



▶ A Business Case  
For Benefits  
Communications



**F**or many employers, this scenario is all too familiar: A company starts a wellness program, or purchases a stellar benefit, in the hopes that they will boost morale, retain top talent and even shrink health insurance costs. Yet the company still ends up with an unhappy and unhealthy workforce that is unproductive and difficult to motivate.

A common reason: Regardless of what rich perk or plan an employer offers, it likely will fizzle if employees either don't know about it or don't care. That's why employee engagement and communication is just as vital as the benefit itself, according to a number of Partners of United Benefit Advisors, the nation's leading alliance of independent employee benefits advisors.



“There’s a direct correlation between employee engagement and a healthier bottom line,” said Scott Smeaton, executive vice president of Hierl Insurance, Inc., of Appleton, Wis. “Employees who are engaged in their work and with their employer tend to be more productive, loyal and reliable. They’re not there to just do a job and go home. They’re genuinely interested and committed to the success of the company they work for and the work they perform.”



A number of industry surveys back up that statement. Data from Gallup point to a strong relationship between workers' engagement and their employers' overall performance. A 2010 survey by the research firm found that companies with highly engaged employees were 18 percent more productive and 16 percent more profitable than companies without engaged workers. Data from Gallup's *State of the American Workplace: 2010-2012* report point to a strong relationship between workers' engagement and their employers' overall performance. Findings from this report indicate that companies with highly engaged employees were 21 percent more productive and 22 percent more profitable than companies without engaged workers. The report also confirmed that employee engagement continues to be an important predictor of organizational performance even in a challenging economy. Gallup researchers studied the differences in performance between engaged and actively disengaged business/work units and found that those scoring in the top half on employee engagement nearly doubled their odds of success compared with those in the bottom half.

"This is an opportunity for employers to begin repairing the relationships and loyalty of employees," according to Bob Recchia, president of California Corporate Benefits in San Diego. "The employer who recognizes the cost savings and improved productivity that results from higher retention of employees, especially key positions, can potentially avoid the wave of employee exits that are projected as soon as the job market improves," Recchia said.



\*2013 Gallup Report "STATE OF THE AMERICAN WORKPLACE."



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"No matter an employers' size or industry, and regardless of the myriad of challenges that engagement can create, employers simply can't afford to ignore it," said Andrea Kinkade, president of Kaminsky & Associates in Maumee, Ohio.

"The negative effects of not having a solid engagement strategy results in disengaged employees who don't understand the true value of their position and their benefits program," Kinkade said. "The less engaged employees are, the less productive (presenteeism) they become."

"A drop in productivity is often just the start of troubles for employers with an unengaged workforce," Kinkade said. "In addition, the lack of engagement may lead to improper benefit uses, increased turnover, higher training and education costs and higher absenteeism."

In the end, an employer with unhappy employees will find it difficult to compete with companies that have an engaged workforce, Kinkade added.

## Getting Started

"Whether a company wants to kick-start a new wellness program, tout a beefed-up benefit or try a morale-boosting activity, it pays to start on the ground floor by gauging employees' attitudes and desires," Smeaton said.

"One strategy we've used – and it took some convincing of the employer on our part – is to conduct a survey really getting to the heart of what's important to employees," Smeaton



said. The hardest, but most rewarding part, Smeaton said, is actually sharing those results and initiating a discussion about them. "There will be things that can't be changed – and we need to explain why. There are other things that can be changed – and we can lay the groundwork for making those changes, while letting employees know they were heard."

After surveying the workforce, a company can start implementing actions to boost engagement. Whether it's announcing the value of a particular benefit or promoting a free gym membership, employers should plan on using creative and consistent communications to get workers involved, said Gary Journey, president of Kainos Partners, Inc., in Houston, Texas.

## Ready, Set, Engage

Are pamphlets and meetings putting your employees to sleep? Here are some novel ideas that many companies are using to get their workers engaged:

### ▶ Ping Pong, Anyone?

Try setting up a little competition to draw workers in. One company started a ping pong tournament to build camaraderie among staff.

### ▶ Give to Get

If you want to boost participation in enrollment, wellness initiatives or other programs, try offering fun prizes.

Electronic gadgets and gift certificates that employees and their families can enjoy are big winners.



### ▶ And the Award Goes To . . .

Sometimes, a little recognition goes a long way. Offering office awards for performance can help spotlight star employees and build respect among staff. These can be very inexpensive ways to boost morale in the office, and they reinforce positive feedback to employees.

### ▶ Lunch and Learns

Educational programs can be a good draw for many employees. For instance, one company sponsored a session during lunchtime in which local physicians came in and talked about how employees and their families can improve their health.

### ▶ Any Volunteers?

Highway cleanups, recycling drives and other volunteer activities can build trust and morale among staff and boost an employer's reputation in the community. Many of these activities cost workers' time but little or no cash.

“Communication methods and tools are a key area that will improve employee engagement,” Journey said. “Being creative in the content and methodology to assure that employees understand and value the benefits that are being offered is key.” Journey noted that industry research has shown that “employees have a positive perception of their benefits (even when the overall package is mediocre) if there is an excellent communications plan in place.”

