



The Value of Investing in Benefits Communication

In a world of benefits challenges, getting the word out about what you offer is the most important step you can take toward ensuring a successful benefits program.

The case for more

When it comes to communication, forget the cost and think about the value. An easy way to see the value of communication is to take it away. Imagine an employee dealing with a serious illness or personal crisis. Something your benefits are specifically designed to support. Except this employee isn't aware of the programs available to him because they're only communicated once a year, during open enrollment. So he spends hours managing it alone, when a simple visit to a website or phone call might have resolved the problem much faster and more effectively.

Now think how the absence of communication would affect other things, such as engagement in your benefits programs. How would employees feel about the value of their total rewards without any information about them or context for them? How would a lack of benefits awareness affect engagement, retention, and recruiting? What would happen to employees' overall physical, financial, and emotional health? Would claims costs or productivity be affected by a communication blackout? What about financial planning? Would employees have enough savings to retire at a reasonable age if they didn't know about resources that could help them get there?



The value of doing more

Your benefits are designed to support employees all year—not just during enrollment. Employees make decisions about benefits all year, too. To get the full value from your benefits, people need to be using them appropriately throughout the year. How well employees use their benefits—and your return on investment from them—depends largely on how effectively you communicate and market them.

Higher productivity, engagement, and loyalty

Data from a joint study conducted by Quantum Workplace and Limeade shows that effective communication pays dividends through higher productivity, engagement, and loyalty. Employees who believe that their employer cares about their health and well-being are:

- **38%** more engaged.
- **17%** more likely to still be working at their current employer in one year.
- **28%** more likely to recommend their workplace.¹

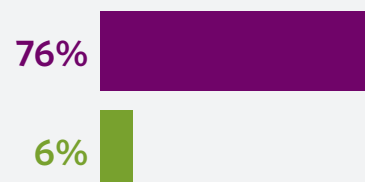
In addition, the 2016 *AFLAC WorkForces* report states that:

- **23%** of workers say benefits options may be key to convincing them to stay with their current employer.
- **65%** say a benefits package is extremely or very important to their job satisfaction, and **59%** say it's extremely or very important to their employer loyalty.²

Loyalty and retention

MetLife data also shows that **70%** of respondents value their health benefits, and that effective communication makes benefits satisfaction and employee loyalty soar. When communication is effective, **76%** of employees report being satisfied with benefits, and **74%** say they're loyal to their employer. On the other hand, when communication is ineffective—too infrequent or action steps are buried in confusing jargon—satisfaction and loyalty plummet, with only **6%** of employees being satisfied with benefits and **34%** feeling loyal to their employer.³

Employees who report being satisfied with benefits



Employees who say they're loyal to their employer



- When communication is effective
- When communication is ineffective

Source: MetLife

Roadblocks to creating more value

There's clearly a case to be made for investing in effective communication. But there are a ton of other sticky business challenges—often louder and more demanding—competing for your time and attention. And as the engine that drives people, HR bears its fair share of the burden of these challenges, contending with a changing workforce, mediocre engagement, rapidly evolving technology, and regulatory challenges—to name a few.

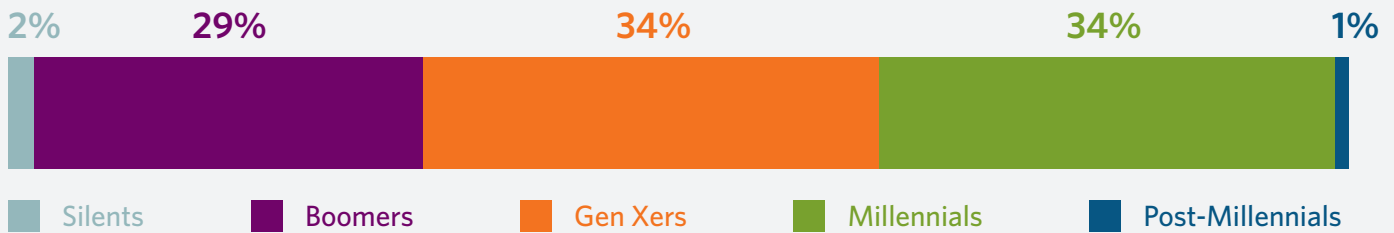
All this trickles down to benefits departments that are tasked with being more nimble than ever to keep up with the needs of an evolving workforce, and respond to ever-increasing demands from both the business and a shifting regulatory environment.

While communication isn't the only answer to these challenges, more frequent and more sophisticated employee communication can help overcome many of them—and create significant value for the investment.

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Your benefits strategy is intended to help you meet compliance requirements, manage costs, and—most importantly—take care of your employees so they can fuel the organization's success. Because benefits are such a sizable investment, your strategy requires careful planning and a long-term perspective. But the benefits landscape keeps shifting, making it difficult to see far enough into the future to be certain about what to do next. The fiduciary rule, overtime and minimum-wage regulations, and the ambiguity of the future of the Affordable Care Act are making strategic long-term planning more difficult than ever.

