

Total Rewards Benchmarking: Top 3 Findings

Ben Carroll, Research Manager
Bersin, Deloitte Consulting LLP

Raju Singaraju, Senior Research Analyst
Bersin, Deloitte Consulting LLP

Pete DeBellis, Vice President, Total Rewards Research Leader
Bersin, Deloitte Consulting LLP

The new world of work is shaping a new world of rewards. As concepts and approaches evolve, Bersin's Total Rewards Benchmarking research aims to find how companies are adjusting to this shifting environment. Our 2017 Rewards Benchmarking research found three notable trends in how organizations view wellbeing, work with vendors, and deliver employee resources.

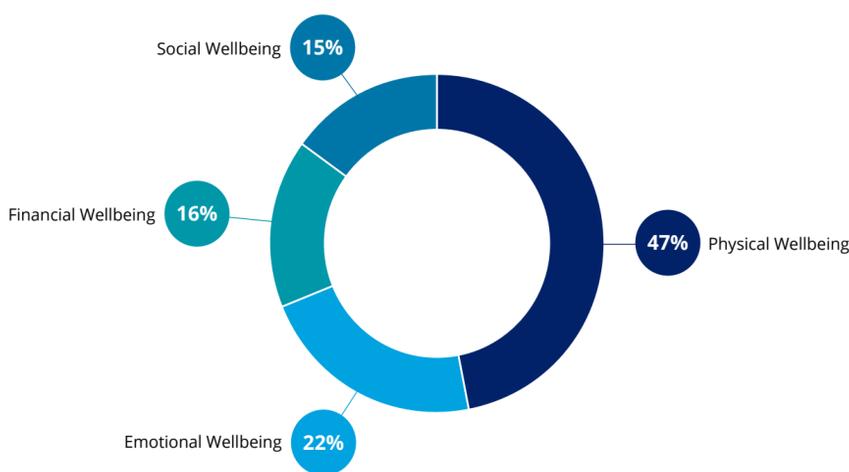
To access the full set of Total Rewards Benchmarking data, which includes metrics on spending, headcount, resource allocation, and access to benefits information broken out by company size and industry, please visit the Total Rewards Benchmarking Tear Sheets.

With these standard metrics, you can perform first-level benchmarks to compare your organization with our data. Ideally, you should benchmark your organization against its peers—your competitors or organizations of similar size and type. These metrics can become part of a sound measurement strategy, putting your organization on a path to continually assessing and improving its total rewards function.

1. Organizations Are Expanding Their View of Wellbeing

In 2017, 47 percent of U.S.-based organizations' wellness and wellbeing budgets went toward programs designed to promote physical health (e.g., exercise, good nutrition). The remaining 53 percent was split between other programs.

Wellbeing / Wellness Budget Allocation by Program



Source: Bersin, Deloitte Consulting LLP, 2018.

Two things become apparent from these allocations:

- Organizational investment tends to closely follow the standard evolutionary pathway of wellness—taking care of the body, then the mind, and finally turning to financial and social health.
- Organizations are adopting a more holistic approach to their understanding of employee wellbeing. In the past, companies invested significantly higher proportions of their wellness / wellbeing budgets into physical wellbeing. Now, these organizations seem to recognize that wellness involves a complex series of interdependencies, rather than one thing alone.

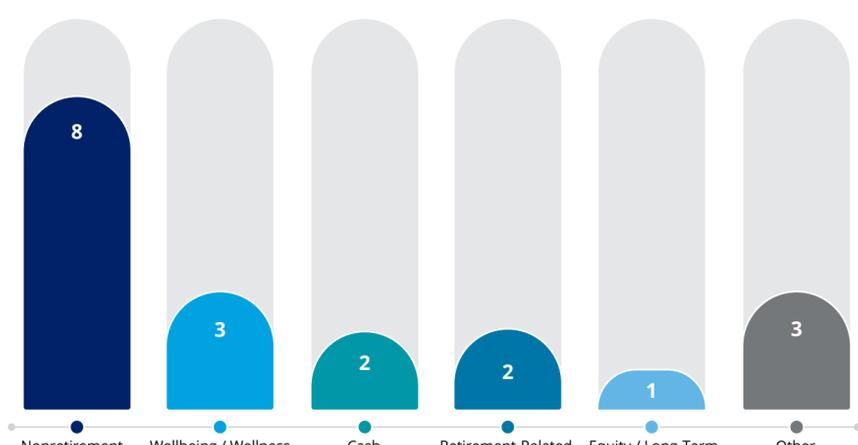
Resource allocation was comparable across all sizes of organizations surveyed (those with 1,000 employees or more). This was true across industries as well, with the sole exceptions being financial services institutions, which unsurprisingly invested more heavily in financial wellbeing (24 percent), and life sciences and healthcare organizations, which invested somewhat less (9 percent).

