

2021 HR and Benefits Trends

How You Can Get Ahead of the Curve

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As 2021 approaches and operating virtually becomes increasingly prevalent, there are several trends that have been accelerated by the COVID-19 pandemic which we expect to continue to reshape the HR, benefits and consumer experience spaces over the next year. Here are a few we recommend employers and HR professionals consider when developing their benefits strategy to enhance the employee experience.

TREND AI as an everyday assistant

1 With the constant buzz about AI over the past several years, a common misconception is that AI completely replaces full tasks and even jobs. However, this is rarely the case. As the use of AI expands, (Gartner reports 80% of emerging technologies are expected to have AI foundations by next year¹), it's essential to reframe AI as our everyday assistant that enables us to work and live smarter in this new virtual age. AI-based tools and technologies can enable HR professionals to manage employee data more effectively, and for employees, can improve the benefits experience and decision-making by finding and presenting necessary information more efficiently. By having a more realistic understanding of the benefits of AI, we can better identify opportunities to leverage these technologies to enhance our everyday personal and professional lives.

TREND The rise of chatbots

2 With virtual work expected to become a norm, the use of AI-powered chatbots will continue to become more widespread, with 80% of businesses expected to implement some form of a chatbot system by next year.² When it comes to employee benefits, one advantage of having a chatbot, in addition to telephonic or online support from a service team, is it is easily accessible and available 24/7. Chatbots answer common benefits questions, reduce hold times with service agents and can route employees to the benefits information they need quickly. However, as noted, AI works best in conjunction with human effort. Benefits service teams will still be needed for complex benefits questions and responding empathetically to sensitive situations. Ensure that in the coming years you can offer your employees a combination of both.

TREND Emotional intelligence as your greatest asset

3 Employees may be emotionally overwhelmed the past year, coping with COVID-19 related stressors like family health, childcare, homeschool and more, often simultaneously. In fact, CVS Health and Morning Consult found in a nationwide June 2020 poll that two-thirds of adults reported more stress compared to the same time last year.³ Going into 2021, it isn't simply about what you offer employees, but how you offer it. Employers should understand the unique and oftentimes challenging situations of their employees. It will be essential for leaders and HR professionals to bring their emotional intelligence to the forefront to craft thoughtful and empathetic experiences with benefits, enrollment and overall employee engagement.

TREND Financial security to remain a top employee concern

4 In a 2020 survey, Aflac found 48% of respondents could not pay \$1,000 or more for out-of-pocket expenses without relying on credit or debt if they were to experience a major health incident.⁴ Plus, 61% of respondents expect their share of medical costs to increase within the next year. Considering this trajectory, it's essential for employers to help employees make the right benefits choices for themselves. Engaging and intuitive decision support tools can help employees make the best decisions based on both their healthcare needs and financial resources.

TREND Cybersecurity concerns back on the rise

5 With the unexpected (and rushed) shift to remote work, cybersecurity-related concerns are on the rise again. Barracuda found that 46% of global businesses have encountered a cybersecurity scare since shifting to a remote work model.⁵ Businesses seeking new HR and benefits technologies in the next year should make cybersecurity a top priority in their search. Employees' sensitive information and PHI is at stake and businesses that cannot deliver peace of mind in this area will be falling behind.

TREND Improved omnichannel experiences

6 It's no secret that consumers demand omnichannel experiences and that businesses are delivering – in fact, PwC found that over the last 10 years, businesses investing in omnichannel experiences jumped from 20% to over 80%.⁶ When it comes to benefits, effectively delivering an omnichannel experience to employees is no longer about just being accessible via different platforms – mobile, desktop, phone and more – but about thoughtfully tailoring each of these channels to their needs. It's still possible to provide an interconnected benefits experience that also recognizes that employees interact with these channels in different ways, at different times and for different needs. Take the time in early 2021 to craft a strategy that makes personalization of the content and experience on each channel a priority.

TREND Mobile benefits and enrollment experiences

7 Mobile is increasingly becoming the channel of choice for online shoppers, with mobile devices expected to make up almost 73% of ecommerce sales by the end of 2021.⁷ Why should shopping for employee benefits be any different? As you craft your omnichannel strategy, spend time evaluating the quality of your mobile benefits and enrollment experience. Remember – if a website isn't mobile-friendly, 50% of people stop visiting.⁸ Talk to your benefits technology vendor to ensure they have a mobile strategy for their benefits platform. With employees managing multiple responsibilities at once, anytime, anywhere access to benefits can be convenient and appreciated.

¹ <https://www.gartner.com/en/documents/3875982/100-data-and-analytics-predictions-through-2022>

² <https://outgrow.co/blog/vital-chatbot-statistics>

³ <https://cvshhealth.com/news-and-insights/articles/most-adults-are-experiencing-more-stress-same-time-last-year-new-report>

⁴ https://www.aflac.com/docs/awr/pdf/2020-overview/aflac_awr_2020_executive_summary.pdf

⁵ <https://blog.barracuda.com/2020/05/06/surge-in-security-concerns-due-to-remote-working-during-covid-19-crisis/>

⁶ <https://www.pwc.com/us/en/retail-consumer/publications/assets/pwc-retailing-2020.pdf>

⁷ <https://www.statista.com/chart/13139/estimated-worldwide-mobile-e-commerce-sales/>

⁸ <https://trueilst.co/blog/ux-statistics/>