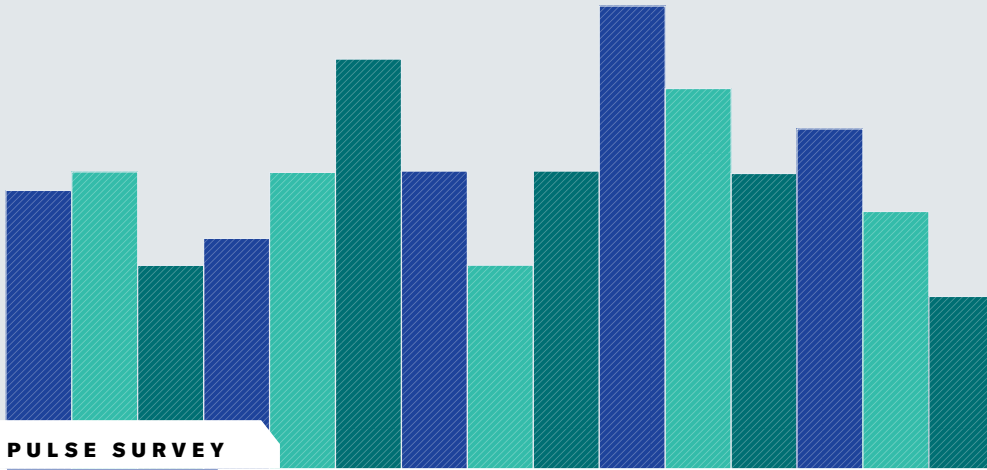




**Harvard
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ANALYTIC SERVICES



Boost Competitiveness by Leveraging Global Benefits and Total Rewards



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Now more than ever, it's vital for companies to re-evaluate what they offer employees and how these offerings align with their own strategic goals. This kind of transformative approach to benefits can be challenging, but there are a range of initiatives that can help ease the process. Implementing technology can streamline benefits and rewards management worldwide while also providing valuable insights that give you the power to make the right decisions.

Many companies know it's important to offer benefits packages that attract and retain talented employees, but there remains a gap between what organizations offer and what their employees actually want. A frequent complaint among employees is that they do not believe their organization provides competitive employee compensation and benefits packages. But with a strategic approach, companies can use technology powered by real-time, accessible data to make informed decisions that align their benefits packages to what employees want most.

When it comes to benefits and rewards, access to information is key. Studies have shown that if benefits information is not communicated clearly to employees, it can lead to errors and extra work. And when benefits data is inaccessible, employees and administrators can experience confusion and challenges—such as having to manually generate data reports. Thankfully, the rise in digital HR platforms has made this kind of information more accessible than ever. With the right global technology, employees can understand and use their full range of benefits while employers gain better visibility and reduced HR administration.

In times of economic uncertainty, navigating the balance between cost management and competitive benefits packages can be difficult. That's why using tools that streamline administration and efficiency can be key to reducing overheads while maximizing return on investment. Integrating global benefits technology not only aids in cost management but improves overall efficiency by automating HR processes.

Sponsored by Benify, this report by Harvard Business Review Analytic Services provides a strategic look into the challenges and opportunities of global benefits management. I encourage readers to consider how these data-driven insights can help give your people the workplace experience they're looking for while providing more competitive, cost-effective benefits.



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Joakim Alm
CEO
Benify

Boost Competitiveness by Leveraging Global Benefits and Total Rewards

Good compensation and benefits packages help organizations attract and retain top talent, engage employees, and stay competitive when other companies bolster their own offerings. As global organizations plan for the future, they're focused on cultivating the workforces they'll need to meet the business challenges that lie ahead. That effort means organizations' total rewards packages—which include compensation and traditional benefits as well as nonmonetary items such as stock options, work-life balance offerings, and wellness programs—must remain top of mind for decision makers.

According to a March 2024 survey by Harvard Business Review Analytic Services of 214 members of the *Harvard Business Review* audience, all of whom are involved in their organization's compensation and benefits packages, 87% of respondents agree that employees' expectations around these packages are higher than ever before. Additionally, around three-quarters (76%) say their organization considers it strategically important to offer packages that are competitive.

“At the end of the day, if you don't have reasonable benefits, people won't come to work at your company, and you won't be able to retain your employees,” says Robert Gerdes, head of rewards at Turin-based automotive manufacturer Iveco Group.

Indeed, benefits programs can be key factors in driving employee engagement and worker retention. When the survey asked what positive business outcomes organizations experienced by making adjustments to

HIGHLIGHTS



87% of survey respondents agree that **employees' expectations** around their total compensation and benefits packages are **higher than ever before**.

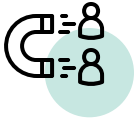


76% agree their organization considers it strategically important to **offer competitive employee compensation and benefits packages**.



