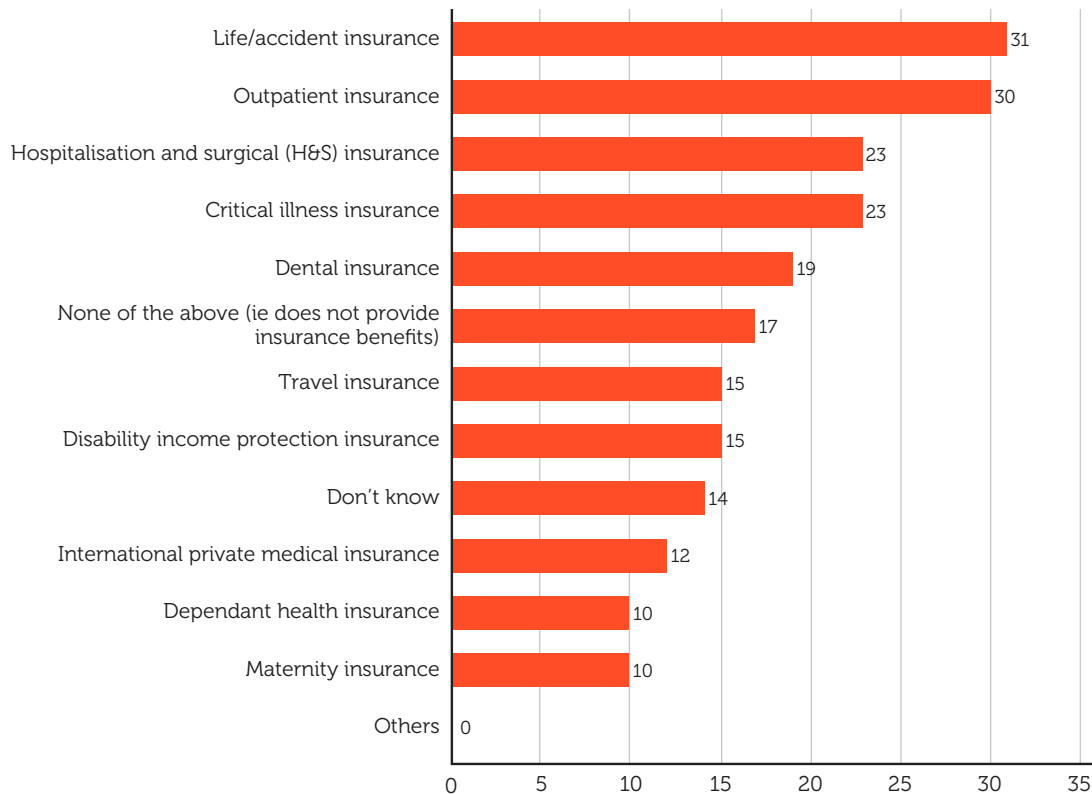


Base: n=162.

Future benefit priorities

Figure 14 shows that, overall, the vast majority of companies are looking to add or enhance at least some of their insurance benefits in the next two years (69%). This is a significantly higher proportion than the Hong Kong employers in a [2022 report](#), who said risk and insurance benefits were a priority (43%). Nearly a quarter of companies in Hong Kong plan to add or enhance critical illness insurance in the next two years (23%). The same proportion are also looking at hospitalisation and surgical insurance as a future priority (23%), while three in 10 highlighted life/accident insurance (31%).

Figure 14: Which of the following insurance benefits is your organisation looking to add or enhance in the next two years? (please select all that apply) (%)



Base: n=162.

In terms of non-insurance benefits, more than half of employers in Hong Kong plan to review their health and wellbeing benefits (52%), and a quarter are looking to add or improve flexible/voluntary benefits (25%). This aligns with [previous research](#) showing that provision of health benefits and improving employee wellbeing are priorities for Hong Kong companies as they seek to expand their benefits package.

Nearly a fifth of respondents said student loan assistance/repayment is a non-insurance benefit being targeted to add or enhance in future (18%). This is perhaps higher than expected, given that students in Hong Kong tend to rely on family sponsorship for further studies, rather than a student loan.

