Responding To Permanent Pandemic Changes In The Workplace

Solutions For Evolving Employer And Employee Benefits Needs

FORRESTER®

Table Of Contents

Project Director:
Emily Drinkwater,
Senior Market Impact Consultant

Contributing Research:
Forrester's digital business and employee experience research groups

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

FORRESTER®

Executive Summary

The work-life transformation that is underway in the US was significantly accelerated by the events of 2020. As millions of workers transitioned to remote work and juggled increased responsibilities at home, HR teams found themselves navigating the front lines of an ever-changing set of needs, requirements, and expectations. This experience demanded immense flexibility and agility on the part of HR teams. This disruption gave way to a set of new challenges and opportunities for employers and employees to be aware of and ready to meet, including gaps in benefits technology, changes in benefits usage, and increased expectations from employees.

In order to thrive during such a time of change, businesses must ensure their resiliency by protecting and supporting their most important asset - their employees. This means that employees need to be empowered to bring their whole selves to work, which starts with health, wellness, and feeling secure. bswift commissioned Forrester Consulting to evaluate the changing benefits needs of employees and the preparedness of employers when offering and adapting to those needs. Forrester conducted two online surveys to explore this topic, and the full details of the surveyed groups can be found in Appendix A.

KEY FINDINGS

› **The pandemic has shifted employer priorities and employee usage of benefits.** As employees used benefits in new ways, employers had to demonstrate agility by adapting their offerings to fit new expectations.

› **Lack of a comprehensive strategy outlines the clear need for improved benefits, technology, and processes.** Businesses struggled with noticeable technology gaps, a lack of reporting, and increased data security risk.

› **A streamlined benefits administration solution solves critical education, relationship, and employee experience (EX) challenges.** Benefits are directly tied to EX, and a streamlined tool could solve the critical challenges that stand in the way of an improved experience. Additionally, employees need more education and training around what benefits are available to them, as well as more empathetic and effective communications from employers.

FORRESTER®

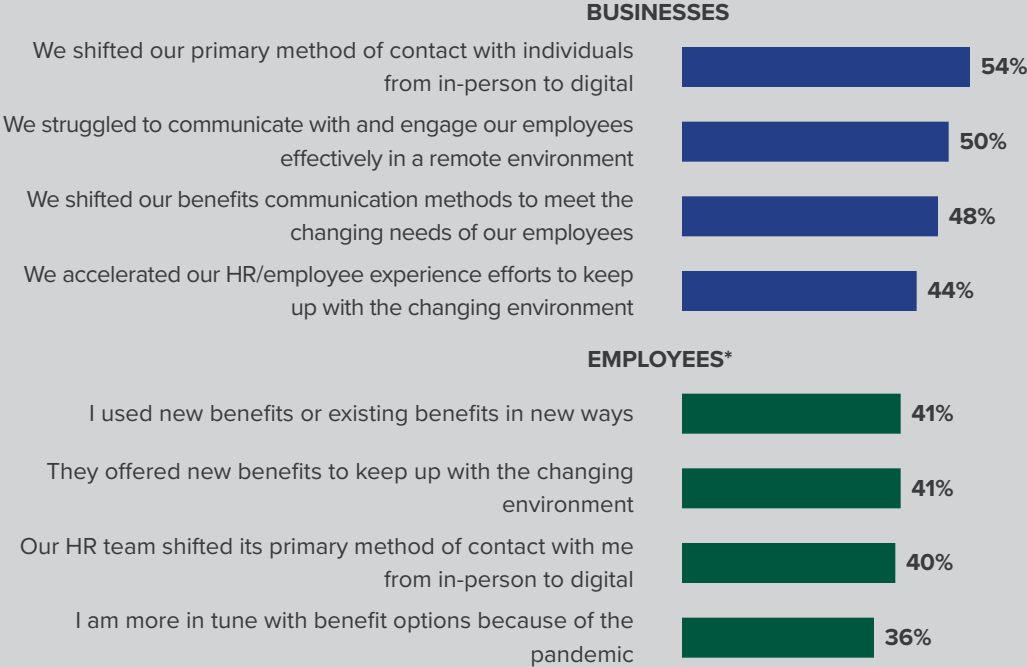# The Pandemic Has Shifted Employer Priorities And Employee Usage Of Benefits

During the onset of the pandemic, companies rushed to adapt to employees' evolving needs and new remote work policies. However, both these new expectations and the remote work environment are here to stay. In fact, 74% of employees want some changes like remote work to remain after the pandemic, and 70% of employers say their new remote work policy will become a permanent change. This shows that employers must make permanent improvements to their benefits programs, education efforts and technology stack to meet the new needs of their workforce. Through analysis of benefits and benefits technology, we found that:

› **The pandemic has changed employee needs, and employers have responded with agility.** With businesses adapting to new demands, they are ultimately showcasing their agility in benefit offerings (see Figure 1): 41% of employees used benefits in new ways. However, employees were also offered new benefits such as COVID sick time and enhanced childcare benefits to keep up with the demands of their changing environments. Employers showed their agility by adapting their offerings and communicating with employees in new ways. This demonstration of agility is critical as employers now look to create lasting changes from these rushed adaptations.