23% disagree that their organization offers **competitive packages**, with another 13% neither agreeing nor disagreeing.

Due to rounding, some figures in this report may not add up to 100%.



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their compensation and benefits programs, respondents’ two most-cited answers were improved talent retention/attraction and more engaged/satisfied employees (mentioned by 43% and 42%, respectively).

But while the importance of benefits packages is well established, how effectively organizations design them for global workforces can vary. The survey finds that 23% of respondents disagree that their organization offers competitive packages, with another 13% neither agreeing nor disagreeing—implying more than one-third of respondents aren’t confident in their organization’s current offerings. Relatedly, a 2024 study of global employee experience trends by Provo, Utah- and Seattle-based survey software company Qualtrics finds that 64% of non-frontline employees, and 50% of frontline employees, are happy with their pay and benefits—suggesting that 36% of non-frontline workers, and 50% of frontline ones, are unsatisfied.¹

Designing the right rewards strategy is a complicated task. Global organizations and HR leaders must understand how employee needs vary across geographies, including benefits expectations and legal and other compliance issues that are unique to certain nations and regions. They have to communicate effectively with employees about the benefits they have and the full value of those packages. Organizations need to ensure that their benefits information is easy to understand and access, especially when digital platforms are used to manage total rewards and benefit administration. They may also face data integration challenges that require breaking down data silos and combining sources of information to get better insights into benefits usage and problem areas. Organizations that do these tasks well can create a positive benefits experience that supports the retention and performance of their employees.

This report will discuss why total rewards packages are so important to employee engagement and worker retention. It will examine how organizations are tackling data integration and other benefits-related business challenges, overcoming communication issues, measuring ROI, and improving their benefits programs for the future. It will also explore how organizations are designing benefits packages for their global workforces, including understanding employee needs by geography and helping employees comprehend the full value of their rewards and benefits packages.

Using Benefits to Strengthen Retention and Engagement

The world of work is rapidly changing, and organizations must be ready to respond to new shifts and demands in their business environments. To do so, they need the right talent. Having diverse skill sets, experiences, and perspectives in their workforces will improve companies’ ability to spot opportunities and act on them before competitors do. This dynamic depends on attracting the best people, so creating the conditions that make employees want to stay long term is critical to organizations’ strategic goals.

Yet the most talented people are in high demand and always have a choice of where to work. To encourage these employees to remain in their jobs, providing strong compensation and benefits packages is crucial. The offerings must meet their needs in a number of areas, such as pay, physical wellness, mental health, and retirement savings. And while providing benefits in general is expected, offering standout packages—those that exceed employees’ expectations and competitors’ offerings—can help organizations position themselves as destinations for the most capable workers.

“Our ROI is around how people feel about our overall employee value proposition. We want to be seen as an employer of choice,” says Mark Kelly, global head of benefits and wellbeing at global consultancy Boston Consulting Group (BCG). “And benefits play quite a significant role in that.”

The survey shows that employers understand the links between benefits, retention, and engagement. The majority of respondents (86%) indicate their organization has made one or more improvements to its compensation and benefits programs over the past 12 months, and when asked why they made these improvements, respondents’ most-cited reasons are to better attract/retain talent (mentioned by 71%) and to ensure employees are engaged/satisfied at work (58%).

FIGURE 1 Such results show many organizations understand the business value of investing in their benefit offerings.

Notably, improving the organization’s brand image, while a relatively less-sought outcome (mentioned by 21% of respondents), seems likely to be connected to organizations’ goals around retention and being an employer of choice. By taking steps to strengthen their compensation and benefits programs, the survey shows, organizations seek to improve in a range of related areas.

FIGURE 1

Why Organizations Improve Compensation and Benefits

Retention and engagement are the most-sought outcomes

When your organization decided to make these improvements to its compensation and benefits programs, what were the main reasons why? Select up to five.



Base: 184 respondents whose organizations have been working on improvements to their compensation and benefits programs over the past 12 months. Not shown: 1% Don't know, 0% Other, 0% No particular reason(s).

Source: Harvard Business Review Analytic Services survey, March 2024

Making Employees Aware of Their Total Rewards

One useful goal for benefits teams is to help employees understand the full value of their pay and benefits packages—in other words, their total rewards. In the survey, the second most-cited challenge that organizations currently experience with their benefits programs—mentioned by 46% of respondents—is that employees are not aware of how valuable their total compensation package is.

Having a full sense of what the organization offers is important because the offerings may include much more than someone's salary, such as health insurance, flexible work options, wellness support, and retirement plans. And while some of those items may be standard for certain industries or regions, there's still a great deal of variability in what organizations offer. "When we talk about benefits and compensation, it's really about total compensation—what's everything that you're offering as an organization?" says Sebastian Reiche, professor in the Department of Managing People in Organizations at Barcelona-based IESE Business School. "Pay is very much motivating, but people are motivated by many other things, and that has a bearing on how you design your entire compensation system."