Attitudes towards benefits providers

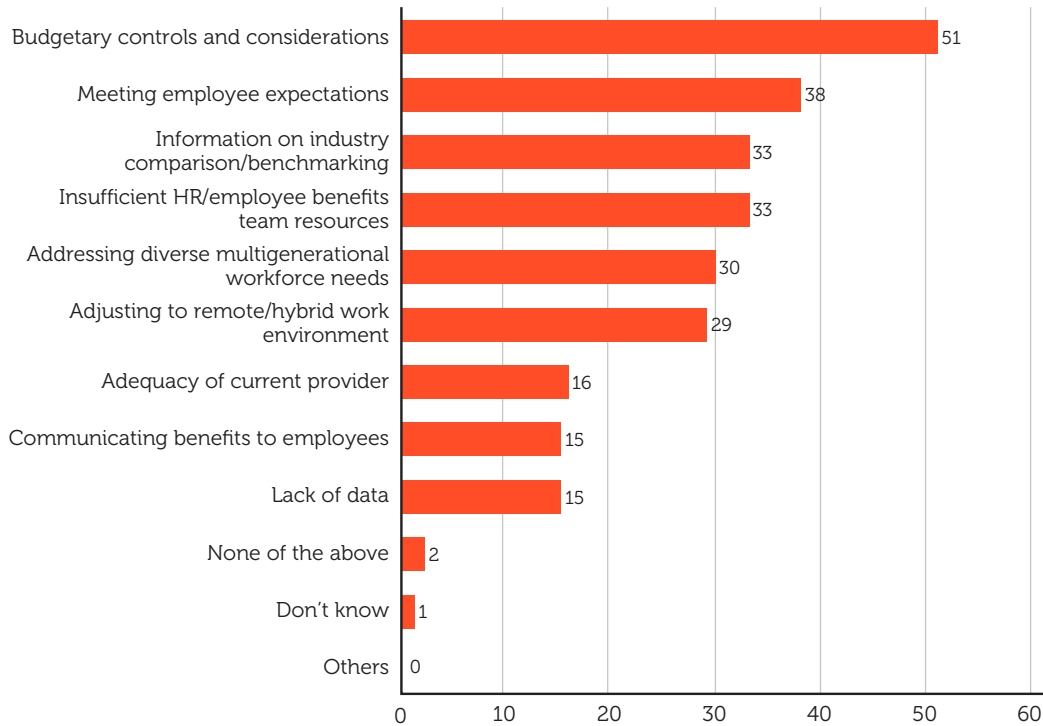
Three in 10 said communications is a primary consideration for selecting an employee benefits provider (29%), compared with only 20% of the international sample who said this.

Overall, Hong Kong respondents are most satisfied with their current provider's service offering (72%) and communications (71%). Pricing is among the factors they are least likely to be satisfied with (59%).

Challenges currently faced

Insufficient HR/employee benefits team resources is among the top three challenges faced in designing the benefits offering, with a third of Hong Kong respondents citing this (33%) (see Figure 15). The CIPD's [previous APAC report](#) identified that burnout within HR teams has become a prevalent issue since the pandemic, often due to a lack of resources and pressure to 'do more with less'.

Figure 15: What are the main challenges your organisation is currently facing in designing the employee benefits offering? (please select at most three options) (%)

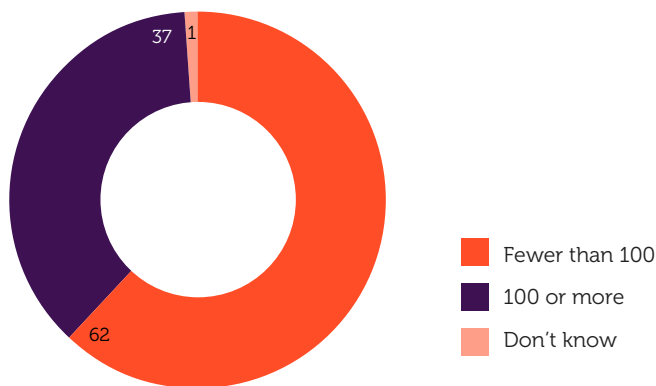


Base: n=162.

11

Hong Kong sample demographics

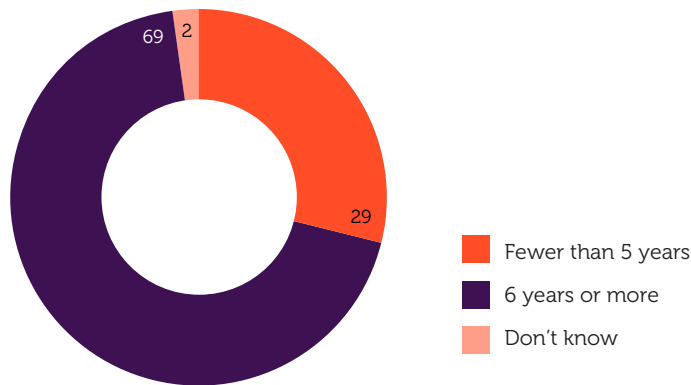
Figure 16: Organisation size (%)



Base: n=162.