Figure 1

"How were your company's HR and benefits initiatives impacted by the coronavirus pandemic?"

BUSINESSES

We shifted our primary method of contact with individuals from in-person to digital	54%
We struggled to communicate with and engage our employees effectively in a remote environment	50%
We shifted our benefits communication methods to meet the changing needs of our employees	48%
We accelerated our HR/employee experience efforts to keep up with the changing environment	44%

EMPLOYEES*

I used new benefits or existing benefits in new ways	41%
They offered new benefits to keep up with the changing environment	41%
Our HR team shifted its primary method of contact with me from in-person to digital	40%
I am more in tune with benefit options because of the pandemic	36%

Base: 334 Manager+ decision-makers in HR/benefits technology at companies with 250+ employees in the US
*Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021
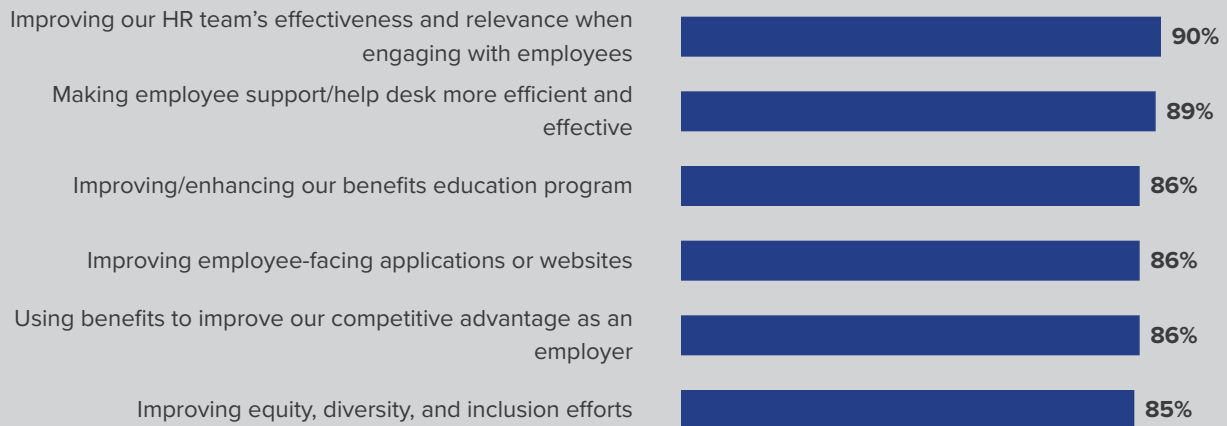
FORRESTER®

› **Employers must juggle competing priorities to address employee engagement issues.** In response to changing employee needs, HR teams are focusing efforts on improvements to the overall EX. This includes enhancing user support, education programs, applications, and websites, which align with employee desires for more effective enrollment or access support, as well as a heightened focus on employee well-being (see Figure 2). Historically, reducing costs has been a top priority for employers and employees. However, the events of 2020 have pushed several other priorities to the forefront, crowding traditional priorities such as cost reduction. This indicates that employers have a lot they are trying to accomplish with their benefits program, while employees have growing needs and high expectations across the board, which puts even more pressure on HR teams.

Figure 2

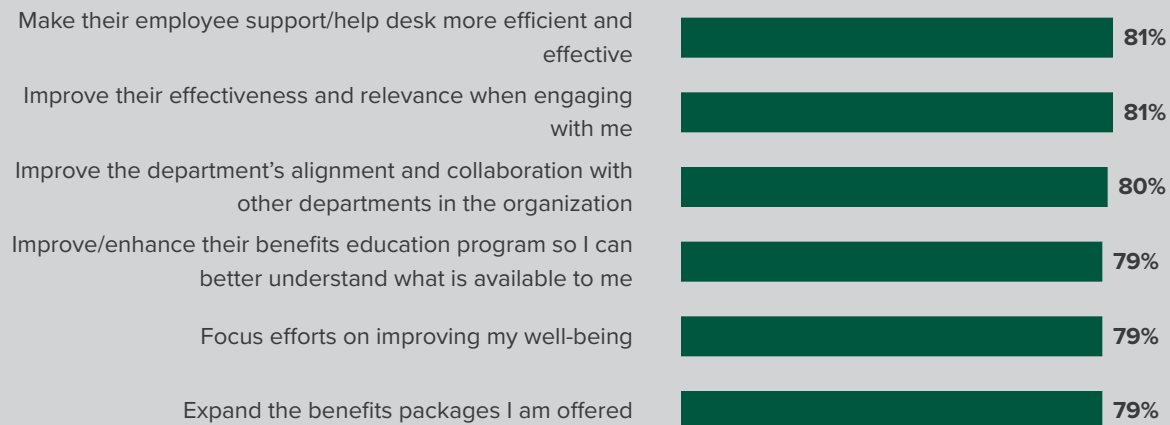**HR Priorities** (Showing top 6 and Very/Extremely important)

"How important are the following priorities to your HR organization over the next 12 months?"

