Rethinking Benefits Technology

pib employee benefits

PART OF pib Group

Introduction

Benefits technology has become an increasingly important tool for companies wanting to deliver, manage and communicate employee benefits.

But, while adoption of technology is growing, the reality is far more complex.

To better understand this evolving landscape, we surveyed 500 HR leaders to capture their insights on benefits technology and the challenges surrounding it..

This report explores how organisations are approaching technology - from adoption and capability to engagement, impact and return on investment.

Our research has found gaps still persist between implementation and impact - with many HR leaders we questioned saying their company is still working to fully realise the potential of their investment.

Understanding and closing these gaps is vital for turning benefits technology from a functional tool to a strategic advantage.

We hope you find these insights useful when looking at your benefits strategy in 2026 and beyond, and in considering how technology can support a more integrated, global approach.

Tarang

Tarang McKenzie
Head of Technology
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Part 1

ADOPTION OF TECHNOLOGY

Who is using benefits technology?

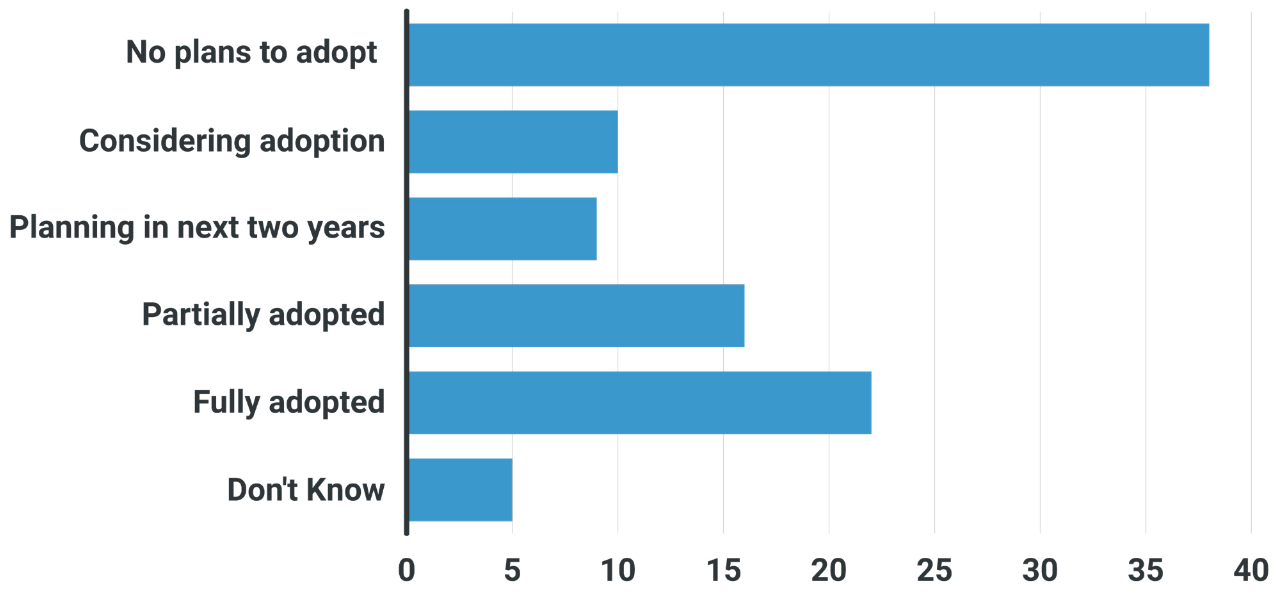
Our research amongst HR decision leaders surveyed found that 22% said their company has fully adopted benefits technology.

While over half of companies do have some level of benefits technology in place, adoption is far from standard. Notably, SMEs are slower to adopt, with 49% reporting no plans to invest.

38%

of companies have no plans to adopt benefits technology

% of companies who have adopted technology



Partial adoption also appears frequently, suggesting that even when technology is in place it's not being leveraged fully. Such a significant gap in adoption of technology provides a key opportunity for businesses to optimise their employee benefits strategy; even with an entry-level solution, benefits technology is a good way of boosting engagement and delivering a higher return-on-investment on benefits spend.

A closer look at company size and industry

Utilisation of benefits technology is skewed towards larger companies; 44% of large organisations have adopted benefits technology compared to just 15% of SMEs.

Stage	Large	SME
No plans to adopt	7%	49%
Fully adopted	44%	15%

There is a clear divide when looking at adoption based on business size; large companies are significantly more advanced, with nearly half fully adopting benefits technology and very few with no plans to invest.

Yet only a small portion of SMEs are reaching full adoption, which highlights that smaller companies may be facing greater barriers in terms of resource, cost or capability.