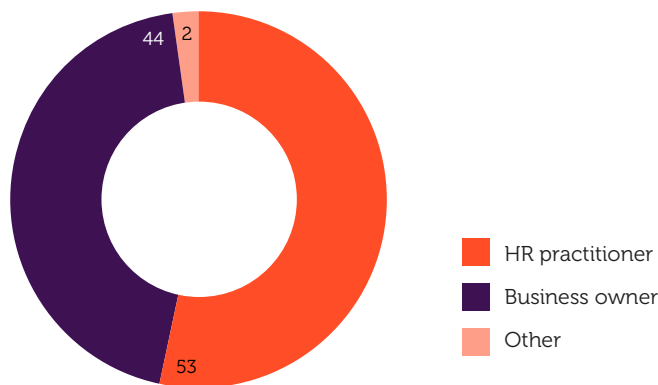
Question: How many people does your organisation currently employ?

Figure 17: Number of years organisation has been in operation (%)



Base: n=162.
Question: For how many years has your organisation been in operation?

Figure 18: Job role (%)



Base: n=162.
Question: Which of the following best describes your working role?

12

Singapore findings

Context

The Singapore Government has recently implemented [legislative changes](#) to improve protection for workers, such as an increase in pension contribution rates to help older workers prepare for retirement, enhanced mandatory medical insurance coverage for foreign workers, and a recommended increase in government-paid paternity leave. In this context, organisations are likely to be facing a greater financial burden to support their workforce. The [CIPD's 2023 research](#) found that the impact of digital change on HR operations has been particularly influential in Singapore, while the city-state's people professionals have experienced stronger challenges around HR delivery in the hybrid work environment, compared with those in other regions.

Trends impacting organisations' approach to employee benefits

Similarly to the international sample, nearly half of Singapore respondents said competition for talent is having the biggest impact (48%), and two-fifths mentioned

hybrid working (39%). Digital transformation is the third most commonly cited trend (30%). Other recent studies have shown that enhancing the employee experience through digital platforms is a key future priority among Singapore employers,¹⁴ and that the prevalence of flexible working arrangements significantly increased to 72% in 2023.¹⁵ The CIPD's *People Profession 2023* survey also found that digital technology and demands for flexible, hybrid and new ways of working were among the top drivers of change in Singapore.

In both Hong Kong and Singapore, digital transformation (43% and 30% respectively) and competition for talent (46% and 48% respectively) were among the top three trends. Hong Kong respondents highlighted sustainability as one of the top three trends (34%), whereas hybrid working was among the top three in Singapore (39%).

Important factors in designing the benefits offering

Similarly to the international sample, the most important factor for Singapore respondents is increasing employee satisfaction and retention, with nearly half citing this (47%). Other research has suggested that there are gaps between employee preferences and the benefits being delivered by organisations in Singapore, which points to the need to understand staff wants and motivations. However, only a fifth of our Singapore respondents said getting employee feedback is a priority (22%).

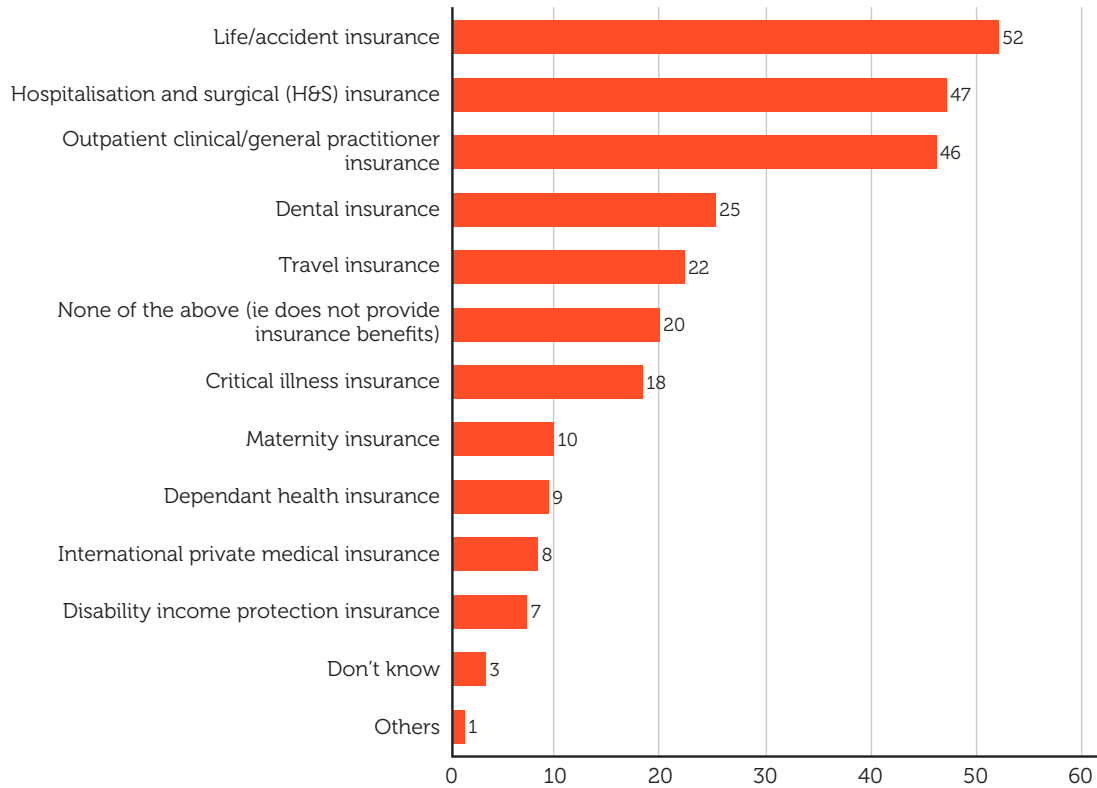
Improving productivity is among the top three most important factors for benefits design (equal to budgetary controls and considerations), with more than a third of Singapore respondents highlighting this (36%).