U.S. labor force composition by generation



Source: Pew Research

In an environment of uncertainty, some companies tend to pull back on communication, waiting until less ambiguous, more complete information is available. Or, resources are gobbled up by compliance needs, leaving little opportunity for strategic communications. But the risk of doing less is that employees feel disconnected as communication fails to meet expectations.

Meanwhile, smartphones, tablets, social media, and hyper-personalized online consumer experiences have raised the bar for how people expect to interact with information, as well as communicate, consume, and share it in all aspects of their lives—including at work.

Younger workers, in particular, have little patience for outdated technology. While some forward-thinking companies borrow inspiration from product marketers to apply to internal communication, many still rely on antiquated tactics that employees find easy to ignore. Clunky technology not only slows down work, it also makes it easy for employees to tune out important messages.

In 2015, Millennials became the largest demographic sector in the U.S. workforce.⁴

With people starting to work in their teenage years and continuing well into their 70s, we also have broader age ranges in the workforce than ever before. In 2015, Millennials became the largest demographic in the U.S. workforce.⁴ And their numbers will climb as boomers retire and are replaced by new graduates and others launching their careers. At the same time, the shape of the workforce is changing—it now includes everyone from full-time employees to contingency and “gig” workers.

Each of these generations and employee types has specific wants, needs, and expectations from their work and employer. And businesses want, need, and expect a lot in return from their workforce.

Disengaged employees aren't interested in helping themselves or their company succeed. And they're more likely to miss work and jump ship for new opportunities. Gallup estimates actively disengaged employees cost the U.S. \$450 billion to \$550 billion in lost productivity each year.⁵ According to Gallup's latest poll, employee engagement is stagnant. Only **32%** of U.S. workers were engaged with their jobs in 2015, compared to **31.5%** the previous year. The needle is expected to move up only a point or two in 2016.⁶

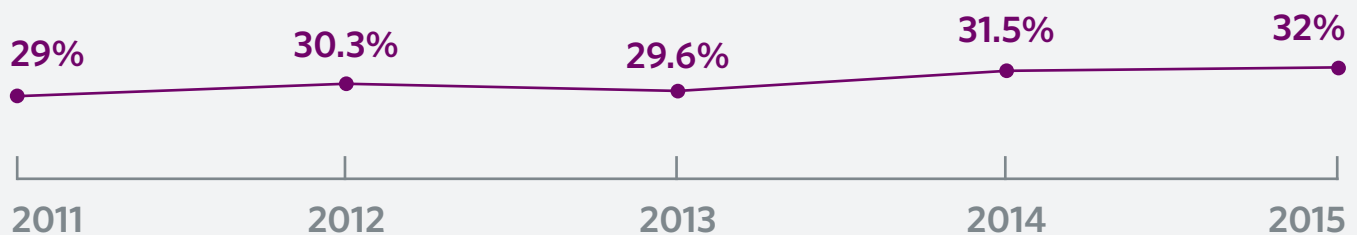
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According to research by Aon Hewitt, effective communication plays an essential role in engagement. When employees were asked, "If you could have or experience something new, interesting, or unique in your organization's communication to make it more effective," the No. 1 suggestion was to strengthen the connections among the employer, employees, and customers.⁷ Solid workplace messaging helps employees feel like they know what's going on in the business, have a voice, and are empowered to make decisions. Without it, they'll leave. Or worse, they'll be disengaged and cost the business a ton of money.

Successful companies recognize effective communication is essential to meeting workforce and benefits challenges, such as driving participation in health, wellness, and financial programs, and increasing employee satisfaction, productivity, and the bottom line. These organizations make significant investments in communication.

U.S. employee engagement, 2011-2015

■ Engaged employees



Source: Gallup

Where to invest for maximum value

Many of our clients agree that there's intrinsic and measurable value in communicating more often—and more effectively. But with shrinking resources, they're challenged about how to invest their dollars for maximum impact. Here are four tried-and-true methods for getting the biggest bang for your communication buck:

1. Create an online resource for benefits information

You probably work with dozens of vendors, all with their own websites. So your employees need to remember to use dozens of different URLs, usernames, and passwords to access information about their programs. That simply doesn't happen, which is one of the leading causes of low utilization.

Employees need to know where to go when they need information and help—a single resource where they can find what they need, when they need it. And you need to reinforce the tremendous value of your benefits package (and take credit for it).

A benefits website—built for mobile and desktop—gives employees and family members access to your valuable content and to your vendors' secure websites, making it easy to take action and complete transactions—just by accessing one website. Our *Inside Benefits Communication Survey* gathered data from more than 300 companies, and found that **90%** of employers put benefits information online—with **50%** making it available outside the firewall.⁸

A benefits website also gives recruits insights into your organization and helps onboard new hires. The best results in recruiting come when websites are available outside of the firewall, without a password for access. This lowers the barriers to accessing information and puts vital information in reach of family members—from a mobile device or desktop.

