



#### PEOPLE & ORGANIZATIONS

## The Most And Least Generous Worker Benefits In The World

September 8th, 2015

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### OVERVIEW

With a growing recognition that employees are a company's greatest asset, it is also increasingly important to consider how to keep staff in different countries happy and engaged.

According to some studies, happy, comfortable employees are 12 percent more productive, while others show that for every US\$1 spent on employee health and wellness, employers can expect a US\$3-US\$6 return on their investment. Further studies suggest that benefits like health insurance can reduce employee turnover by up to 25 percent. There is also increasing evidence that ensuring employees get enough time off and don't work too many hours can boost productivity – as well as your workforce's long-term health.

A recent Aon survey of multinational companies found that 56 percent don't have a global benefits database, despite global benefit reviews being a top priority. For companies operating in more than one country, setting benefits centrally can cut administrative costs, while simplifying reporting, and reducing resentment between cross-border teams who may perceive the perks their colleagues receive to be unfair.

Understanding what is normal in different countries is the best starting point to work out how to develop appropriate packages, from local working cultures – such as working hours, vacation time, salaries, levels of tax on earnings – to indirect benefits like the availability of state healthcare, statutory sick days and age of retirement.

But when considering a working location, remember that simple top-level overviews like those below are never sufficient to make a decision – the devil is in the details, so seek out expert advice.

## IN DEPTH

### Most In-Demand Employee Benefits, 2014<sup>1</sup>

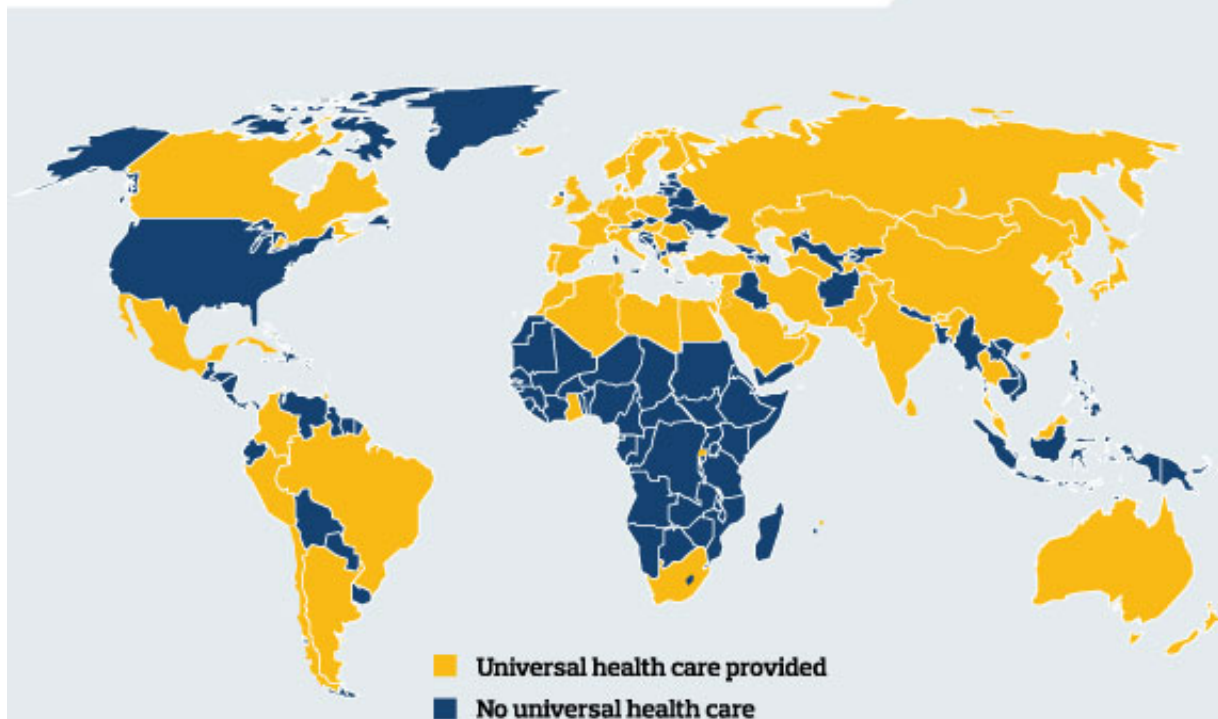
- |          |                                  |           |                                     |
|----------|----------------------------------|-----------|-------------------------------------|
| <b>1</b> | Health care and personal welfare | <b>6</b>  | Career development                  |
| <b>2</b> | Preventative health and wellness | <b>7</b>  | Business travel perks               |
| <b>3</b> | Retirement and savings planning  | <b>8</b>  | Relocation benefits                 |
| <b>4</b> | Leave benefits                   | <b>9</b>  | Compensation bonuses                |
| <b>5</b> | Flexible schedules               | <b>10</b> | Employee-focused community programs |