Industry Spotlight

IT & Telecoms are leading the way

43% have fully adopted tech

Legal are showing the highest future intent

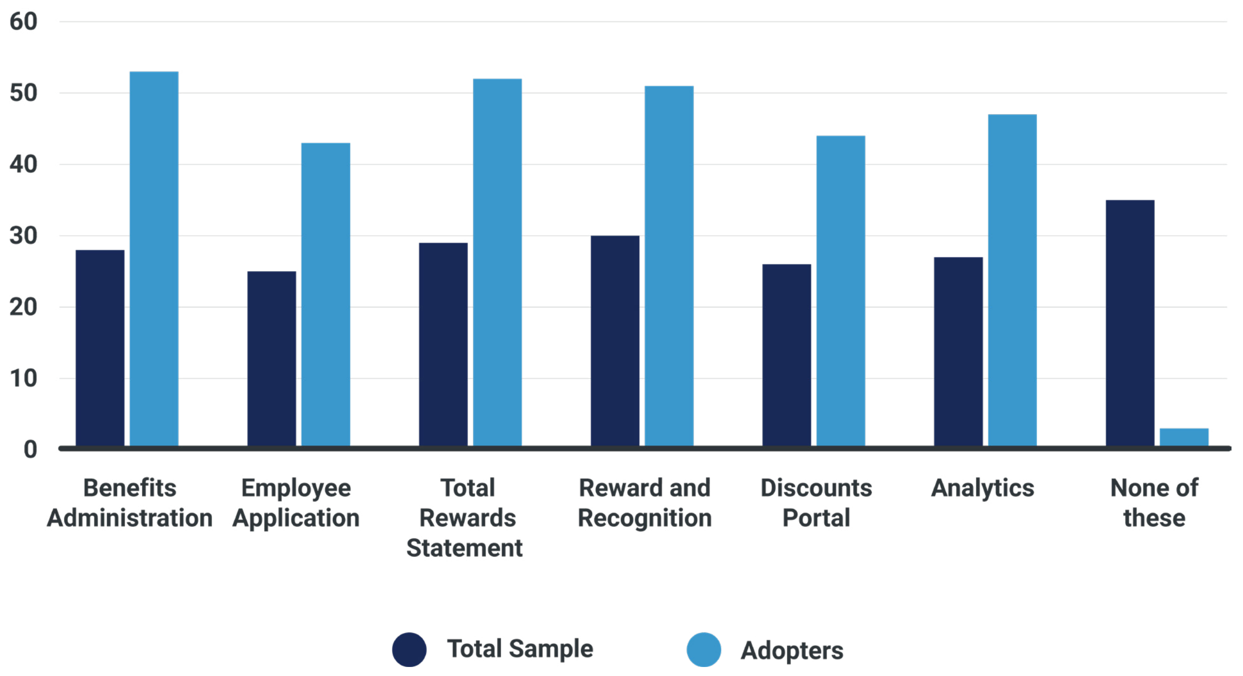
18% plan to adopt in the next two years

Barriers for adoption remain widespread as ‘no plans to adopt’ peaks at 50% in some industries

What is benefits technology being used for?

Surprisingly, 35% of the HR leaders we surveyed say they don't use any benefits technology capabilities. Even if technology is in place, it's not being used to shape and inform the wider benefits strategy.

% of companies who utilise these functions



While a range of capabilities are available, usage remains mixed. We are seeing a clear divide between companies who have adopted technology and those who have not.

The data reveals a divide between companies that have adopted benefits technology and those who have not. While 35% of companies report using no capabilities at all, adopters show consistently high usage across all areas.

However, usage remains strongest in core administrative and reward functions, with more advanced capabilities such as analytics underutilised - highlighting that adoption doesn't always equal strategic impact.

What we're seeing is that adoption of benefits technology isn't the key challenge, it's getting value from the technology. Companies that focus on how platforms are used and embedded and not just implemented will be the ones to get the greatest positive impact