In both Hong Kong and Singapore, respondents said increasing employee satisfaction and retention is the most important factor (47% and 46% respectively) and that budgetary controls and considerations is the second most important factor (36% and 38% respectively).

Benefits currently being provided

Similarly to the international data, the most common insurance benefits currently offered to staff in Singapore are life/accident (52%), hospitalisation and surgical (47%), and outpatient insurance (46%), indicating that health insurance is a priority for employers (see Figure 19). A previous survey by Prudential found that nine in 10 Singapore employees expected healthcare coverage from their organisation. Meanwhile, our survey found that only 9% of employers in Singapore said they currently provide health insurance for employees' dependants.

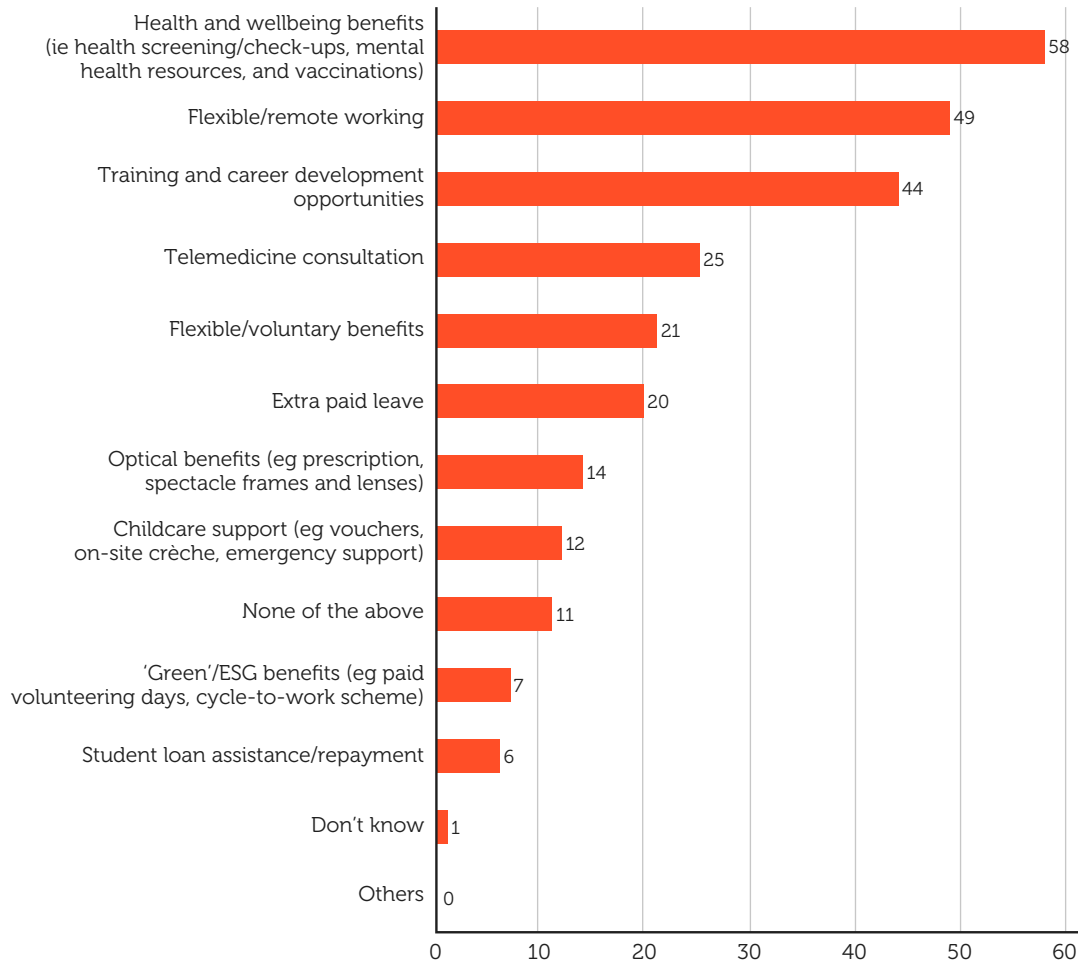
Figure 19: Which of the following insurance benefits does your organisation currently provide to employees? (please select all that apply) (%)



Base: n=157.