Kinkade agreed, adding that employers must be serious about communicating the value of their benefits and plans and make it a cornerstone of their corporate culture.

“Employers need to be willing to commit the time and effort to better education and training strategies,” Kinkade said. “Employers do not always view their benefits package as an investment in success, but rather an unavoidable annual drain on their ability to focus on business operations. They need to view their benefits program as an integral part of hiring and retaining quality employees,” Kinkade said.

Wendy Donaghue, vice president wellness solutions at Mesirow Financial in Chicago, Illinois, said a company’s commitment to engagement has to start from the top.

“Boosting communication is a lot easier than changing culture,” she said. “Information abounds, and most insurance companies have robust libraries of ready-to-post (or mail) posters, newsletters and other informational pieces. Changing the entire culture will only happen when a senior executive, such as the CEO or the COO, is completely on board and driving the engagement effort.”

Journey has seen this sort of change pay off with one of his clients who hadn’t put much effort in their employee communications for several years. When a new medical provider required that every employee make elections at enrollment time, the company found itself in unfamiliar territory. But a renewed

### ▶ **Making It Easy**

Many employers are turning to technology to help workers complete enrollment tasks and track their progress in reward programs. Online and social media tools can strengthen the office community and help HR keep up on what employees want and need.

### ▶ **Help For Fido**

While most employers can’t break the bank on benefits, many are turning to voluntary benefits to sweeten the package for workers. One inexpensive trend is offering pet insurance that helps pay for vet checkups and medicines. Some go even further in their pet-friendly perks. For instance, a hotel in the Northeast lets employees bring their pets to work once a week during summertime.





commitment by the company and a few solid initiatives made it work, Journey said.

“We assisted in a branded, full-color, 12-page benefits guide for the first time ever,” Journey said. “We also helped them secure an enrollment company to meet with each employee individually to explain not only their medical plan options, but all of their benefit plans. This is a huge cultural shift from the past, and we are excited to see the employees’ response and level of engagement.”

## Tools of Engagement

When implementing a new engagement strategy, employers can rely on a couple of tried-and-true standards, experts said.

Total compensation statements, or “hidden paychecks,” serve as excellent ways to inform employees about what the company is providing for them, Recchia said. These statements not only outline an employees’ wages, but also display the employer’s contributions to benefit plans such as medical, life, retirement and more.

“Focus on educating employees about the value of their jobs and the value of the employer’s financial security package,” Recchia said. Statements should “show off any aspects that might be superior to competitors or even that is competitive in the industry,” he said.

Keeping employees informed about the total dollars that an employer is providing as compensation also can make

workers more understanding when an employer faces economic challenges, Smeaton said.

“Sharing the financials associated with the health plan and other benefits [help] employees understand and become ‘stewards’ of the plans, wanting to become better consumers and help control costs,” Smeaton said. “It’s helping employees understand what they can and can’t control in the health care puzzle.”

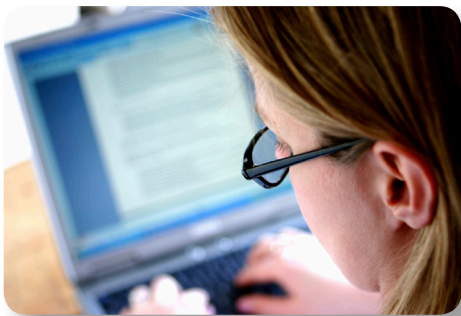


### ▶ **A Good Trip to Work**

Some companies are trying to ease the stress of commuting by organizing car pools and offering bicycle repair services. Encouraging a bike-to-work program also may generate a boost to wellness participation.

### ▶ **Speak to Their Stomachs**

Pharmaceutical firm Eli Lilly recently kicked off a farmer’s market to build camaraderie and provide healthy choices for their employees.



Communicating benchmark data about how an employer’s plan compares with those of other companies is another way to drive home the value of a benefits package.

“We use the benchmark data from the UBA Health Plan Survey to compare not only benefits, but contribution levels,” Kinkade said. “We even use it during open enrollment meetings to illustrate how our clients’ benefits and contribution levels are better than their peers. It is an extremely beneficial and key part of the renewal process as many companies struggle with what level of coverage to offer and how much cost-sharing to include. When their benefits exceed the benchmarks, it is a great reminder to employees of just how good a medical program they have.”

While a solid presentation and informative handouts can persuade employees to use and appreciate their benefits, it doesn’t hurt to have some fun with your engagement communications either, experts say.

Incentives can play a major role in boosting participation rates in all sorts of programs, including enrollment, according to Mathew Augustine, CEO of Hanna Global Solutions in Concord, California.

“Make annual open enrollment season more fun,” Augustine advised. “Create more engagement in understanding benefits and involve employees in evaluating programs through surveys, meetings, etc.”

A good way to do this is offer prizes, he said. “For example, we did an iPad giveaway for a client for better participation in open enrollment webinars and answering questions about benefits,” said Augustine, adding that the promotion made a big difference in boosting participation rates.