BUSINESSES

Improving our HR team's effectiveness and relevance when engaging with employees	90%
Making employee support/help desk more efficient and effective	89%
Improving/enhancing our benefits education program	86%
Improving employee-facing applications or websites	86%
Using benefits to improve our competitive advantage as an employer	86%
Improving equity, diversity, and inclusion efforts	85%

"How important is it to you that your HR team do the following things over the next 12 months?"

EMPLOYEES*

Make their employee support/help desk more efficient and effective	81%
Improve their effectiveness and relevance when engaging with me	81%
Improve the department's alignment and collaboration with other departments in the organization	80%
Improve/enhance their benefits education program so I can better understand what is available to me	79%
Focus efforts on improving my well-being	79%
Expand the benefits packages I am offered	79%

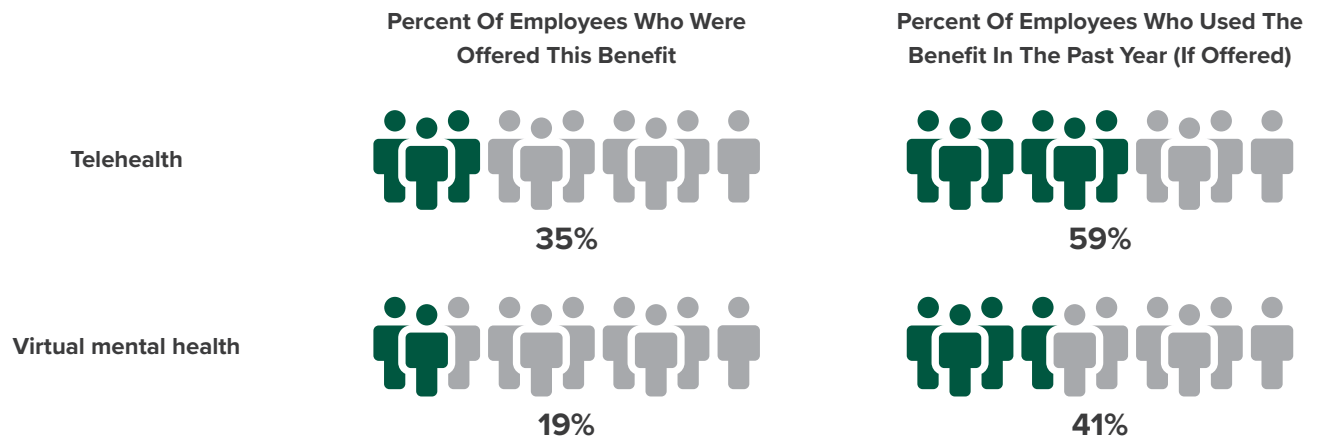Base: 334 Manager+ decision-makers in HR/benefits technology at companies with 250+ employees in the US
*Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

FORRESTER®

› **The pandemic has created challenges with remote work and employees' evolving needs.** Employees reported using benefits in new ways and using some benefits for the first time (41%). They also became more in tune with the benefits they were offered (36%). Throughout the pandemic, employees found their companies showing dexterity by offering new benefits to keep up with the changing environments (41%). Employers recognized that they needed to adapt in order to meet new employee needs, so they shifted their primary method of communication to digital (54%) and accelerated EX efforts (44%). Despite this demonstration of agility and the shift in communication methods, engagement has remained a challenge as half of companies (50%) reported struggling to communicate effectively with employees in a remote environment.

› **The benefits which are offered do not always meet employee needs.** Employees report retirement, life insurance, and health insurance as the most common standard offerings. However, they also reported health insurance and paid time off (PTO) as the most used benefits amid a turbulent year. Although relatively few companies offer telehealth and virtual mental health benefits, significant enrollment rates solidified the demand and preference for these benefits, signaling a needed shift by employers. (see Figure 3).

Telehealth and virtual mental health benefits see high utilization when offered, but they are not often offered.

Figure 3

Telehealth And Virtual Mental Health Offerings

	Percent Of Employees Who Were Offered This Benefit	Percent Of Employees Who Used The Benefit In The Past Year (If Offered)
Telehealth	35%	59%
Virtual mental health	19%	41%

Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year

Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

Lack Of Comprehensive Strategy Outlines Clear Need For Improved Benefits, Technology, And Processes

While the agility that some companies showed during the onset of the pandemic was remarkable, there is still significant progress that needs to be made when maturing benefits programs. As companies manage their benefits strategy, they face several key challenges that revolve around technology, changing needs of employees, and making improvements to benefits plans. When researching the challenges both employers and employees face, we found that:

› **Benefits technology doesn't meet employers' reporting needs.** Even though 95% of companies say they are satisfied with their benefits technology, only 22% strongly agree they get what they need from their reports, indicating either that technology fails to provide the reporting they need or users don't know how to access the reports. As HR teams work tirelessly to be nimble in an ever-changing environment, they need tools and reports that can help inform those decisions instead of standing in their way. Despite their level of satisfaction, employers and employees both feel that their satisfaction would improve (HR organizations 62%; employees 40%) if their benefits technology were upgraded.