Knowing one's total rewards also matters because it can contribute to a greater willingness to stay in the job longer. A 2023 study by New York City–based insurer MetLife finds that 50% of employees say having a better understanding of their benefits would make them more loyal to their companies.² For organizations that want to strengthen their retention, helping employees grasp their total compensation is a good place to start.

But while some organizations may be tempted to simply add up the financial costs of someone's salary and benefits package, the resulting number isn't always the right way to think about total rewards, according to Lydia Wright, senior manager, global benefits, at Sydney-based software company Atlassian. "Value is just so subjective when it comes to benefits," she says. "What's valuable to one cohort or one employee is just completely different to another." For example, some people may want to know how a retirement plan will help them individually, while others are more interested in how life insurance will support their family. Wright's team tries to address different concerns by explaining the "why" of the organization's packages: Why is this program being offered? Why are changes being made to that benefit? Educating employees this way helps shape their notions of value.

Another way to consider total rewards is to look at how competitive an organization's pay packages are compared with those of similar companies or industry peers. BCG's Kelly says that although HR teams usually know how their benefits plans stack up against other organizations', employees tend not to. "Across the industry, we've often focused on making

sure that we feel packages are competitive, but often that's not being made [clear] to the people that are benefiting from them," Kelly says.

Highlighting those comparisons—as well as the range of benefits that employees can access and how to do so—can lead them to feel more satisfied. Kelly adds that at BCG, his team has shifted from emphasizing the details of benefits to helping workers understand how offerings align with their needs. "We've certainly seen a change of, rather than talking about the technicalities of a program, talking about the relevance—what's in it for them, how can they get the best use out of it," he adds.

Comparisons of competitiveness can support a way of assessing benefits that IESE's Reiche says is crucial: fairness. Whatever their organization or industry, employees want to know that their compensation and benefits are comparable to what other employers offer. That metric may be somewhat subjective, but it isn't any less important to people choosing where to work, Reiche asserts. The task for organizations is to understand how employees think about fairness in pay and benefits. "What are the likely reference points for the type of talent that you're trying to attract? Where should they compare? With whom should they compare?" he asks.

Communicating About Benefits

Understanding how their employees feel about their rewards packages can help organizations better communicate the nuances of compensation. In fact, to ensure benefits programs are effective, good communication by organizations is key to giving people the information they need about their total rewards.

The survey shows the centrality of that goal: When asked what challenges their organizations currently experience with their benefits programs, 36% of respondents mention that compensation/benefits information needs to be better communicated/outlined to employees. In addition, a middling share of respondents (57%) agree their organization communicates compensation and benefits information to employees clearly and effectively—suggesting many organizations have room to improve.

HR teams and benefits decision makers use a range of methods for communicating about benefits. The most-cited methods in the survey are employee/manager meetings (mentioned by 62% of respondents), an intranet/internal website (57%), email/digital newsletter (56%), and direct conversations with the HR team (55%). Yet, using too many channels can be a problem, Reiche says. Every organization, especially a global one, has to relay a large volume of updates about benefits and many other topics, which can result in information overload and messages being missed. "There's a huge need to communicate, and the way we've 'solved' this is to bombard people with information," Reiche explains.




Fifty-seven percent of respondents agree their organization communicates compensation and benefits information to employees clearly and effectively.

A better approach—one that he says isn't common enough—is to pick a few methods and determine what kinds of messages each one will be used for, so employees consistently know where to find the details they need. "It's a strategic decision," Reiche says. "When do you use each channel, and for what purpose, so that people know exactly what to expect from that channel?"

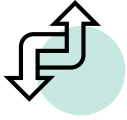
In particular, targeting communication this way is important when organizations use digital platforms to administer their benefits programs. While platforms or intranets may have plenty of details about offerings, employees may not always reference these sources of information as often as HR teams would like, so their understanding of their options may not be current enough. That's why communicating well about benefits—whether through analog means or digital methods, such as email or push notifications in an app—must happen in parallel with using digital benefits platforms to manage them; while either effort alone may not help employees enough, the two efforts working together can give people a robust sense of what's available to them.

As HR teams create their communication strategies, one factor to keep in mind is the employee journey, from being hired to leaving the organization, and the many touchpoints along it. Knowing what kinds of information workers may need at different stages of employment, or life, can help decision makers shape their communication strategy accordingly, says Reiche. He points out, for example, that new hires are often given an exhaustively detailed file of benefits information—and then, for the rest of their time at the organization, they have to scour the intranet or the internal benefits newsletter for updates—a chore that turns many employees off. Executives should think about what other kinds of natural touchpoints make sense for communicating with employees, such as weaving check-ins about benefits into regular conversations between workers and managers. Having a personalized digital benefits system as part of employee onboarding may help, as well.