### Ways to Communicate

A popular strategy to boost morale and improve engagement is to educate employees about the value of their benefits and how much the company spends to support those benefits. While employee meetings and generic handouts remain the norm for communicating benefits information to employees, more

than a third (39.27 percent) of all employers personalize their handouts, according to the 2014 UBA Benefit Opinions Survey. Slightly more than one in four employers use personalized total compensation statements (hidden paychecks) to communicate the value of their benefits package, the survey found.

#### WHICH TYPE OF EMPLOYEE COMMUNICATION DO YOU UTILIZE?

Employee meetings	<b>92.71 %</b>
Nonpersonalized handout materials	<b>85.29 %</b>
Individually personalized handout materials	<b>39.27 %</b>
Dedicated website (employee benefit portal)	<b>34.01 %</b>
Personalized total compensation statements	<b>26.45 %</b>
Telephonic call center	<b>6.88 %</b>
Informational videos	<b>4.86 %</b>
Interactive Voice Response (IVR) communications	<b>0.94 %</b>

Source: 2014 UBA Benefit Opinions Survey

Donaghue said social activities, such as ping pong tournaments or holiday parties, can not only serve as incentives to improve behavior or participation in enrollment, but also can build camaraderie and morale among the workforce.

“We’ve had group volunteer days, movie nights, viewings of sporting events, holiday parties, all with employee engagement in mind,” Donaghue said. “Employers can also get staff engaged by offering training and promotion opportunities. These are all ways that an organization can show they care about their employees and are interested in their satisfaction, growth and retention.”

When it comes to communicating all these engagement initiatives, the “how” is nearly as important as the “what.” Meetings, fliers and such are standard, but many employers increasingly are turning to online tools, social media and other technology to keep their employees engaged and informed.

According to the 2014 UBA Benefit Opinions survey, more than a third (34.1 percent) of U.S. employers use a dedicated online portal to communicate and promote their benefits.



“Technology has definitely made proactive actions to stimulate engagement easier,” Augustine said. “We use technology, such as our online benefits enrollment system that generates email alerts and reminders related to enrollment. That itself helps with engagement, because without these reminders, employees don’t even complete basic requirements of enrollment, beneficiary designation and so on.”

## Making Wellness Work Out

In addition to fueling morale and retention, good engagement can generate big savings for employees by making wellness programs work better, Donaghue said. Wellness engagement, however, presents its own set of unique challenges for employers, she said.



“[Companies] know that a sustained effort in wellness will reap multiple rewards – for them and their employees,” she said. “Most employers know they have to tackle this area, but it is a challenge as to how best to do it,” she said.

As with any engagement effort, wellness success often hinges on corporate culture.

“It’s a huge challenge to embed wellness into a culture, and it takes time and persistence,” Donaghue said. “To weave it into the fabric of a culture, it must become systemic – it must be obvious in the physical environment, how break- and lunch-time is used, how the facility and its surroundings are used to support wellness, how policies and procedures support wellness efforts, communication and the allocation of programs.”

As health care costs continue to climb, Kinkade expects the demand for wellness programs – and thus the need for solid wellness engagement – to grow.

“We foresee results-based incentives replacing participation-based incentives over the next several years,” Kinkade said. “We also believe that employers will further encourage employees to better shop for medical care through education and online tools that further enhance cost transparency.”



"Although wellness engagement and education can be work-intensive, it is especially beneficial for employers," Augustine said.

"There is a double benefit by focusing on these areas," Augustine said. "It creates platforms for engagement, and if these wellness programs bear fruit in terms of improving health [of employees], they drive better profitability by reducing employee health care costs, absenteeism and so on."

## Help is Out There

Starting (or restarting) an employee engagement program can be daunting, especially for smaller and midsize companies that simply don't have the time or resources to devote to such efforts. Luckily, many insurance carriers offer free communication materials that can support engagement efforts. Also, qualified and professional employee benefit advisors can play critical roles that will keep an employer's engagement plan running smoothly.



"Every human resource professional I know is wearing so many hats..."

"Every human resource professional I know is wearing so many hats and has so much on their plates that they need help from someone who can guide them through the maze of products and services that can quickly help them achieve their goals," Smeaton said. "Using a series of carefully designed questions and interviews, we help HR folks formulate a strategy, clearly define the goals and activities necessary to accomplishing the objective, and are involved with them day-to-day in the implementation and maintenance of the plan."

While no "one-size-fits-all" engagement strategy exists, any effort to improve education and morale has the potential to pay off for employers.

"The cost of unnecessary turnover or low presenteeism is very high," Recchia said. "Working at improving employee engagement, retention and loyalty can provide enormous returns on very modest investments."

United Benefit Advisors is the nation's leading independent employee benefits advisory organization with more than 200 offices throughout the United States, Canada, and the United Kingdom. As trusted and knowledgeable advisors, UBA Partners collaborate with nearly 2,000 fellow professionals to deliver expertise, thought leadership, and best-in-class solutions that positively impact employers and make a real difference in the lives of their employees and families. Employers, advisors, and industry-related organizations interested in obtaining powerful results from the shared wisdom of our Partners should visit UBA online at [www.UBAbenefits.com](http://www.UBAbenefits.com).



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