› **Employees seek support from either the service center or the help desk.** Although benefits technology has enabled self-service for most tasks, employees still need extra help for individualized needs. However, half of employees (46%) reported they don't get what they need when they reach out for additional help, negatively impacting their overall employee experience. Upgraded benefits technology could further employees' self-service capabilities and deliver more advanced personalized tasks that can drive deeper employee engagement. An enhanced contact center support model will round out the experience when employees need that human touch.

› **The communication and education of benefits is vital for employees, but businesses don't always provide such support.** 2020 heightened awareness and appreciation for benefits programs, spurring employees to take advantage of benefits in new ways. However, because HR teams struggled to communicate and engage employees effectively, 34% of employees said they don't know how to access, manage, or get information about their benefits (32% of businesses said the same). These roadblocks have a profound negative impact on overall EX. To compound the poor EX that the lack of education brings, whether it's from internal HR teams or a third-party provider, over 36% of employees say they don't feel heard when it comes to their organization's benefits program. As part of the comprehensive EX, individuals want to understand the benefits offered, which requires a thorough communication and education strategy. Eight in 10 (79%) employees said it is very or extremely important for their organization to improve benefits education.
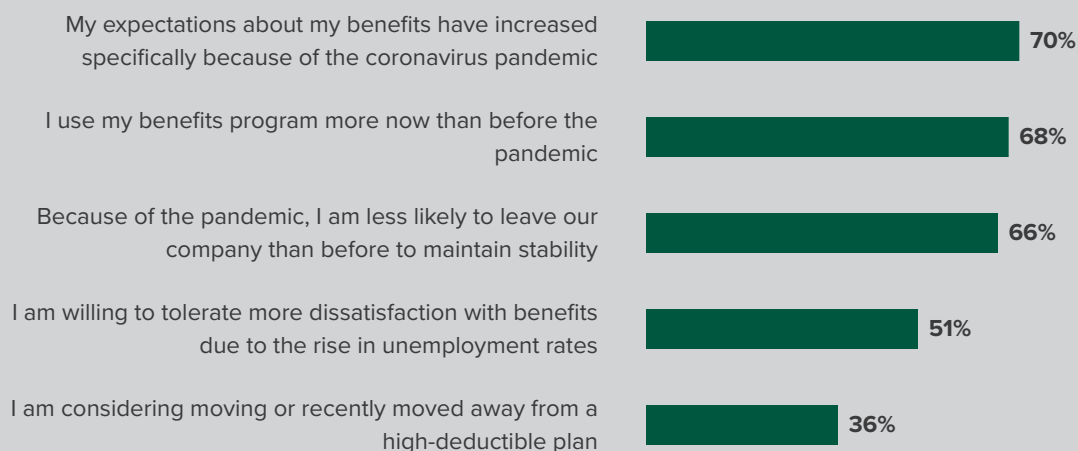
Companies say they are satisfied with their benefits technology, but only 22% can get what they need from reports.

FORRESTER®

> › **The rise of remote work thrust data security back into the spotlight.**
> Remote work is part of the new normal for employees, which
> brings a heightened focus on data security for 82% of HR teams.
> The pandemic exposed gaps in technology platforms for 55% of
> businesses, prompting many (82%) HR teams to strengthen ties with
> their technology teams to ensure security. While two in three (69%)
> organizations were not prepared to handle emerging EX requirements,
> rapidly evolving security concerns, or new HR responsibilities,
> technology gaps quickly formed for both employers and half of
> employees (49%) as well.

> › **Businesses struggled to quickly navigate and adapt to employees'
> changing needs.** Employees are expecting their current employers
> to improve their programs to meet their changing needs. Navigating
> the increased pressure for expanded employee benefits programs
> is a challenge for 93% of all employers. In addition to the new usage
> of plans, 91% of companies also face the challenge of navigating
> employee burnout. This has become even more difficult in the
> pandemic, as it underscores how HR teams are required to not only
> handle logistical benefits, but they must also support the well-being of
> their employees and help them with issues like burnout. Employees'
> struggles with preventing burnout (87%), remaining engaged (84%), and
> getting employer support for mental health (79%), underlines the need
> for employers to expand their benefit offerings to address these needs.
> Even though 70% of employees say their satisfaction with benefits has
> increased from 2019 to 2021, two in three (67%) still expect companies
> to overhaul current benefits plans as these specific needs have
> evolved through trying times.