According to Figure 20, health and wellbeing benefits are the most common type of non-insurance benefit currently provided by Singapore employers, with nearly three in five citing this (58%). Flexible/remote working is being provided by half of respondents (49%), which reflects our earlier finding that hybrid work is among the top trends impacting the benefits landscape in the country. Other research has indicated that flexible work is the benefit most desired by Singapore employees, which is encouraging companies to focus on providing flexible or hybrid work options to improve talent attraction and retention.

Figure 20: Which of the following other employee benefits does your organisation currently provide? (please select all that apply) (%)



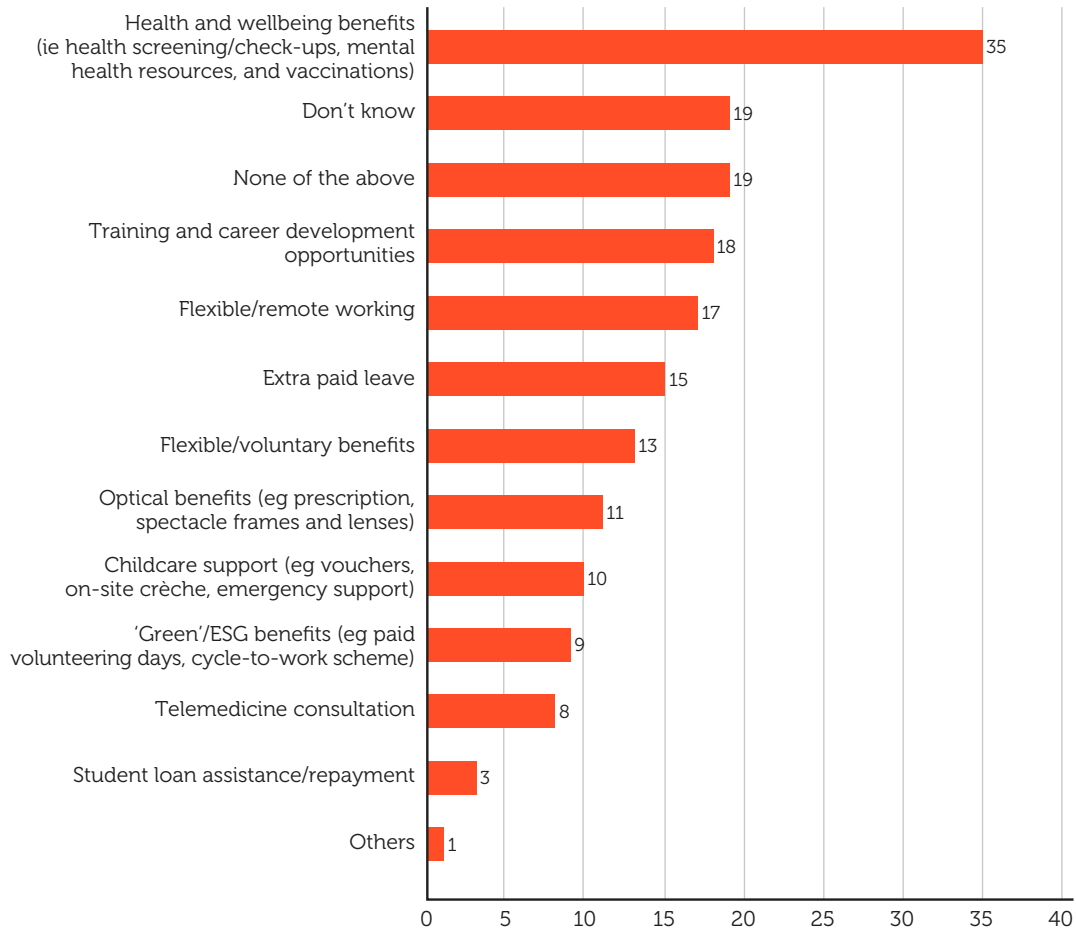
Only 14% said they currently provide optical benefits, despite there being a strong need for optical care due to Singapore reportedly having one of the highest short-sightedness rates in the world.¹⁶

Future benefit priorities

In Singapore, only 8% of employers plan to add or improve dental insurance. A quarter said they don't plan to look at any of the insurance benefits in the next two years or that they don't provide any (25%), and a quarter said they don't know (25%).

