Aon, American Benefits Institute study sees progress on global benefits governance

Global Benefits Governance and Operations Study 2018/19 tracks activity in over 200 companies

WASHINGTON, DC – The American Benefits Institute (the American Benefits Council’s education and research affiliate) and Aon plc have released the Global Benefits Governance and Operations Study 2018/19. The latest survey – the third since 2012 – shows that companies worldwide are making progress with global governance of employee benefits, although nearly all of them still believe that more can be done.

The study of over 200 multinational companies from around the world and ranging in size from over 100,000 to fewer than 10,000 employees, asked global compensation and benefits leaders for their views on best practice in global benefits management. Key issues explored included what companies can do to improve alignment of benefits with organizational strategy and how they can better manage the costs and risks of global benefits.

Jim Tindale, partner at Aon, said “In this latest study, we have explored whether multinational companies have made progress towards best practice governance – maintaining the optimum control across their worldwide benefits operations – and whether value is still being seen in achieving best practice. We dug deeper into the drivers and enablers for governance, as well as the barriers that many have experienced.

“What is clear from the latest study is that there is a strong desire to implement best practice global governance – with 90% of companies wanting to make further progress and 74% of them aiming to achieve best practice global governance by 2021. Encouragingly, companies achieving a better state of affairs are also signaling that they are increasingly able to demonstrate the value from having done so.”
“Irrespective of their individual progress, nearly all the respondents to our study want to continue to broaden and deepen their involvement in the design, financing and operations of their benefits arrangements around the world. However, fewer have attained best practice levels than had hoped to do so - 31% compared to 80% who aimed to do so by 2018 in our previous study.”

James A. Klein, president of the American Benefits Institute and the American Benefits Council, agreed that U.S. companies are increasingly focused on harmonizing their employee benefit operations around the globe. “The results of this comprehensive study are consistent with what we hear from benefits professionals themselves: the global economy and talent market remain extremely competitive. A ‘best practice’ benefits governance approach can make a big difference in helping companies achieve their human resource objectives as well as their greater business goals. As always, we are proud to work with Aon on this important project,” Klein said.

Other key findings

- The primary barriers to progress remain lack of time, resources and budget.
- Lack of suitable technology and expertise about the norms and opportunities in many countries.
- Those who have made most progress cite internal and external collaboration as having been the key enablers.
- Those who have progressed have also typically started by getting clarity of strategy and structure.
- By contrast others have often hit a barrier of uncertainty of the next steps after starting by collecting data from around the world.
- The findings were remarkably common by size of company and the location of the headquarters.
- Companies describing themselves as generally centralized had made greatest progress with global governance.
- The expectation of further progress is backed up by an expectation of further corporate centralization.

Notes to Editors


About the American Benefits Institute

The American Benefits Institute is the education and research affiliate of the American Benefits Council. The Institute conducts research on both domestic and international employee benefits policy matters to enable public policy officials and other stakeholders to make informed decisions. The Institute also serves as a conduit for global companies to share information about retirement, health, and compensation plan issues.
The Council is a public policy organization whose members include over 220 of the world’s largest corporations, as ranked by Fortune and Forbes. Collectively, the Council’s members either directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.

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About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

Aon announced in May 2018 it will retire the business unit brands of Aon Benfield and Aon Risk Solutions, which follows the retirement of the Aon Hewitt business unit brand in 2017. This move was designed to increase the rate of innovation across the firm and make it easier for colleagues to work together to bring the best of Aon to clients. Aon has five specific global solution lines: Commercial Risk Solutions, Reinsurance Solutions, Retirement Solutions, Health Solutions and Data & Analytic Services.

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