Tarang

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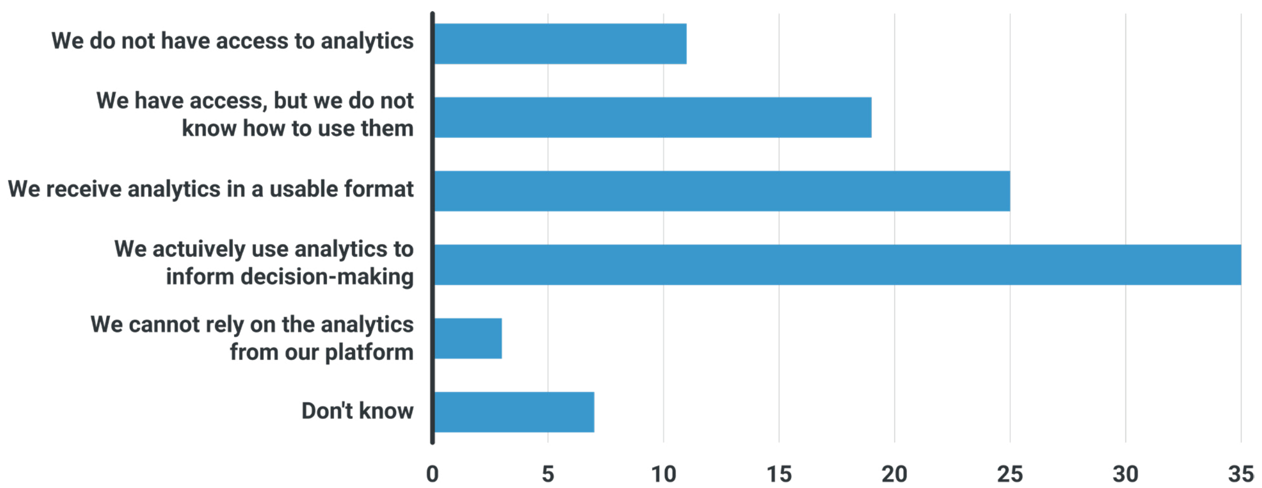
Are companies getting the most from their technology?

Our research found that 30% of HR leaders whose company have adopted or have plans to adopt technology, either lack access to analytics completely or don't know how to use them.

% of companies who have or plan to have technology who use analytics



Adoption of benefits technology doesn't automatically translate into data-driven decision making. While 35% of adopters actively use analytics, nearly a third lack access or don't know how to use them.

Even among those receiving data in a usable format, many are yet to move from insight to action. There is a clear gap where the ability to generate data is outpacing the capability to use it effectively. The challenge for companies isn't collecting data; it's knowing how to use it to implement better benefits.

11%

Disconnected:

No access or unreliable data

19%

Unskilled:

Have data but don't know how to use it

25%

Informed:

Receive reliable data

35%

Data-driven:

Actively use data to make strategic decisions

Part 2

OUTCOMES AND VALUE

What is driving investment in benefits technology?

Employee engagement, the reduction of administrative burden and reward and recognition are revealed as the top three drivers of investment for benefits technology.

This top three was the same for both the total data sample and within those who have already adopted or plan to adopt soon.

35%

of companies invest in benefits technology to increase employee experience and engagement

31%
invest for flexible benefits

29%
invest for reward and recognition

27%
invest to reduce administrative costs

30%
invest to reduce administrative burden

Investment without intention:

20% **of companies don't know why they would or have invested in benefits technology.**

One in five organisations are unclear on why they would invest in benefits technology. This lack of clarity suggests that for some, investment decisions might be reactive rather than strategic. Without a strong understanding of 'why' it is also more challenging to prove the return-on-investment.

Companies need a clear rationale around investment, with aligned success metrics to assess and measure impact.

What is driving investment by business size

The key drivers for benefits technology investment differs depending on business size.

However, for both SMEs and large corporates, employee experience and engagement came out on top, for companies who have (or are looking to) invest in benefits technology.

58% of large businesses say that employee engagement is the reason they invest or would invest in benefits technology

SMEs

29% **would invest for employee engagement**

26% **would invest for flexible benefits**

25% **don’t know why they do or would invest**

Large Corporate

44% **would invest for reward and recognition**

43% **would invest to offer a larger range of benefits**

5% **don’t know why they do or would invest**

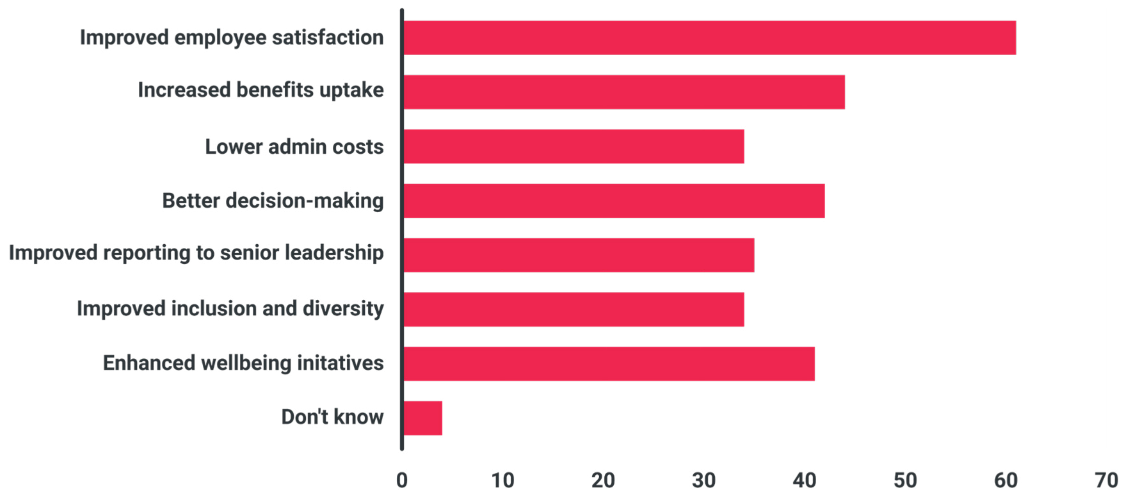
Just 5% of large corporates answered ‘don’t know’ which showed a more focused strategic intent for investment. In contrast, SMEs showed lower levels of certainty, with employee engagement and flexible benefits leading, but a notable 25% of HR leaders said they ‘don’t know’ as their reason for potential investment.