In terms of non-insurance benefits being focused on for future development, more than a third of companies highlighted health and wellbeing benefits (35%) (see Figure 21). Training and career development opportunities are among the top three, with a fifth of respondents citing this (18%).

Figure 21: Which of the following other employee benefits is your organisation looking to add or enhance in the next two years? (please select all that apply) (%)



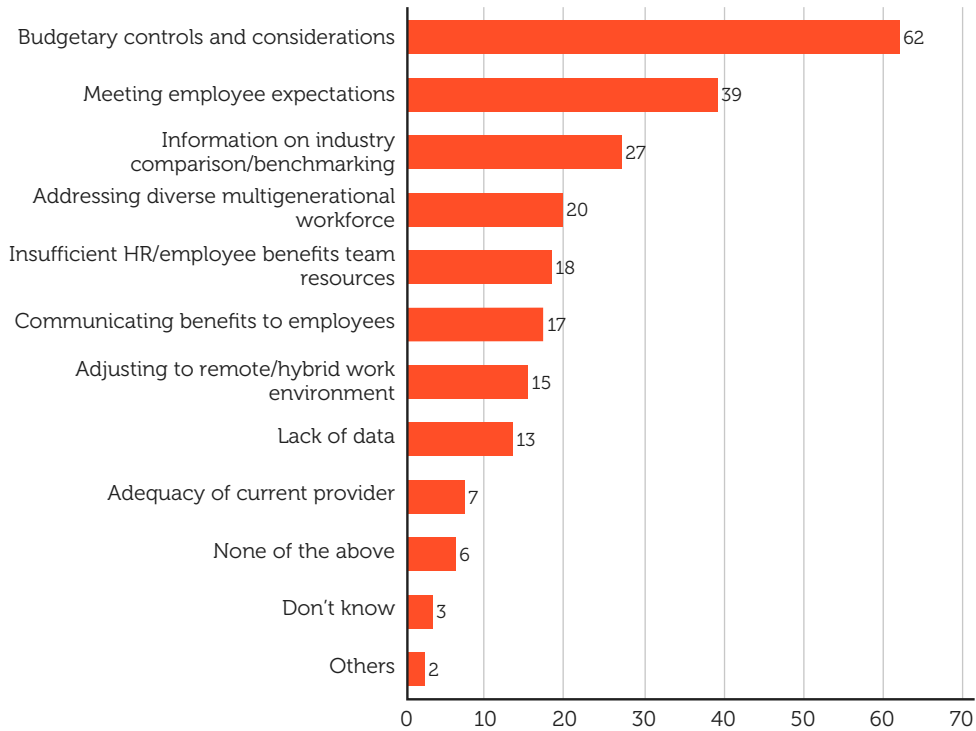
Attitudes towards benefits providers

Overall, Singapore employers are most likely to feel satisfied with their current provider’s compliance (66%) and reputation (64%).

Challenges currently faced

As with the international sample, the majority of Singapore employers said budgetary controls and considerations was a main challenge they are currently facing in designing the benefits offering (62%) (see Figure 22). Meeting employee expectations is the second top challenge, with two-fifths citing this (39%).

Figure 22: What are the main challenges your organisation is currently facing in designing the employee benefits offering? (please select at most three options) (%)

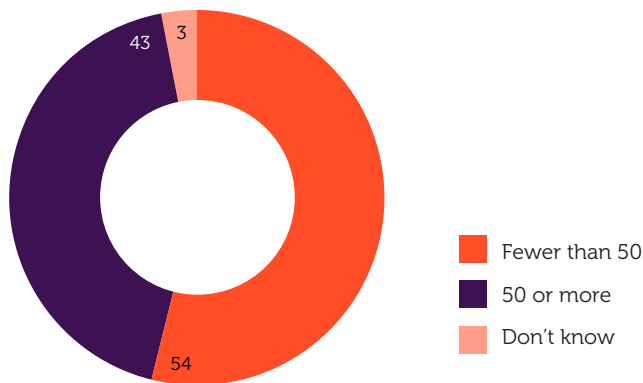


Base: n=157.

13

Singapore sample demographics

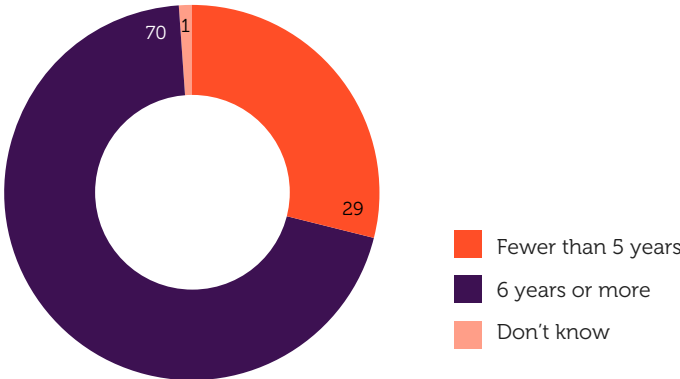
Figure 23: Organisation size (%)



Base: n=157.