LEADERS SOUND OFF

“Smart phones and the internet have changed almost everything in our lives, and health care is no exception.”



Sarah Lecuna
Global Benefits Leader
Intuit

2. Maintain an ongoing dialogue

Despite the desire to get employees engaged in benefits year-round, many companies still only talk to their employees once a year—when it's time to enroll. According to our *Inside Benefits Communication Survey*, **78%** of employers cite getting employees engaged year-round as their top challenge.⁸ Yet, very few companies communicate throughout the year.

We've seen the most success when businesses provide more frequent information, especially now, when people need to take a more active role in their health and finances. What works best? Tips, reminders, and updates sprinkled throughout the year in bite-size chunks to employees and their families. Our *Inside Benefits Communication Survey* found that **93%** of companies that communicated year-round met all or most of their goals.⁸

3. Explore new channels

There's no one-size-fits-all communication channel that works for every company. This is where strategy becomes key. Experiment with different ideas, and measure results to determine the mix of media that is right for your company. Try starting with simple, low-cost print materials, such as postcards, posters, and flyers. Then, branch out into social media—such as blogs or text messaging. Analyze results and focus ongoing efforts on what's most successful.

And above all, keep communication simple and action-oriented. Here's the checklist we use when mapping out a communication strategy:

- Focus content on using benefits effectively.
- Have a call to action.
- Make it relevant to age, family situation, and life stage.
- Do the math—don't make employees figure it out.
- Take it step-by-step.

LEADERS SOUND OFF

“Without proper communications, benefits will languish and businesses will see lower engagement, productivity, and morale.”



Dr. Rajiv Kumar
President & Chief
Medical Officer
Virgin Pulse

LEADERS SOUND OFF

“A decade ago my phone wasn't all that smart; now, my phone is everything. So, on the one hand, benefits has been transformed by the law, but on the other, the technology in the hands of participants has evolved into an incredibly powerful tool.”



Jim Bracchitta
Labor trustee
Screen Actors Guild
Pension & Health Plans

4. Right-size your approach, and measure success

The most successful companies we work with start small, setting tangible goals, measuring success over time, and building as they go. The three most important areas to measure are:

- **How effectively your communication is reaching its intended audience.** Start by looking at web traffic, email click-through and open rates, and meeting attendance.
- **Program participation/use.** Get a clear picture of communication effectiveness and gaps by analyzing health and wellness plan enrollment/participation as well as preventive care and financial-wellness program and EAP utilization.
- **Health and financial outcomes**—specifically, biometric and claims data as well as retirement plan and HSA balances. Identify where employees are doing well and where they're still getting stuck.

LEADERS SOUND OFF

“Like a simple party invitation, benefits communications should give you the facts in a simple format—with clear information about what you need to know, what you have to do, and when you have to do it.”



Jennifer Weinstein
Director, Health &
Benefits Strategy
McKesson



Battling for budget

We often see communication budgeting as an afterthought, rather than an integral part of creating strategic business results. Clients often ask how much they should spend on communication, or what they'll get in return for their investment in communication. Or, they need to justify their spending to the C-suite to get budget allocated. This is a great opportunity to shift the conversation from cost to how enhanced communication can achieve strategic business results. Instead of asking, "What will the communication cost?," we should be asking, "What will the results be worth to our organization?" Consider these value-driven criteria—what would it be worth if:

- All employees took full advantage of all their health and financial benefits?
- Everyone showed up and was present and productive every day?
- You could attract, retain, and engage all the talent you need?
- You had more qualified applicants than your competition for your open positions?
- You could keep your star performers and employees with critical skills from walking out the door?
- You could migrate people to high-deductible health plans with no grumbling?
- You could facilitate meaningful improvements in employee health—reducing claims and absenteeism, and improving productivity?

The value of investment in improving communications is often incidental compared to the cost of the benefits themselves. Midsize and large companies can make a huge impact by investing 1% or less of the total cost of benefits.

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Bottom line

Employees are the source of all innovation and growth. They deserve communication that helps them better understand their benefits so they can get the most out of your key programs. Ultimately, this will drive better health and financial security for everyone. And, businesses need and deserve the results that fully engaged employees can create.

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We help great organizations inspire people to improve their health, their finances, and their futures.

Segal Benz is a national leader in HR and employee benefits communications. We serve a broad group of organizations, including many Fortune 100 Best Companies to Work For and other respected corporations, prestigious universities and colleges, large public employers, and multiemployer benefit funds.

We advise organizations on how to get their people engaged in all the programs and services offered by HR, including total rewards and employee benefits. We provide a full range of strategic communications services: strategy development; custom website and portal design, buildout, maintenance, and hosting; survey and focus-group design and execution; and the creation and delivery of campaigns across all communication channels—from traditional to cutting-edge.

Our proven approach combines the science of behavioral economics with the best of communications strategy and design. As a thought leader in the benefits and HR industry, we invest in research and resources to help organizations of all sizes improve results and create more ROI with their programs.

Get more from your benefits.

Learn how you can improve your benefits communications results.

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