**2 in 3 employees
expect companies to
overhaul their benefits
plans to meet their
evolving needs.**

Figure 4

Employee Benefits Expectations

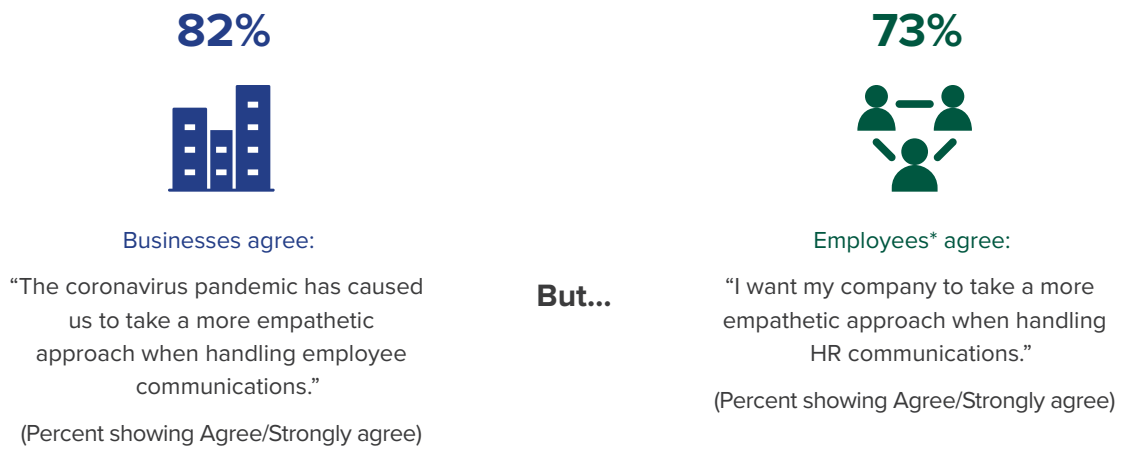|	
My expectations about my benefits have increased specifically because of the coronavirus pandemic	70%
I use my benefits program more now than before the pandemic	68%
Because of the pandemic, I am less likely to leave our company than before to maintain stability	66%
I am willing to tolerate more dissatisfaction with benefits due to the rise in unemployment rates	51%
I am considering moving or recently moved away from a high-deductible plan	36%

Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

FORRESTER®

> › **Employers struggle to take an empathetic approach to employee communication.** Benefits can deeply affect employees as they are directly tied to employee security and satisfaction. From an employee's perspective, the most valuable benefits such as health insurance and PTO help them to feel more secure and increase their satisfaction by meeting their family's needs. In response to the pandemic, 82% of businesses feel they are taking a more empathetic approach when handling employee communications, but employees don't think it's enough (see Figure 5). Three in four (73%) employees still say they want their employer to take a more empathetic approach when handling benefits and HR communications. More needs to be done in this space to improve communications and EX.

Figure 5

Empathetic Communications

82%

Businesses agree:

"The coronavirus pandemic has caused us to take a more empathetic approach when handling employee communications."

(Percent showing Agree/Strongly agree)

But...

73%

Employees* agree:

"I want my company to take a more empathetic approach when handling HR communications."

(Percent showing Agree/Strongly agree)

Base: 334 Manager+ decision-makers in HR/benefits technology at companies with 250+ employees in the US
*Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021
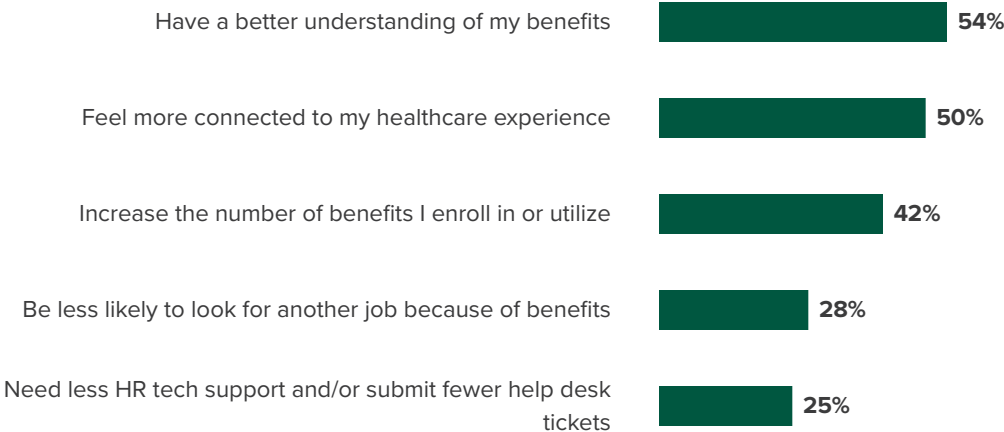
A Streamlined Benefits Administration Solution Solves Continually Evolving Education, Relationship, And EX Challenges

The benefits technology gaps exposed by the pandemic highlight the need for employers to adopt a comprehensive and agile benefits administration solution. In an assessment of advantages, we found that:

› **Streamlined benefits would improve EX.** Employees agree that a streamlined benefits system would increase their understanding and connection to the benefits their employers offer them (see Figure 6). This could solve some of the key challenges surrounding understanding their full benefits package, using benefits year-round, increasing satisfaction, improving engagement, and increasing reliance and self-service with benefits technology. Because benefits are a personal topic for employees, making sure they have a strong understanding and connection to their benefits is critical to improving EX.