<sup>1</sup> Society for Human Resource Management – 2014 Employee Benefits report

# Health Care, Personal Welfare, Preventative Health and Wellness

Healthy employees are happy employees. Countries with good existing health provision can reduce the cost for businesses to provide health cover.

# 1&2



- |                           |                        |                         |
|---------------------------|------------------------|-------------------------|
| <b>1.</b> Algeria         | <b>26.</b> India       | <b>51.</b> Portugal     |
| <b>2.</b> Argentina       | <b>27.</b> Iran        | <b>52.</b> Qatar        |
| <b>3.</b> Australia       | <b>28.</b> Ireland     | <b>53.</b> Romania      |
| <b>4.</b> Austria         | <b>29.</b> Israel      | <b>54.</b> Russia       |
| <b>5.</b> Bahrain         | <b>30.</b> Italy       | <b>55.</b> Rwanda       |
| <b>6.</b> Belgium         | <b>31.</b> Japan       | <b>56.</b> Saudi Arabia |
| <b>7.</b> Bhutan          | <b>32.</b> Jordan      | <b>57.</b> Serbia       |
| <b>8.</b> Brazil          | <b>33.</b> Kazakhstan  | <b>58.</b> Singapore    |
| <b>9.</b> Brunei          | <b>34.</b> Kuwait      | <b>59.</b> Slovenia     |
| <b>10.</b> Canada         | <b>35.</b> Libya       | <b>60.</b> South Africa |
| <b>11.</b> Chile          | <b>36.</b> Luxembourg  | <b>61.</b> South Korea  |
| <b>12.</b> China          | <b>37.</b> Macau       | <b>62.</b> Spain        |
| <b>13.</b> Colombia       | <b>38.</b> Malaysia    | <b>63.</b> Sri Lanka    |
| <b>14.</b> Cuba           | <b>39.</b> Mauritius   | <b>64.</b> Sweden       |
| <b>15.</b> Czech Republic | <b>40.</b> Mexico      | <b>65.</b> Switzerland  |
| <b>16.</b> Denmark        | <b>41.</b> Mongolia    | <b>66.</b> Syria        |
| <b>17.</b> Egypt          | <b>42.</b> Morocco     | <b>67.</b> Taiwan       |
| <b>18.</b> Finland        | <b>43.</b> Netherlands | <b>68.</b> Tajikistan   |

18.	Finland	43.	Netherlands	68.	Tajikistan
19.	France	44.	New Zealand	69.	Thailand
20.	Germany	45.	North Korea	70.	Trinidad and Tobago
21.	Ghana	46.	Norway	71.	Tunisia
22.	Greece	47.	Oman	72.	Turkey
23.	Hong Kong	48.	Pakistan	73.	Turkmenistan
24.	Hungary	49.	Peru	74.	United Arab Emirates
25.	Iceland	50.	Poland	75.	United Kingdom

## Top 10 Countries by Paid Sick Day Entitlement <sup>2</sup>

a strong state focus on health can have other implications, like the number of sick days employees are entitled to. This can give workers peace of mind, but may impact productivity if abused.

