

# Communicating the value of benefits

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By Greg Morano

In 1977, the Mel Brooks comedy “High Anxiety” swept across the nation’s movie screens. Revolving around characters in the Psychoneurotic Institute for the Very, Very Nervous, the film had America laughing.

A shade more than three decades later, high anxiety once again is sweeping across America. Unfortunately, today the nervousness is no laughing matter. It is, in fact, extremely real.

With economic indicators ominously pointing to an oncoming-if not already present-recession, fear of layoffs and other effects of a stalled economy permeate everywhere, from office suites to warehouses and manufacturing plants.

The uncertainty is just one factor eating away at morale. Raises and bonuses may have to be put on hold. Incentive compensation can be affected. Staff cuts may require employees to perform duties to which they’re not accustomed (and duties that they may believe are beneath them). Eventually, the outlook will brighten, and economic activity will swing back in the positive direction.

While we wait for a return to growth, the imperative for employers now is to make employees feel appreciated. The unfortunate paradox is that constricted budgets give most employers very limited alternatives to provide rewards and express appreciation to workers.

The one alternative most employers can take advantage of is a financial reward they are already providing – employee benefits.

Though the investment in benefits that each organization makes is obvious to executives, studies show that employees generally don’t recognize how much their benefits are actually worth.

While employees are fully aware of their company sponsored health plan, they probably don’t know to what extent the organization subsidizes those medical benefits.

What’s more, many employees rarely take the time to consider the aggregate value of employer paid life insurance, 401(k) matches, pension deposits, Social Security contributions, tuition reimbursement programs, employee assistance programs and other benefits. Nor do they consider the cost of personal time off and employer payroll tax contributions.

Together, these benefits often equal up to one-third of an employee’s salary. During these times of uncertainty, when wise employers look for ways to reassure angst-addled personnel, enlightening workers about the full investment the organization

makes in them can have lasting advantages. Your investment in employee benefits can prove to be a true ace up your sleeve.

### Communication Counts

More employers are acknowledging the value of communicating benefits to employees when the economy is thriving and competition for talent is fierce. With studies showing that effectively explaining the value of an organization's benefits to employees directly correlates to higher employee satisfaction. Human resource executives are assembling comprehensive benefits communications programs to help convince people that staying in their current job is their best option.

Today's economy presents different challenges. The demand for top talent will always exist, even in a slow economy. When a quality performer is lured by a competitor, recession-constrained budgets can preclude the current employer's ability to match the salary offer.

However, if the employee is educated enough to include all the benefits in the compensation equation, the competing offer may not be as persuasive or, ideally, the employee won't be listening to the new offer in the first place.

Of course, in the current economic climate, rather than retaining talent, a more prevalent challenge is maintaining morale. Although nothing can completely erase the bad taste of a tabled bonus or merit increase, showing employees that their compensation is as much as 25% more than what they thought it was can help curb some of the bitterness.

For employees who are simply worried about a possible staff cut, seeing the organization's full investment lets them know they are appreciated and eases their fear.

What guarantees a positive return on investment is that an effective total compensation communications campaign comes at a minimal cost. The benefit costs are already in the budget. The information is readily available. You only need to communicate it.

Of course, calculating the total benefit contribution the organization makes to each employee, then presenting this information on a personalized basis is a considerable undertaking. For many HR Departments, already overtaxed with a bevy of personnel matters, the task is impossible.

Fortunately, solutions are readily available. Personalized benefits statements are a proven way to get the message across to workers, and the cost can be as little as a few dollars per employee.

An even more dynamic approach also can come at a low cost. Benefit communications and enrollment firms specialize in communicating the benefit plan value to employees on a one to one basis. Many benefit communications and enrollment solution providers offer total compensation communications as part of their standard services and will offset their fees by adding a voluntary benefit offering.

Your workforce's high anxiety doesn't have to bring down the curtain on productivity, and you can position your organization for the eventual economic recovery, when everyone will be reminded of another title from the 1970's: "Good Times."

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