In examining how organizations staff their wellness and wellbeing programs, we see values and distributions almost identical to those in overall spending, which would seem to underscore the prominence of these activities and initiatives within organizations.

2. Companies Rely on Numerous External Vendors to Meet Employee Needs

As each organization's suite of total rewards offerings grows to meet the needs and expectations of an increasingly diverse workforce, so too does the dependence on external vendors. In 2017, organizations relied on a median number of 16 external vendors to deliver their employee rewards offerings. Nonretirement-related benefits (e.g., health and welfare benefits) displayed the highest degree of diversification, with organizations using a median number of eight unique vendors for these offerings. Companies that used vendors for other rewards types used between one and three vendors, relative to the median, which remained relatively consistent across all organization sizes.

Total Rewards Vendors by Reward Type



Source: Bersin, Deloitte Consulting LLP, 2018.

Notable, however, is the correlation between organization size and the median number of nonretirement-related vendors used. Both rise incrementally, to a median of 16 unique vendors used by companies with 25,000 or more employees. This illustrates the complexity organizations face in terms of both meeting employee wants / needs and delivering a seamless rewards experience.

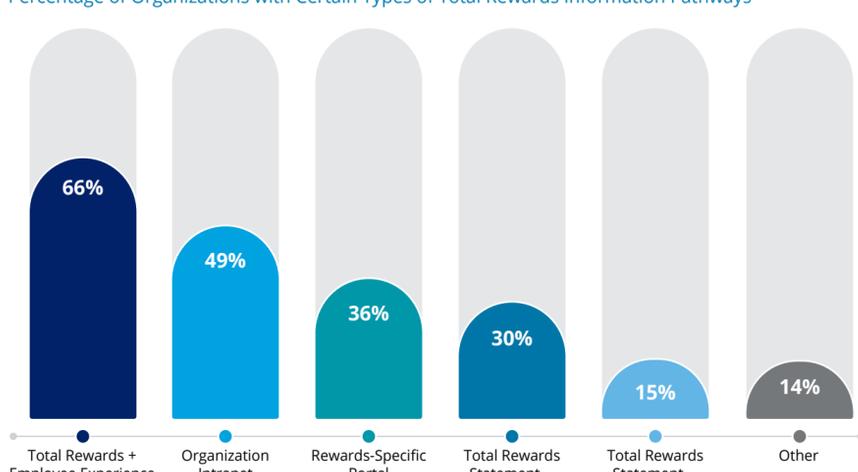
Furthermore, this makes the case for a holistic communications strategy and the use of a portal to help employees access all the information they need quickly, simply, and from a single location.

3. Two-Thirds of Organizations Centralize Total Rewards and Employee Experience in a Single Portal

With the broadening of organizations' perspectives on employee health and wellness and the growing number of vendors being tapped to provide services comes another need: simplified access to information about rewards offerings. Of organizations surveyed, 66 percent had a single total rewards and employee experience portal, which included compensation and benefits information, as well as other elements connected to the broader employee experience (e.g., learning and development, performance management). Enterprise-size organizations in particular were 20 percent more likely to have this information centralized for their employees.

The second most common means of delivering information to employees—found in 49 percent of surveyed organizations—was through a dedicated page on the organization's intranet that provided links to total rewards programs and providers. Examining the distribution of ways in which companies communicate with their employees, it seems as though organizations are doing more to ensure people have easy access to the plans and programs available to them.

Percentage of Organizations with Certain Types of Total Rewards Information Pathways



Source: Bersin, Deloitte Consulting LLP, 2018.

Bersin Recommended Reading

- *Seven Top Findings for Redefining Total Rewards* from the High-Impact Total Rewards series
- *The Total Rewards Maturity Model* from the High-Impact Total Rewards series
- The Total Rewards Framework series
- *Methodology for Global Human Capital Benchmarking Research 2018*

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Member of Deloitte Touche Tohmatsu Limited.