The data shows that companies are directing spend towards areas that reduce costs and improve decision making. Almost a third (30%) are investing to reduce administrative burden, 27% are targeting lower admin costs and 20% are prioritising compliance support. A further 31% are investing in flexible benefits and 20% in analytics; when thinking about investment in technology, cost clearly sits at the centre of these decisions. This is reinforced by the 38% of companies with no plans to adopt who said budget is their biggest barrier.

What impact is benefits technology having for companies?

61% of the HR leaders we surveyed reported benefits technology improves employee satisfaction.

For companies who have adopted, or plan to adopt benefits technology, this is how they would best describe the impact it has had in their company:



Companies are seeing clear and measurable benefits from their investment or planned investment in technology, with improved satisfaction emerging as the strongest outcome.

However, the impact remains uneven in other areas like administration costs and improved inclusion. This suggests that while benefits technology can deliver significant value, outcomes will vary based on how effectively it is implemented and valued by employees.

Industry spotlight: Improved satisfaction

These industries ranked top three for improved employee satisfaction:

> Marketing and Advertising
> Retail
> Hospitality and leisure

How engaged are employees?

Our research found that among those who have adopted benefits technology or plan to adopt, 85% of HR leaders say their employees are engage with the benefits platform.

Engagement level	% of companies
Very engaged	38%
Somewhat engaged	48%
Somewhat disengaged	10%

38%

of companies reported that employees are 'very engaged' with their benefits platform

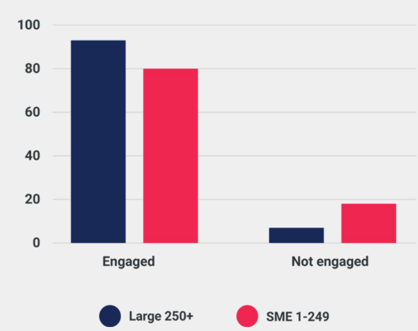
Employee engagement with benefits platforms is generally strong, with over eight in ten companies reporting engagement from their employees. And only 1% of HR leaders response 'don't know', which suggests that it's an easier metric to gauge when measuring success.

Companies with no plans to invest:

Employee engagement is rarely seen as a barrier among organisations who have no plans to invest in benefits technology, which suggests that engagement isn't viewed as a problem to be solved within these companies. We know this is a persistent gap - 86% of UK companies offer benefits to their employees, but over one in four employees don't access information about them; engagement is a size-able barrier to overcome.

Our Mind the Gap Survey revealed that 39% of employees do not understand information about their benefits or how to access

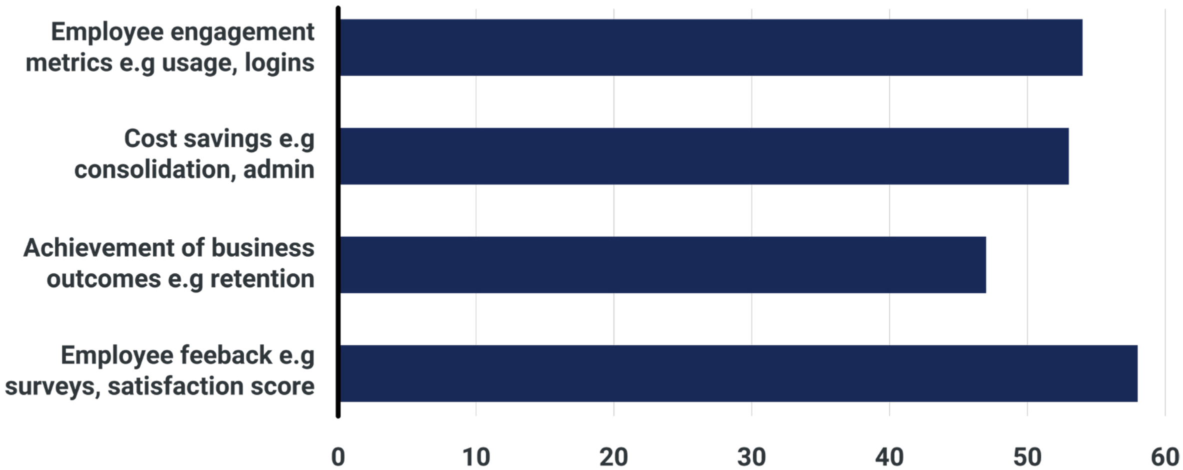
SMEs that have adopted or plan to adopt technology reported lower engagement than large corporates.