Figure 6

"If my organization were able to streamline benefits, onboarding, ongoing employee support, HR, and payroll for employees, I expect that I would:"

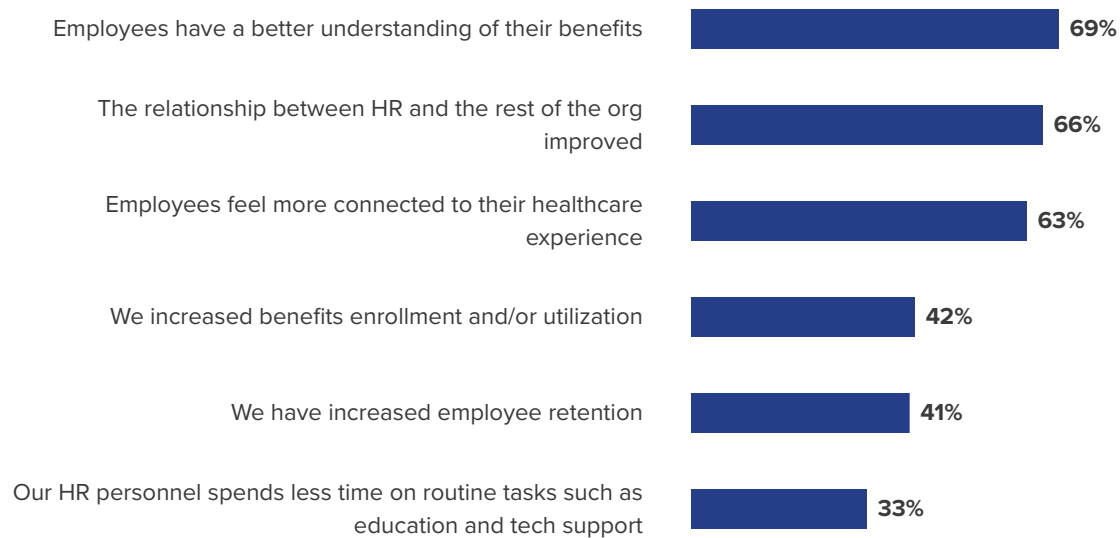|	
Have a better understanding of my benefits	54%
Feel more connected to my healthcare experience	50%
Increase the number of benefits I enroll in or utilize	42%
Be less likely to look for another job because of benefits	28%
Need less HR tech support and/or submit fewer help desk tickets	25%

Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

> › **Benefits administration tools address top business challenges today and tomorrow.** Businesses believe that administration tools can bring better employee understanding, an improved employer-employee relationship, and more connection to healthcare experiences (see Figure 7). These areas — education, relationship improvement, and engagement — are all critical areas where employers reported having challenges. Especially during times when HR teams are tasked with navigating more complex employee needs, this type of solution can bring great advantages and help those teams respond with empathy while improving education. These advantages underscore the need for a modern benefits administration tool that administers benefits, offers a personalized user experience, and facilitates enrollment and benefits education for employees and their dependents year-round.

Figure 7

Advantages Of An Integrated Benefits Platform

Employees have a better understanding of their benefits	69%
The relationship between HR and the rest of the org improved	66%
Employees feel more connected to their healthcare experience	63%
We increased benefits enrollment and/or utilization	42%
We have increased employee retention	41%
Our HR personnel spends less time on routine tasks such as education and tech support	33%

Base: 334 Manager+ decision-makers in HR/benefits technology at companies with 250+ employees in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

Key Recommendations

Forrester's survey of HR decision-makers and employees about benefits programs, enrollment, and technology yielded these recommendations:

Offer a personalized user experience that allows for various touchpoints. As employees expressed the need to access benefits and contact HR and benefit support teams in new ways during 2020, employers had to make quick adaptations. Now is the time for employers to proactively enhance those touchpoints. When streamlining EX and employees' benefits portal, be sure to include mobile, virtual assistance, and human help (contact centers). Allow employees the option of using their preferred communication methods. Focus on simplifying the user experience with decision support along the way.

Invest in mental health benefits to support the whole employee. For too long, employers checked the box on mental health support by relying on health insurance benefits and not investing in a more comprehensive mental health benefits strategy. A shortage of providers, high costs, and lack of alternatives left employees facing stigma and feeling unsupported, leading to significant impacts on engagement and medical spend. Tackle mental health needs directly by investing in partnerships with virtual mental health providers and benefits that provide financial support to close the gap in access for employees. By offering flexible options, employers will see a direct impact on employee engagement.