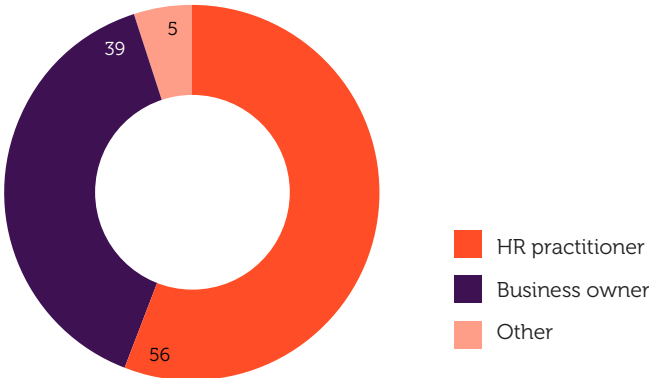
Question: How many people does your organisation currently employ?

Figure 24: Number of years organisation has been in operation (%)



Base: n=157.
Question: For how many years has your organisation been in operation?

Figure 25: Job role (%)



Base: n=157.
Question: Which of the following best describes your working role?

14

Conclusion

In the climate of high demand for talent, organisations are focusing on investing in their people through a holistic approach to strengthen the employee experience. Workforce benefits programmes are a key means by which employers can differentiate themselves to compete for and retain talent.

Looking beyond traditional employee benefits such as insurance, employers in Asia are prioritising wellbeing and flexibility as part of their rewards programmes. Tailoring benefits offerings to the changing preferences of diverse workforce segments is a particular need and challenge faced by organisations. Below we outline some key findings and recommendations based on our research.

- **Meeting employee expectations to attract and retain talent is one of the main concerns** of organisations as they develop their workforce benefits offering. To address this, employers should focus on truly understanding their people's individual needs through various employee listening channels. This will help them tailor benefits to the preferences of different workforce groups, and get the most value from the programmes.
- **Workforce benefits promoting wellbeing (including financial wellbeing) and career development are key priorities** for employers, as part of a broader and longer-term approach to strengthen the EVP. Organisations must take into account the shifting landscape and align their benefits provisions accordingly, such as distinct employee needs depending on their life stage or circumstances, as well as market or regulatory changes.
- **Cost pressures can make it more difficult to create diverse benefit options for different employee needs.** Budgetary constraints are likely to be a particular challenge in the current economic climate. Employers can find creative ways to provide cost-efficient benefits, focusing on what is valued by staff and what is positively impacting engagement and retention. Providing alternative working arrangements as well as flexible or voluntary benefits programmes are key ways of putting employee needs at the heart of the benefits approach.
- **Technology is opening up new opportunities to enhance workforce benefits and boost employee engagement.** Digital platforms can be leveraged to gather employee feedback, measure the effectiveness of current benefits, and provide data to benchmark against other organisations in the industry.

15 Methodology

The data was collected via online survey between 9 October and 12 December 2023. The survey was sent out to the databases of CIPD Asia (including CIPD members and non-members), AIA, and the Hong Kong Institute of Human Resource Management. The CIPD commissioned YouGov to collect additional data from 200 HR practitioners and SME business owners in Hong Kong and Singapore, to boost the sample. The survey was translated into traditional Chinese for Hong Kong respondents to ensure the questions were accessible and correctly interpreted. The data analysis was conducted by the CIPD. We surveyed a total of 409 professionals; the sample sizes for each country are shown in Table 1.

Table 1: Sample sizes of the countries surveyed in this report

In which country/region is your work mainly based?	N
Angola	1
Asia	2
Australia	3
Brunei	2
Cambodia	1
China	1
Hong Kong	162
India	3
Japan	1
Macau	1
Malaysia	32
Myanmar	2
New Zealand	3
Pakistan	8
Philippines	12
Philippines, Singapore, Vietnam, Thailand, Hong Kong, India, Indonesia	1
Singapore	157
Slovakia	1
Sri Lanka	9
Thailand	3
UAE	1
United Kingdom	1
Vietnam	2
Total	409

Given that Hong Kong and Singapore were the key markets of interest in this year's research, and that the other countries had very small sample sizes, we have only conducted country-level analysis on Hong Kong and Singapore. Demographic details of these country samples are included in sections 10 and 12.

Where sample sizes were large enough, the findings were cross-tabulated by business size, role and organisation maturity level (ie number of years in operation). We also explore comparisons between the Hong Kong and Singapore samples, where significant differences are noted.