Are companies measuring what matters?

Almost half - 47%, of non-adopters don't measure return on investment (ROI) at all.

ROI measurement for technology adopters



Companies that have adopted benefits technology are far more likely to track ROI, with over half measuring employee engagement, cost savings and gathering employee feedback.

Measuring ROI requires both adoption and analytical capability, yet our data shows that many companies are underprepared. These results highlight a key cycle for benefits technology:

Adoption of benefits technology

Analytics capability

ROI and impact measurement

Insight and action

What does this mean for non-adopters?

Companies who have not adopted benefits technology are largely missing this cycle. Without adoption, analytics are unavailable or underutilised and ROI is rarely measured. This means insights cannot inform strategy limiting engagement and outcomes.

One of the biggest challenges we see is that companies often struggle to show the impact of their benefits technology, making it difficult to justify investment. The ones getting it right are those that are clear on what they want to achieve and use data to bring that to life.

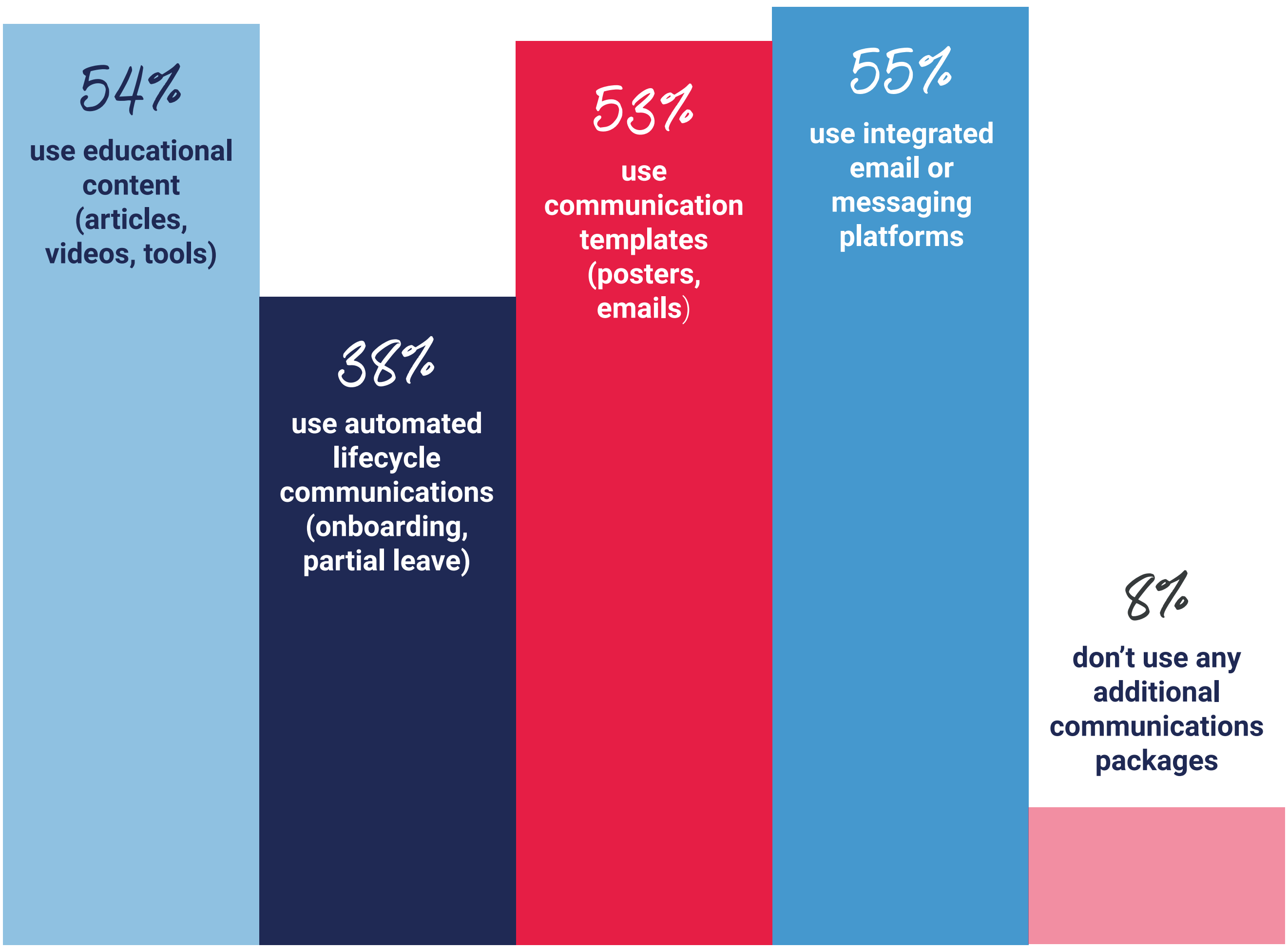
Victoria

Victoria Watts
Head of Corporate

What does communication look like with benefits technology?

We asked 500 HR leaders, which of the following, if any, of the following communication tools or support does your organisation use?