Support a healthier workforce with telehealth offerings. Telehealth is here to stay. By investing in coverage for telehealth and ensuring access to proactive care models, employees will be better empowered to show up to work ready to focus. Ensuring benefits provide affordable access to care, enabling employees to connect with their own providers, or offering a virtual-first primary care option all combine to help employees utilize convenient, low-cost telehealth options over more costly emergent care.

Prioritize security and reporting in your suite of tools. As you round out your benefits tools, make sure security and reporting are top of mind. As communication and work begin happening in new ways, -often digitally and remote- new security challenges emerge. Only engage with the most secure tools or platforms as your benefits program is only as strong as its weakest security link. Your tools should also have robust reporting features that allow your team to make informed decisions and guide your strategy. Reporting often doesn't meet the needs of HR teams and the stakeholders they support, so it's likely that a robust review of reporting isn't a significant part of the purchasing process. When engaging new vendors, make reporting a critical part of the review.

Leverage a benefits administration provider to streamline your benefits education and communication efforts. As benefits expand and employees take advantage of benefits in new ways, engaging with a benefits administration provider can boost engagement and improve EX. That provider can also enhance your communication strategy as they have multiple channels at their disposal to leverage and employee data to drive personalized messaging. Additionally, employees express the need to feel heard, so effective communications should reflect the employee voice and show direct action in response to employee needs. Establish a feedback loop to ensure employee voices are heard as you evaluate your strategy.

FORRESTER®

Appendix A: Methodology

Forrester conducted two online surveys to explore this topic. The first survey was conducted with 334 manager-level or higher decision-makers in HR/benefits technologies in the US. The individuals in this group worked either at companies with 250 to 999 employees (53%) or 1,000 to 20,000+ employees (47%). The second survey included 500 individuals, aged 18 years or older, who are employed at their current organization in the US — with either 250 to 999 employees (48%) or 1,000 to 20,000+ employees (52%) — for one or more years who have used at least one of their organization-offered benefits in the past year.
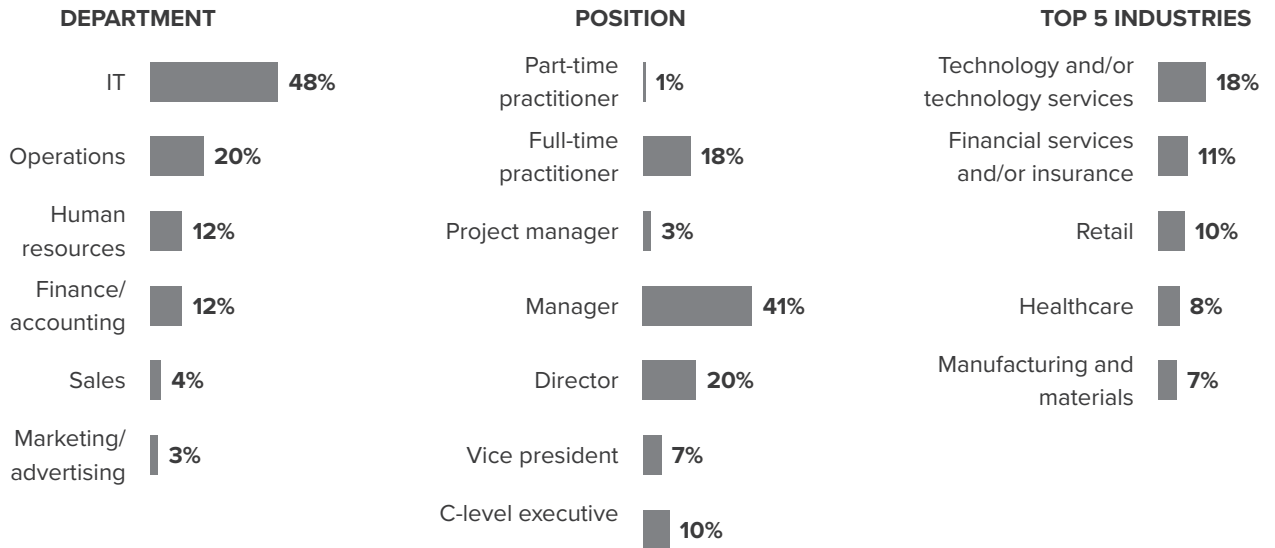
Questions provided to the employer participants asked about their major workplace challenges and opportunities over the coming year, what they need to effectively support their "whole employee," and how digital and virtual technologies change the employer/employee relationship. Questions provided to the employee participants asked about benefits offered and used, as well as what they expect from their employers related to their benefits and healthcare experiences. The study began in February 2021 and was completed in March 2021.