There are different definitions of SMEs in Hong Kong and Singapore (in Hong Kong it is companies with fewer than 100 employees, whereas in Singapore it is fewer than 200). The survey questions accounted for this by including different groupings of number of employees for participants to select:

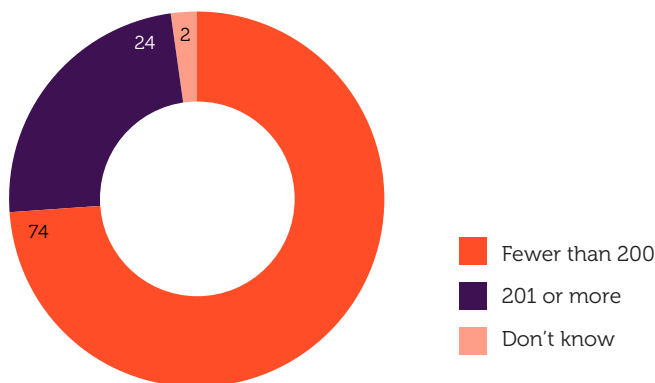
- fewer than 50
- 50 to 99
- 100 to 150
- 150 to 200
- 201 or more.

16

Appendix

Sample demographics

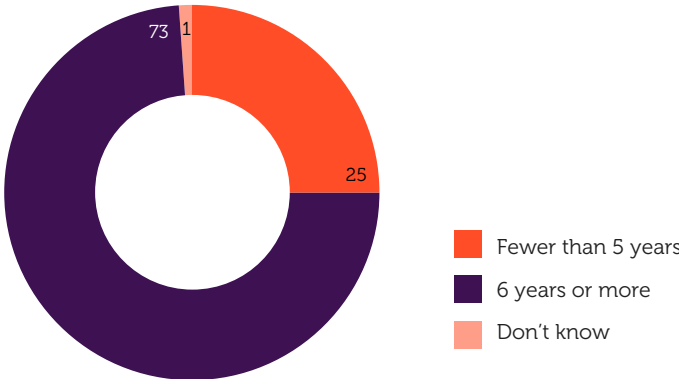
Figure 26: Organisation size (%)



Base: n=409.

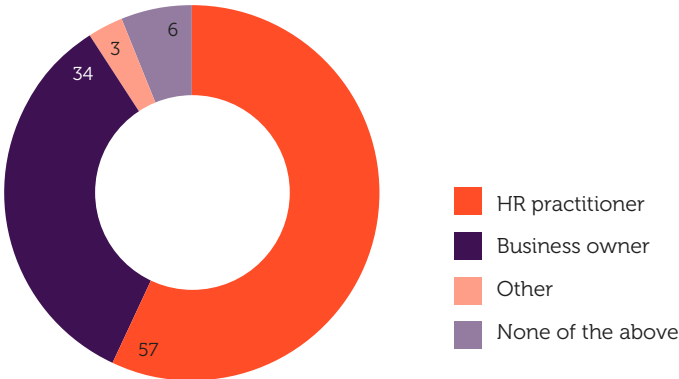
Question: How many people does your organisation currently employ?

Figure 27: Number of years organisation has been in operation (%)



Base: n=409.
Question: For how many years has your organisation been in operation?

Figure 28: Job role (%)



Base: n=409.
Question: Which of the following best describes your working role?

17

Endnotes

- 1 LIMRA. (2022) *Closing the gap: Understanding employee priorities in the new world of work.*
- 2 Pacific Prime. (2022) *Global employee benefits trends report.*
- 3 LIMRA. (2022) *BEAT study: Benefits and employee attitude tracker.*
- 4 AON. (2022) *Asia Pacific employee benefit trends report.*
- 5 AON. (2022) *Asia Pacific employee benefit trends report.*
- 6 Mednefits. (2022) *Employee benefits trends: An HR guide to what's next for benefits.*
- 7 Mercer. (2023) *Benefits trends in APAC: Exploring what matters.*
- 8 WTW. (2023) *Employers steer a benefits course through competing ambitions: Highlights from the 2023 benefits trends survey – Asia Pacific.*
- 9 LIMRA. (2022) *Workforce wellness: Employer and employee perspectives on wellness and work.*
- 10 AON. (2022) *Asia Pacific employee benefit trends report.*
- 11 AON. (2022) *Asia Pacific employee benefit trends report.*
- 12 Mednefits. (2022) *Employee benefits trends: An HR guide to what's next for benefits.*
- 13 AON. (2022) *Asia Pacific employee benefit trends report.*
- 14 WTW. (2023) *Employers steer a benefits course through competing ambitions: Highlights from the 2023 benefits trends survey – Asia Pacific.*
- 15 Mercer. (2023) *Benefits trends in APAC: Exploring what matters.*
- 16 Mercer. (2023) *Benefits trends in APAC: Exploring what matters.*

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