“Across the industry, we’ve often focused on making sure that we feel packages are competitive, but often that’s not being made [clear] to the people that are benefiting from them.”

Mark Kelly, global head of benefits and wellbeing at global consultancy Boston Consulting Group (BCG)



“Normally changes have to be a gradual progression. There will be times, however, when absolutely you’ve got to draw a line in the sand and say, ‘We’ve got to introduce this new benefit because otherwise, we are lagging the market or we’ll have an exposure as an employer,’” says Iveco Group’s Gerdes.

One positive outcome of improving communication is that employees who get a lot of value from a certain benefit can become evangelists for it to their peers. If HR teams are the only ones talking about what benefits are worth, it’s easy for workers to tune out, Iveco Group’s Gerdes explains; if that message comes from a coworker, though, it’s much more powerful. He says that his team’s communication efforts try to tap into employees’ stories about situations they’ve gone through when their benefits have greatly supported them, to remind workers about the value of their total rewards. “That, to me, is the best way of getting engagement and awareness around benefits,” he says.

As organizations plan their benefits strategies, rethinking their communication strategies should be a key part of their efforts, and the survey indicates a number have been doing just that. The most-mentioned program adjustment that respondents’ organizations have been making over the past 12 months is better communicating compensation/benefits information to employees, mentioned by 41%.

Tailoring Benefits for Global Workforces

Closely related to communication is the task of tailoring benefits to employees’ needs. Many organizations with global workforces tailor based on the countries that workers are located in, taking into account local expectations and norms. Some of those norms are mandated by law; in the United Kingdom, for example, employees are entitled to benefits including private health insurance, a pension, and paid time off. Other expected perks vary by country or region; for example, in Denmark, which has a bike-friendly culture, some organizations provide commuting bicycles.

The survey finds that most respondents say their organization tailors compensation and benefits packages according to the countries employees are in, with 74% of respondents agreeing their employer does (all respondents to the survey work at multinationals). This effort may include complying with local regulations around things like health benefits, as well as the cultural or societal expectations that vary region to region. Most respondents—62%—also agree that their organization understands how employees’ needs

vary by geography, leaving around one-third that could do better in this area. Less common is designing compensation and benefits packages for employee personas (groups that share traits and characteristics), which 39% of respondents agree their organization does.

Supporting a global workforce with benefits is a huge task, one that requires continual communication, adjustments, and feedback. Working with partners—those that are local to a country, those that are global with country-specific expertise, or both—is one key to designing tailored benefits packages. Gerdes says partners can help organizations better understand how different compensation designs align with local market practices and trends. Especially important, he notes, is getting insight into whether, or when, to alter or revise benefits, since changing employees’ options too often invariably results in confusion. On the other hand, sometimes organizations do need to update their offerings to avoid falling behind what competitors are offering, and partners can advise on that, too. “Normally changes have to be a gradual progression,” he says. “There will be times, however, when absolutely you’ve got to draw a line in the sand and say, ‘We’ve got to introduce this new benefit because otherwise, we are lagging the market or we’ll have an exposure as an employer.’”

Another factor in tailoring benefits is that an organization’s global HR function has to collaborate well with its local HR teams. Too often, Reiche explains, there’s limited integration between corporate and local HR, which limits headquarters’ understanding of regional nuances in regulations or expectations. Staying close to local HR groups, including through a benefits platform that gives HR teams a unified experience, can ensure decision makers are taking regional differences into account. “Designing compensation systems, especially when they have to be aligned and consistent across the organization, still tends to happen at the corporate level,” he points out.

To help BCG draw on various sources of benefits insights, Kelly leads the organization’s center of expertise (COE) for health, well-being, and benefits. The internal support and advisory function pools the experiences of employees who have worked in benefits and recruiting all over the world, combining their knowledge of different markets and benefit



41%

of respondents say their organization has been working on better communicating compensation/benefits information to employees over the past 12 months in an effort to improve their compensation and benefits program.

types with feedback from HR teams and partners. “We have some benefits professionals who can talk more broadly across the business, some with deep expertise from working in multiple countries, and some who specialize in insurance or retirement programs,” he explains. The COE works closely with local partners to learn more about their talent strategies and offer support on what they’re doing. “It’s very much a collaboration with our business units, rather than us being at the center just doing all the governance and pushing things down to them,” he says.

Whatever an organization’s strategy for global benefits, Kelly adds, continual conversations with partners and employees are essential for staying up to date on workers’ needs. His team is spread across the world, with team members taking oversight of different markets and keeping in close touch with them. “Particularly when a benefits program is coming up for its annual renewal, in the three or four months beforehand, we’ll have quite regular dialogue with the various markets,” he says.