These were the results for those who have tech or are planning to adopt it:



Most companies pair their benefits platform with communication, using integrated emails or messaging and educational content to guide employees. Only 8% of HR leaders who have adopted technology said, 'Not applicable - we do not use any additional communications', suggesting most do not rely on the platform alone and instead use regular communication touchpoints to drive engagement.

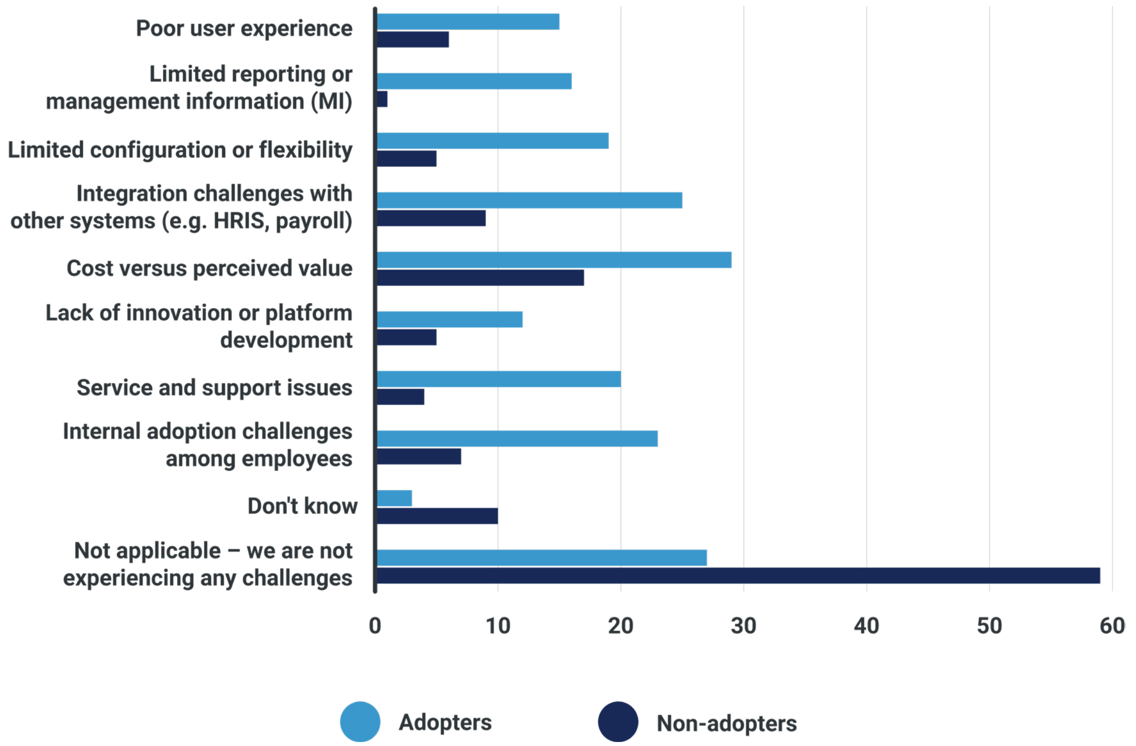
Part 3

BARRIERS AND FUTURE PLANNING

What are the pain points for organisations?

Our research found that whilst challenges are real, they aren't universal; 27% of the companies who have adopted or have plans to adopt benefits technology, report that they face no challenges.

The pain points faced by companies



The above graph outlines the challenges faced for those who have adopted benefits technology and those with no plans to adopt.

For those encountering difficulties, the top three pain points centre around cost versus perceived value, integration with existing systems such as payroll and internal adoption.

This split could highlight a key theme - that success depends less on the technology itself but more on how effectively it's implemented, integrated and embedded into an organisation.

What's stopping companies from investing?