1.	50 Luxembourg	6.	39 Belgium
1.	50 Norway	7.	38 Sweden
3.	48 Finland	8.	36 Denmark
4.	45 Austria	9.	35 Netherlands
5.	44 Germany	10.	33 Spain

2. Center for Economic and Policy Research: Contagion Nation: A Comparison of Paid Sick Day Policies in 22 Countries



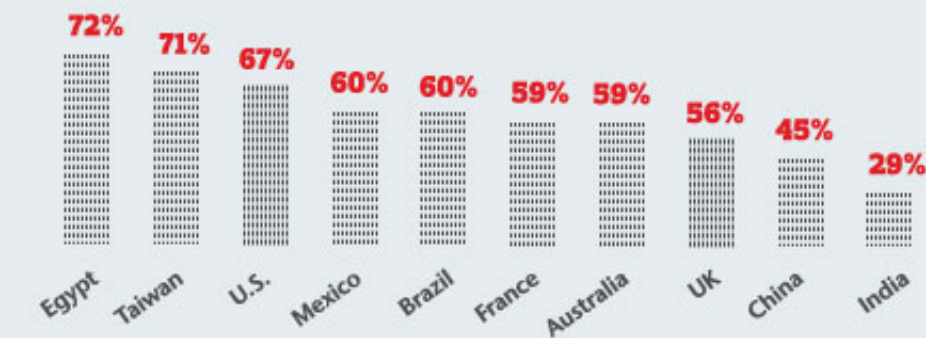
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## Retirement and Savings Planning

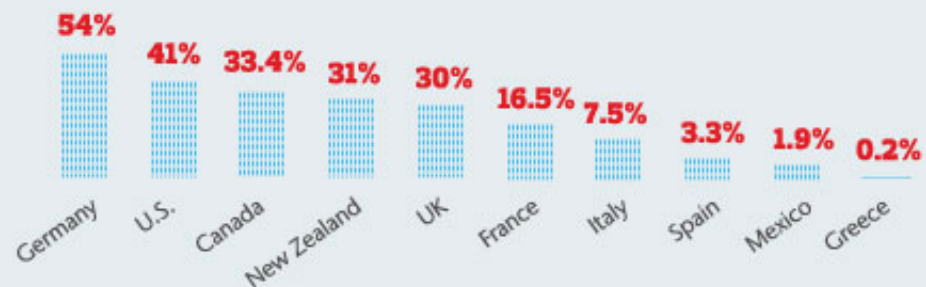
As life expectancy increases, so do worries about being secure in retirement. Being seen to help employees effectively plan for retirement can be a major pull factor for recruiting and retaining talent.

Average  
**57%**

Percentage of population who don't feel adequately prepared for retirement<sup>3</sup>



Percentage of working age population covered by occupational pension schemes<sup>4</sup>



<sup>3</sup> Statista / Cicero Group, July 2012–April 2013

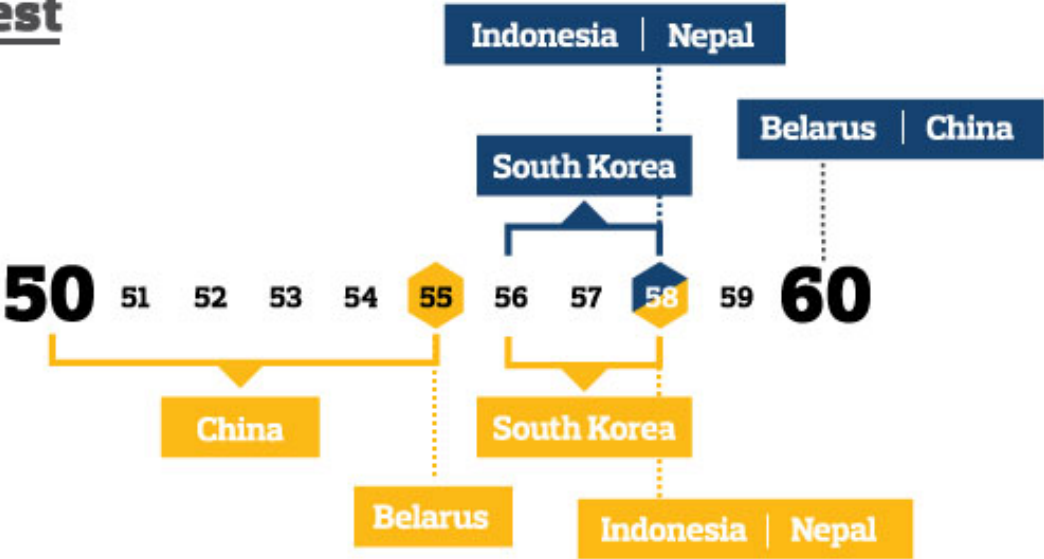
<sup>4</sup> OECD Pensions at a Glance 2013