Employee surveys, which BCG conducts annually for the global workforce and at other frequencies for local markets, also help his team learn and respond to what workers are thinking about. Asking a consistent set of questions in the surveys lets Kelly’s team see how current benefits compare with what employees wish they had and track trends over the long term.

Streamlining Benefits Management with Digital Platforms

For many organizations, using a digital platform to manage their benefits programs is a no-brainer. These kinds of tools can help employees access their benefits information and sign up for coverage, as well as automate administrative tasks for HR teams, such as enrolling new hires when they join the company. In addition, the platforms tend to be a sizable improvement over old-fashioned, paper-based administration, especially when organizations offer more benefits than in the past, giving employees and HR departments more information to keep track of.

Atlassian, which lets employees work from anywhere, previously used Excel spreadsheets to track much of its benefits information in some regions. Now it has a digital system that lets employees choose their benefits and find relevant details in one central hub that also integrates smoothly with vendors’ systems. Besides making administration easier, the digital system accomplishes an essential goal: putting everything at employees’ fingertips. “Having a clunky manual process does not meet their needs or cut it anymore,” Atlassian’s Wright explains.

The organization’s global benefits administration system lets her team automate and reimagine processes, which she says ultimately creates a better experience for workers. “It



“With this kind of system, you’re able to give people that white glove experience, and have a seamless, frictionless experience for employees,” says Lydia Wright, senior manager, global benefits, at Atlassian.

mitigates the risks of all the manual processes we previously had in place globally, which has been really beneficial for us but also for employees,” she explains. The digital platform has also provided a way for her team’s work to be much more scalable and efficient to support the organization’s growth. “With this kind of system, you’re able to give people that white glove experience, and have a seamless, frictionless experience for employees,” she says.

Digitizing benefits programs for a global workforce is a significant undertaking, so it can help to use a phased rollout, focusing on a few countries or regions at a time. That’s the approach Gerdes’s team at Iveco Group took, working with its global benefits supplier to create a consistent user experience in terms of the digital tools’ branding and the terminology used to describe benefits in employees’ local languages. “We purposefully wanted to have a global initiative, but very much a local delivery,” he says.

Yet simply having a digital platform doesn’t solve every problem. According to the survey, 63% of respondents say their organization has a digital platform to manage employees’ benefits and total rewards—but the tool doesn’t do everything they need. The most-cited challenges with these digital platforms are not sharing data well with other tools (mentioned by 39% of respondents), not being easy for general employees to use (34%), and not supporting all phases of the employee life cycle (32%). **FIGURE 2**

Issues with digital platforms not sharing data can be caused by data silos, which create several problems for benefits programs. For survey respondents who indicate their organization has siloed benefits/compensation data, the most-cited challenges resulting from these silos are manual work to generate data reports (59%), extra burden on admins (53%), and errors in data/calculations/analyses (45%). In other words, when organizations haven’t integrated their data sources, many have a hard time working with the numbers to find the insights they need. The good news is that siloed data is a compensation and benefits problem for some (28%) but not all.

As for the usability of digital platforms, Reiche says one issue is that workers' tech skills vary, which affects how well they interact with the tools. It may be the case, for example, that employees of different generations or different job types vary in how digitally savvy they are. "Many organizations

have three generations of employees now, and they have very different levels of capabilities to use some of these tools," he says. When choosing a digital platform, HR teams shouldn't neglect this usability factor; asking employees from different functions and generations to test a prospective tool can help them choose the best option. Accessibility is a key factor, too, especially when some employees, such as factory workers, do not have desk jobs. Having a digital platform that workers can access through an app can help solve this issue.

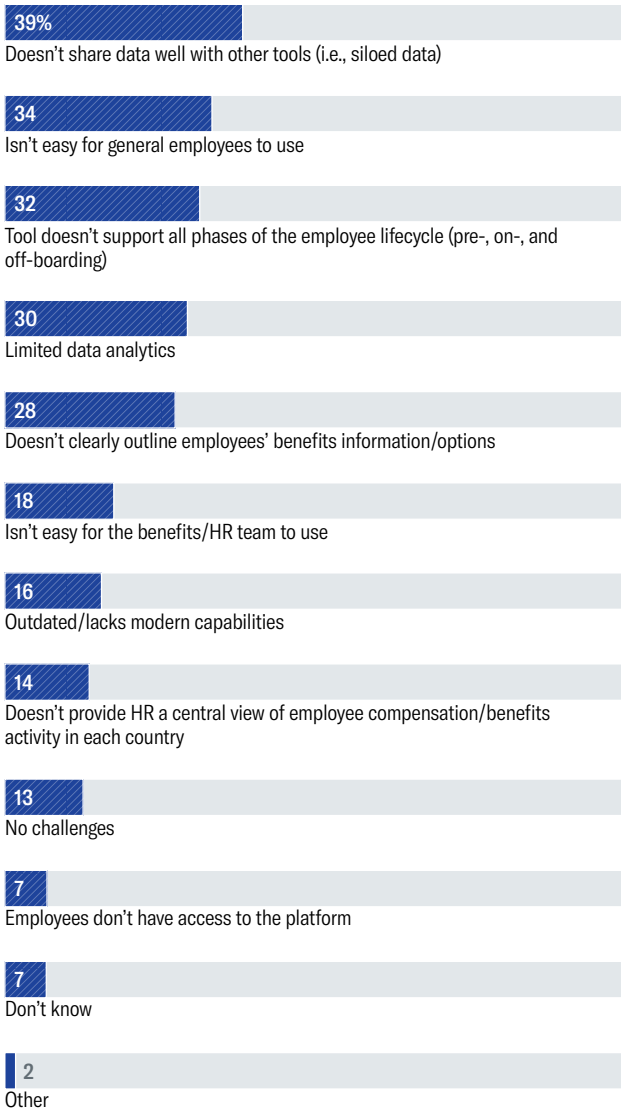
No matter what type of tool organizations use for compensation and benefits, though, the survey shows that satisfaction is not high: Only 50% of respondents agree their organization has the right tools/platforms in place for their program. Improving their approach to using digital tools for total rewards is a good opportunity for organizations to increase that percentage.