For organisations with no plans to adopt benefits technology, budget is the most significant barrier, followed by getting senior buy-in.

However, over a quarter report no clear barriers (27%). This suggests that in some cases the absence of investment may not be driven by lack of constraint - but by lack of need (or perceived need).

39%

of companies with no plans to adopt technology say that budget is the biggest barrier

What does this tell us?

If benefits technology isn't a priority, it's not getting investment and that's where companies risk falling behind.

As a result, companies may be missing out on key opportunities to improve employee engagement, make more informed decisions and demonstrate the true Return on Investment of their benefits package.

What barriers are potentially stopping greater adoption?

For those who have already adopted or plan to adopt technology we found that:

37% **feel that budget constraints are a barrier**

30% **would invest for flexible benefits**

22% **feel that concerns about accessibility or non-desk employees are a barrier**

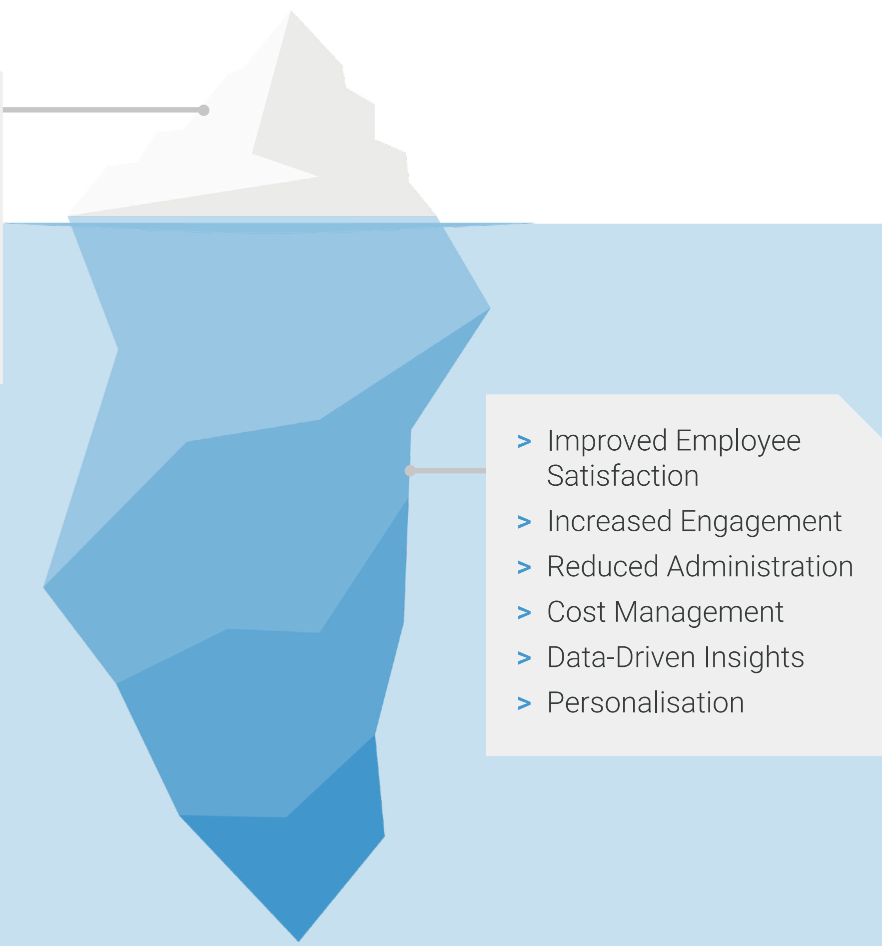
Building a business case

Although budget and buy-in are common barriers, the real challenge is often demonstrating value. Companies who adopt benefits technology are more likely to drive engagement and measure impact.

A strong business case moves beyond cost, focusing on both the visible and hidden benefits that embedding technology can deliver.

Companies should:

1. Define the problem and align to business priorities – are you struggling with retention or administration?
2. Use data to demonstrate value – leverage insights and benchmarks to show potential impact.
3. Look beyond cost to long-term impact – consider both immediate and wider benefits.



The iceberg effect

Not all benefits of benefits technology are immediately visible or easily measurable. not all benefits are immediately visible or easily measurable.