# State Retirement Ages

To help employees effectively plan, it's also important to factor in when they are likely to retire.

men  
women

## Earliest



## Latest



# Leave Benefits

Regular vacations have been shown to boost employee productivity, but what counts as good in different countries?

4

## Top 10 countries by statutory paid vacation days

- |     |    |              |
|-----|----|--------------|
| 1.  | 43 | Kuwait       |
| 2.  | 40 | Panama       |
| 3.  | 40 | Russia       |
| 4.  | 38 | Austria      |
| 5.  | 38 | Malta        |
| 6.  | 38 | Mauritius    |
| 7.  | 37 | Burkina Faso |
| 8.  | 36 | Bahrain      |
| 9.  | 36 | Iceland      |
| 10. | 36 | Afghanistan  |

## Bottom 10 countries by statutory paid vacation days

- |   |                  |
|---|------------------|
| 6 | Nigeria          |
| 5 | Thailand         |
| 0 | Kiribati         |
| 0 | Liberia          |
| 0 | Marshall Islands |
| 0 | Micronesia       |
| 0 | Palau            |
| 0 | Tonga            |
| 0 | Sri Lanka        |
| 0 | United States    |



## Flexible Schedules

Maintaining a good work-life balance is increasingly hard, especially for parents, but a key factor in employee satisfaction and productivity. Is 9 to 5 essential, or could your employees work on different patterns? And how many hours' work is normal in different countries?

Average weekly hours  
actually worked per worker<sup>5</sup>



<sup>5</sup> OECD, 2014 figures, except Belgium, France, Korea, Turkey (2013)



# Average Wages

## Top 10 average wages in OECD countries<sup>6\*</sup>

56,067	United States
55,176	Luxembourg
53,716	Switzerland
51,218	Ireland
51,050	Australia
49,663	Norway
48,209	Denmark
47,717	Belgium
47,458	Netherlands
45,896	Canada

## Bottom 10 average wages in OECD countries\*

34,397	Italy
32,227	Slovenia
28,864	Israel
26,846	Greece
23,115	Portugal
22,407	Poland
21,037	Czech Republic
20,391	Hungary
20,323	Slovakia
18,371	Estonia

<sup>6</sup> <http://stats.oecd.org//Index.aspx?QueryId=64115>

\*in 2012 U.S.\$ PPP

## TALKING POINTS



"There is a clear trend of centralization at multinationals, yet it isn't flowing through to the way that employee benefits are managed... the vast majority of decisions are still being taken by local stakeholders. [Effectiveness of global planning] is generally being restricted by a lack of up-to-date information and administration activities." – Carl Redondo, Aon Global Benefits



"When considering the impact of local laws, care should be taken to note cultural differences and issues of discrimination. Employers should question whether or not a particular benefit will integrate with cultural norms." – Personnel Today



"You need to understand what impact [benefit schemes] are having on behavior... a big alarm bell should be ringing if they perceive it to be unfair" – Jonny Gifford, Chartered Institute of Personnel and Development

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## FURTHER READING

- Benefits Are the New Salary – Bloomberg Business, June 30, 2015
- The Employee Benefits that Make a Real Difference – Fast Company, June 2, 2015
- The World Bank Group and ILO Universal Social Protection Initiative – International Labour Organization, July 29 2015
- 5 Affordable Benefits Employees Appreciate But Few Companies Offer – Entrepreneur, July 6, 2015
- 15 Companies with Incredible Employee Perks – Business Insider, August 13, 2015
- Centralising Global Benefits Held Back by Operational Realities – Employee Benefits, June 9, 2015
- Trends in Global Employee Engagement – Aon report
- Global Benefits Study – Aon report