FIGURE 2

Where Digital Benefits Platforms Fall Short

Siloed data and ease of use are the top problems

What challenges does your organization experience with the digital platform it uses to manage employees' benefits and total rewards? *Select all that apply.*



Base: 135 respondents whose organizations have a digital platform for managing employees' benefits and total rewards.

Source: Harvard Business Review Analytic Services survey, March 2024

Putting Data to Work

The key idea to grasp about benefits data, according to Kelly, is that while having data is important, just as important—is using that data well. Organizations vary in how much information they collect about all aspects of their operations, including benefits, and in whether their systems help them make business sense of it. Kelly points out that there are many data sets relevant to benefits, so HR teams and decision makers have to first decide what they want to understand about needs, usage, or goals, and then get creative in their analyses. To dig into health care spending, for example, his team might look at the biggest cost drivers, including trends or risks across the employee population. It might also investigate how workers are using different health care facilities that their coverage directs them to, and how the facilities compare on cost and outcomes. Or it could study the organization's demographics to ensure the current benefits mix is aligned with the workforce's composition. "It really depends on what we're trying to glean, and how can we either support the cost management, mitigate risk overall for the business, or enhance the employee experience," he explains.

When Atlassian is assessing its total rewards programs, Wright's team looks at data on several areas. Relevant metrics include adoption rates, both when a benefit is launched and throughout the duration of its offering; ongoing utilization spending for different benefits; and Net Promoter Score, according to Atlassian employees, for the vendors the organization partners with. Wright's team uses these kinds of data to inform their future work. If they see, for example, that a benefit's adoption rate is lower than expected, they'll dig into that data to figure out what's driving it and how they can iterate to improve the offering. "Ultimately, we want to ensure that the programs are being tailored and delivering greater value," she explains.

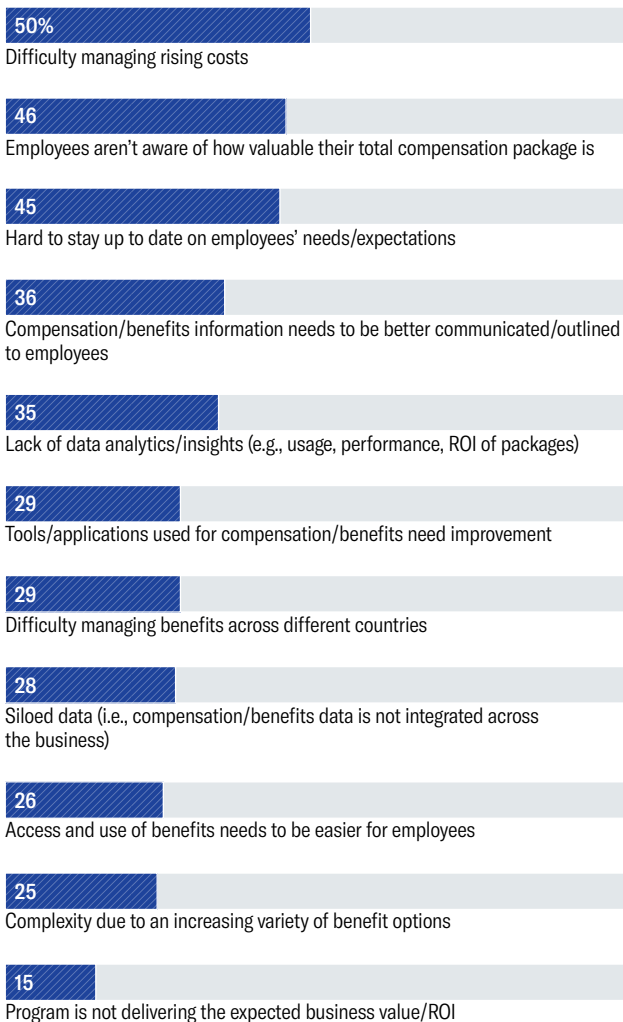
The wealth of data that organizations collect can also let them test different options and configurations of total compensation, says Reiche, using the findings to adjust their offerings effectively. “You have natural experiments,” he says. “Maybe you’re using a certain benefit for newly incoming talent, and you can compare it to others who didn’t have that. Does it affect how people respond, how happy they are?”