The role of Artificial Intelligence in organisations

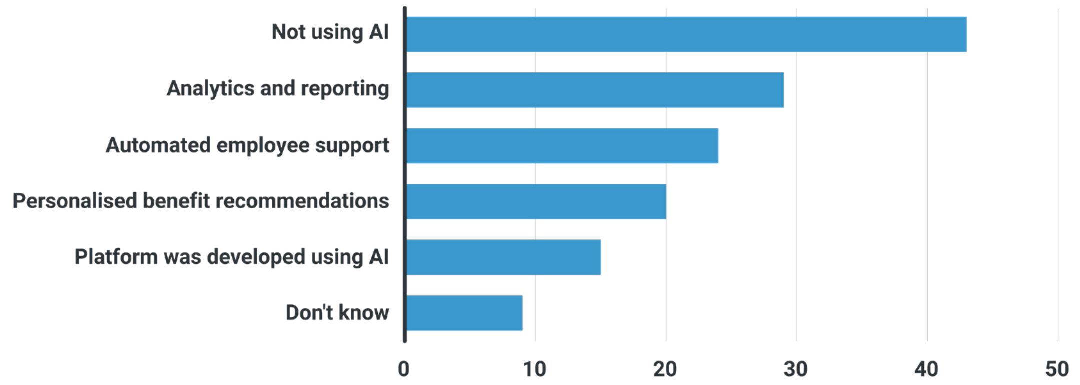
Despite a growing interest in Artificial Intelligence (AI), adoption remains limited.

While our research revealed that some organisations are beginning to use AI for analytics, reporting and automated support, more advanced applications like personalisation are more limited.

43%

of companies reported that they don't currently use AI

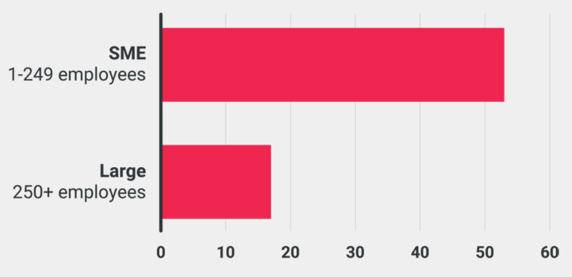
Where are companies using AI?



These results reflect a broader trend highlighted in this report, while technology capabilities are evolving rapidly, many companies are still in the early stages of adoption and are yet to fully realise the strategic potential of embedding these tools.

Companies who don't use AI

AI adoption is heavily skewed towards larger companies, while over half of SMEs are yet to engage with it.



Looking ahead: Where are the biggest opportunities?

1

Turning adoption into value

Adoption of technology is growing, but value isn't guaranteed. The opportunity lies in embedding technology more effectively and driving consistent usage.

2

Strengthening analytics usage

Many companies are collecting data, but fewer are using it effectively Improving analytics is key to demonstrating impact and supporting further investment.

3

Driving employee engagement

The results show the engagement is strong but often surface-level. There is a clear opportunity to create more meaningful, sustained interaction with benefits – a key element of this is how companies and communicating with employees and making use of what is available to them within the platform.

4

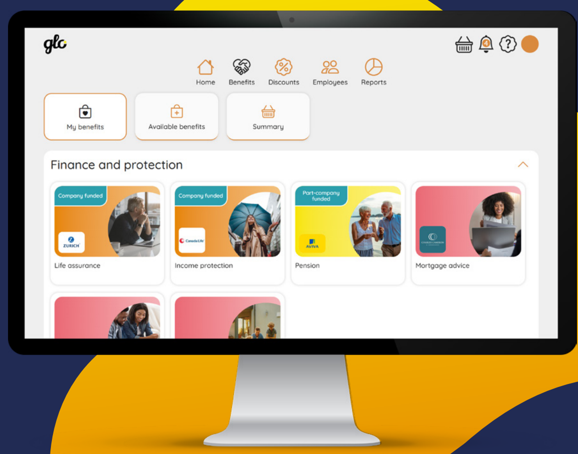
Exploring the potential of AI

AI adoption is still emerging, particularly among SMEs. Those who explore AI could use it to unlock more personalised and efficient experiences.

Benefits so bright they glo

glo is PIB's flexible benefits and wellbeing platform that makes it easy for organisations to design, manage and communicate their employee benefits in one place. It gives employees a single, intuitive hub to view, choose and personalise their benefits, while HR teams get streamlined administration, automated processes and clear analytics on uptake, cost and engagement.

In short, **glo** turns a complex benefits portfolio into a simple, engaging and data-driven experience for both employees and HR.



Make your benefits brighter

- Fully customisable and easy-to-use
- Instant access to pre-arranged partnerships
- Transparent pricing, no hidden costs
- Ready-to-use communications built in
- UK-based support for your people

Closing note

Companies who will have the best success with benefits technology are those that move beyond adoption as a once and done task and focus on continuously maximising value.

There is no doubt that benefits technology is now firmly on the agenda, but the real opportunity lies in how effectively it's being used and embedded.

Companies that take a more strategic and data-led approach will be best placed to unlock its full value.

If you're looking to take the next step, or need help with your existing solutions, we'd be happy to support.

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Get in touch

For more information on the points raised, contact one of our employee benefits specialists.

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