Appendix B: Employer Demographics

HR INVOLVEMENT

HR management	75%
Benefits technology	59%
Benefits strategy	36%
HR help desk	31%
Benefits enrollment	31%
Payroll	27%
Benefits procurement	25%
Recruiting	24%
Onboarding	13%

BENEFITS PROGRAM RESPONSIBILITY

4% Decision influencer
35% Part of team
61% Final decision-maker

SENIORITY

31% Manager
37% Director
21% Vice president
11% C-level executive

100% of respondents are in the US and work in HR/benefits technology

TOP 5 INDUSTRIES

Technology and/or technology services	17%
Construction	17%
Manufacturing and materials	10%
Retail	9%
Financial services and/or insurance	7%

BENEFITS ADMINISTRATION TOOL UTILIZATION

No plans to implement	Planning to implement in next 12 months	Implemented	Implemented and expanding
2%	34%	33%	32%

ESSENTIAL ORG DURING PANDEMIC

11% No
89% Yes

ABILITY TO WORK REMOTE DURING PANDEMIC

3% No
97% Yes

COMPANY SIZE

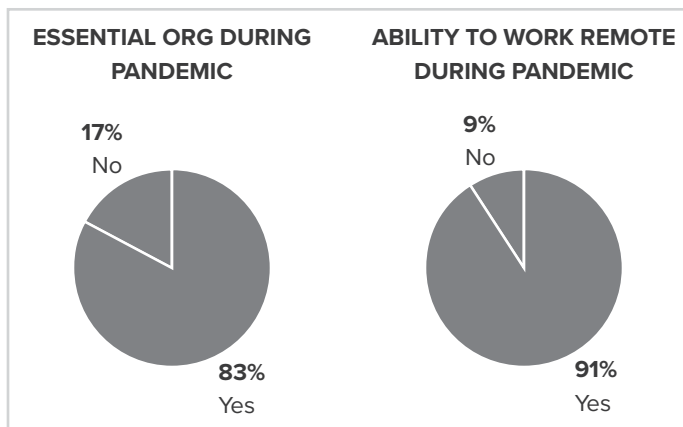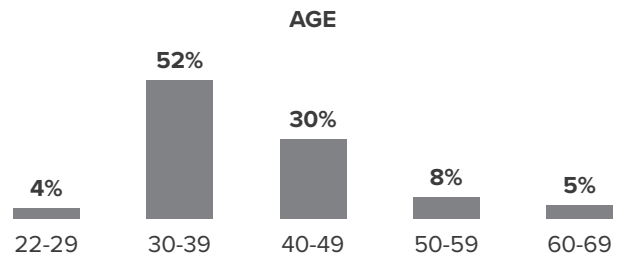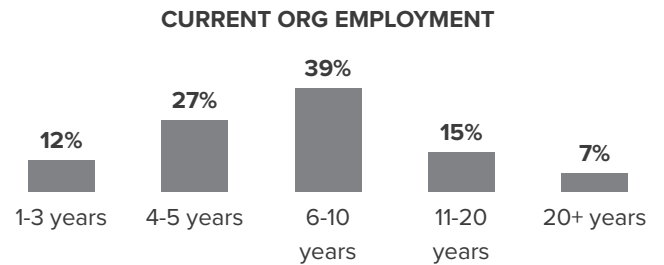|		
20,000 or more employees	2%	Direct (47%)
5,000 to 19,999 employees	5%	
1,000 to 4,999 employees	40%	
500 to 999 employees	37%	Channel Partner (53%)
250 to 499 employees	16%	

Base: 334 Manager+ decision-makers in HR/benefits technology at companies with 250+ employees in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

FORRESTER®

Appendix C: Employee Demographics

DEPARTMENT

- IT **48%**
- Operations **20%**
- Human resources **12%**
- Finance/accounting **12%**
- Sales **4%**
- Marketing/advertising **3%**

POSITION

- Part-time practitioner **1%**
- Full-time practitioner **18%**
- Project manager **3%**
- Manager **41%**
- Director **20%**
- Vice president **7%**
- C-level executive **10%**

TOP 5 INDUSTRIES

- Technology and/or technology services **18%**
- Financial services and/or insurance **11%**
- Retail **10%**
- Healthcare **8%**
- Manufacturing and materials **7%**

No. of Employees	Total %
250-499	**16%**
500-999	**32%**
1,000-4,999	**32%**
5,000-19,999	**10%**
20,000+	**11%**

100% of respondents are in the US and are enrolled in at least one benefit offered at their organization

CURRENT ORG EMPLOYMENT

- 1-3 years **12%**
- 4-5 years **27%**
- 6-10 years **39%**
- 11-20 years **15%**
- 20+ years **7%**

AGE

- 22-29 **4%**
- 30-39 **52%**
- 40-49 **30%**
- 50-59 **8%**
- 60-69 **5%**

ESSENTIAL ORG DURING PANDEMIC

- **17%** No
- **83%** Yes

ABILITY TO WORK REMOTE DURING PANDEMIC

- **9%** No
- **91%** Yes

Base: 500 18+ individuals employed at their current organization for 1+ years in the US and have used at least one of their org-offered benefits in the past year
Source: A commissioned study conducted by Forrester Consulting on behalf of bswift, March 2021

FORRESTER®