FIGURE 3

Challenges of Global Benefits Programs

Managing rising costs is a big issue, but it’s not the only one

What challenges does your organization currently experience with its employee compensation and benefits program? *Select all that apply.*



Base: 214 respondents. Not shown: 4% Other, 1% Don't know, 0% None.

Source: Harvard Business Review Analytic Services survey, March 2024

At the same time, organizations must be careful about how they use employees’ data, staying compliant with data laws around the world. Gerdes points out that with health care data, for example, his team can look at high-level themes in usage, but they have no idea which people have used which services. Often the team’s task is to identify a trend that seems important, and then talk to their partners to understand it better.

Kelly agrees about the impact of data privacy laws, noting that they’re unquestionably important but also affect what organizations are able to offer workers. “At times it means that companies can’t help employees as much as they could if they had the right sort of aggregated data sets,” he says. While there are well-established safeguards around data about physical health, for instance, mental health is an area where the standards are still evolving in different countries. For now, HR teams should continue to watch developments in data privacy regulations and keep trying to support workers in innovative ways. “Done in the right way, data-driven decisions will really benefit a workforce,” Kelly says. “That’s an area where I hope there is some understanding and alignment around what can and can’t be done.”

Overcoming Common Challenges

In addition to solving issues around communication, digital platforms, and data, organizations must face a range of other challenges when designing global benefits programs. The survey finds that the most common ones are difficulty managing rising costs (mentioned by 50% of respondents), the fact that employees aren’t aware of how valuable their total compensation package is (46%), and finding it hard to stay up to date on employees’ needs/expectations (45%). **FIGURE 3**

Three key challenges for global benefits programs are addressing cultural specificities, measuring ROI, and figuring out global logistics.

Understanding how certain benefits are, or aren’t, culturally or locally relevant is a core part of designing effective total rewards packages. Employees in various countries may have a greater or lesser need for particular benefits, and decision makers must identify and understand those nuances—especially when the norms of their home markets differ from those of employees. “Sometimes what is hugely valued in the United States, for example, is not as valued in Asia,” Kelly points out.

A good approach is, instead of focusing on the benefits themselves, to think about desired outcomes for different groups, such as how easily they can access health services in their region, or which benefits will strengthen the organization’s local reputation as an employer of choice. “You can’t just roll out one-size-fits-all programs across the globe,” Kelly explains. “I’ve seen organizations do that, and

they haven't necessarily landed because they haven't been locally relatable." Good communication is paramount here, as employees and partners can provide a perspective on what executives should prioritize.

ROI is a tricky subject for benefits because there isn't a universal metric for measuring it. What decision makers should do, according to Reiche, is tie ROI metrics to their strategic goals, which means defining what they're trying to accomplish with benefits packages. Only then can the organization assess whether its efforts are paying off. If one goal is employee retention, for example, executives could look at how well compensation packages are encouraging employees to stay longer—though Reiche notes the specifics matter. "If you want greater retention, how long does talent need to stay—for decades? Just until a project is done?" he asks. Defining success criteria and working to establish causality between benefits packages and ROI-related outcomes will point executives in a good direction.

The logistics of global benefits programs can also be tricky, since organizations must attend to the regulatory environments and laws of all the countries they operate in. Kelly notes that an additional challenge is that there are few benefits providers that are truly global, which may limit organizations' options when looking for cost savings or border-spanning options. "A program that theoretically sounds good on paper can be quite difficult and complex to roll out," he says. As with considering cultural differences, HR teams should think about the kinds of experiences they want employees to have when using their benefits. That mindset can shape the approach organizations use when planning their logistics. "What do we want an employee to feel? What do we want to make sure people are truly protected against?" Kelly asks. "And then how do you make sure those answers are locally relevant in each of your markets?"

Improving Benefits Programs for the Future

Creating a good compensation and benefits program isn't enough. To keep up with market changes and employees' evolving needs, organizations must fine-tune and improve their programs over time.

When asked what adjustments their organizations have been working on over the past 12 months to improve their employee compensation and benefits program, respondents to the survey mention communication and employee feedback above all else. Topping the list is better communicating compensation/benefits information to employees (cited by 41% of respondents), making employees more aware of the total value of their compensation package (39%), and capturing more employee feedback on compensation/benefits (28%). **FIGURE 4**

FIGURE 4

Benefit Improvements Organizations Have Been Working On

Communication and helping people understand benefits' full value top the list

What adjustments has your organization been working on over the past 12 months to improve its employee compensation & benefits program, if any? Select all that apply.



Base: 214 respondents. Not shown: 6% Don't know, 1% Other.

Source: Harvard Business Review Analytic Services survey, March 2024



“We are leaning into the importance of communication, particularly for the value and impact of our programs and benefits. We really feel that the benefits we are providing impact lives in a positive way—and you need to be able to communicate that to employees,” says Wright.

Notably, when asked what improvements their organizations will be making over the next two years, respondents cite the same three answers, in the same order: better communicating compensation/benefits information to employees (36%), making employees more aware of the total value of their compensation package (31%), and capturing more employee feedback on compensation/benefits (28%). These findings suggest that decision makers are aware of how crucial it is to communicate well and for employees to understand the value of total rewards, and that they will continue taking steps to strengthen their efforts in those areas.

As her team looks ahead, Wright says they’re thinking about how to adjust benefits packages over time to support the organization’s model of distributed working. With employees in more than a dozen countries, the focus is on helping people do their best work anywhere as needs evolve. One example of a recent initiative is redesigning time off for public holidays. In India, different states celebrate Diwali on different days, which previously made it difficult for Indian employees to take off the time they needed. In response, Atlassian created floating holidays so that employees could choose the days they need. “The flexibility adds value and empowers them to use their benefits in the way they want to,” Wright says.

Another way to improve benefits is to track emerging areas of health or needs that are becoming better understood, and to update benefits programs in response. Two of these areas right now are supporting working parents and neurodiversity, says Kelly. Many organizations have employees who are parents, for example, and who also may be part of a dual-career couple. Offering these workers what they need is an ongoing challenge, partly because the vendor market for related services is fairly new. “The need from a talent standpoint is evolving quicker than the solutions to support them,” Kelly says. As organizations continue refining and improving their total rewards programs, it’s important to stay up to date on emerging areas.

Conclusion

Global organizations can use their compensation and benefits programs as strategic tools to enhance retention and engagement. When designed well, these programs attract top talent, encourage them to stay at the company longer, and help them feel more satisfied—all of which are essential when building high-performing workforces and achieving business goals for the future.

For programs to be effective, though, they have to address a number of areas. Executives and HR teams must learn and stay up to date on employees’ needs, including differences and nuances between countries. They should improve their communication with employees about what benefits they have and the value of their total rewards. They must consider how digital platforms and data can enhance their benefits efforts and reveal insights. And they should know how to measure ROI, tying the aims of their benefits programs to strategic goals. Prioritizing and executing these tasks will help them build and retain the workforces they need to thrive in the years ahead.

Organizations should also realize that designing effective benefits programs is an ongoing initiative, not a one-and-done task. Decision makers must keep adjusting and improving their offerings over time—and keep talking to employees about their needs—to stay competitive in a fast-evolving field.

“We are leaning into the importance of communication, particularly for the value and impact of our programs and benefits,” says Wright. “We really feel that the benefits we are providing impact lives in a positive way—and you need to be able to communicate that to employees.”

Endnotes

- 1 Qualtrics, “Employee Experience Trends 2024,” 2024. <https://success.qualtrics.com/rs/542-FMF-412/images/Qualtrics%202024%20Employee%20Experience%20Trends.pdf>.
- 2 MetLife, “Employees Who Want Happiness and Stability Can’t Overlook Benefits: New Study,” September 12, 2023. <https://www.metlife.com/about-us/newsroom/2023/september/employees-who-want-happiness-and-stability-cant-overlook-benefits>.

METHODOLOGY AND PARTICIPANT PROFILE

Harvard Business Review Analytic Services surveyed 214 members of the *Harvard Business Review* audience via an online survey fielded between February and March 2024. Respondents qualified to complete the survey if their organization was multinational and if their role was involved with the organization's employee compensation and benefits packages (locally and in other regions).

Size of Organization

41%
10,000 or more employees

25%
1,000-9,999 employees

9%
500-999 employees

25%
100-499 employees

Seniority

25%
Executive management/
board members

46%
Senior management

21%
Middle management

8%
Other grades

Industry Sectors

24%
Manufacturing

22%
Technology

9%
Financial services

All other sectors
less than 8% each.

Job Functions

24%
General/executive
management

21%
HR/training

12%
Sales/business
development/
customer service

All other functions
less than 8% each.

Regions

43%
North America

21%
Asia Pacific

21%
Europe

8%
Latin America

7%
Middle East/Africa

Figures may not add up to 100% due to rounding.



Harvard Business Review

ANALYTIC SERVICES

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