



## Effective Benefits Communications Make Good Business Sense

By Mary Schafer, ADP, Inc.

**O**rganizations often execute a change management strategy to introduce a new operational process, make changes to the organizational structure, or implement a new technology across the enterprise. Central to any effective change management strategy is a comprehensive communications plan. It shapes how and when to present changes to employees, conveys the reasons for changes, and helps employees adapt without experiencing a drop in morale or productivity.

With all the changes that affect employee benefits today – from new regulations promulgated by the federal Patient Protection and Affordable Care Act to the voluntary, yearly revisions organizations make to their benefits plans – it is surprising that so many employers do not treat employee benefits as an *ongoing* change management event. Benefits are a huge and growing part of an employer's total value proposition to its employees. Still, many employers pass up an excellent opportunity to highlight the full monetary value of those benefits to their employees.

Imagine if you were implementing new password security for your internal systems, realigning office space, or switching to self-service data access from a traditional paper-based system – and you didn't put a comprehensive communications plan in place to help ensure that these changes went smoothly. Your company could experience short-term chaos, a loss in productivity, a drop in employee satisfaction, and the potential for longer-term negative feelings among your workers that could impact employee retention rates far down the road.

Nothing helps to attract the attention of employees and engage them like effective communications. In this article, we'll explore how you can build a strategic communication campaign – using traditional communication vehicles and emerging technologies, such as digital media – to help your organization keep the value of its benefits plan top of mind for your employees. We will also provide actionable suggestions focused on how to communicate to your employees the importance, scope, and strength of your benefits offerings.

### The Value of Benefits Must be Communicated Effectively

The stakes could not be much higher when it comes to employee satisfaction and retention. As the economy continues to recover, studies estimate that nearly 70 percent of the employees at any given company might leave or are seriously considering leaving for other opportunities.<sup>1</sup>

Moreover, these might not be just any employees. Some may be thinkers and innovators, those who want to move up to future leadership positions. Breaking up is hard to do – but it's particularly hard on an employer. The American Management Association estimates that the cost of replacing an employee can range from 25 percent to 250 percent of his or her salary, depending upon the position vacated.<sup>2</sup>

Employee benefits are a key factor when it comes to hiring the employees you need and retaining the valued employees you already have. On average, according to the U.S. Bureau of Labor Statistics, benefits generally represent more than 30 percent of total employee compensation this year – up from about 27 percent just three years ago. Communicating the value of your employee benefits on an ongoing basis should become part of your benefits strategy, because it is a matter of business necessity.

Without a solid and ongoing change management effort to highlight benefits – including a strategic communications campaign – employees may fail to comprehend or value even the most generous benefits plans.

In a survey of midsize and large organizations conducted by the ADP Research Institute<sup>SM</sup>, HR decision-makers expressed a belief that 40 percent of their employees probably do not fully understand their benefits options. The study also revealed that, while 80 percent of employers surveyed think it is important for employees to understand their benefits, 35 percent of large firms and 66 percent of midsize organizations don't even have a dedicated budget to communicate the value of employee benefits.

Furthermore, less than half of the companies surveyed provide employees with convenient mobile access to their personal benefits information via a device that employees likely already use – a smart phone.<sup>3</sup>

## Get Executive Buy-in, Develop a Plan, Execute Flawlessly

Human Resources departments are tasked with capturing employee attention, explaining the benefits program in a meaningful way, and encouraging employees to perform certain actions such as completing a health risk assessment. This is no easy task in today's busy workplace, where HR must compete for employee engagement. Likewise, a diverse, multigenerational workforce means there is no single best way to reach employees. The good news is these tasks can be done – if you have a strategy and a plan.

So how do you get started? First, it's critical that you get buy-in from executives and key stakeholders on the importance of developing a benefits communications program. It's important to communicate how the program will help educate, drive behavior and enhance employee engagement in a meaningful way across the organization. Executives also want to understand what the return on investment will be. Gaining executive support can help secure two very important components of your plan – organizational support from the top-down, and the resources and budget dollars to power it.

Make the business case:

- Demonstrate the need for an ongoing change management strategy.
- Prove that employee benefits have greater perceived value once you effectively communicate their worth to employees.
- Emphasize the need to measure success using employee satisfaction and retention metrics. For example, show how much voluntary employee losses cost your business last year to source, hire, train, and get replacements up to acceptable productivity levels.

Once you receive executive buy-in, develop a detailed communications plan to drive your benefits messaging by partnering with HR communicators, your marketing, or communications organization. As you develop the plan, be sure to identify who your audience(s) are, i.e., full-time, part-time, global or home-shored employees, set realistic goals and objectives that tie to business outcomes, and develop key messages that will resonate with each audi-

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ence. Once you have that information outlined, select the communications delivery vehicles that can best reach your audiences. This could be a mix of traditional and non-traditional tactics: intranet, e-mail, podcast, print mail, posters, videos, lunch and learns, etc.

Internal communications or marketing resources can provide the technical know-how and creative skills to help you convert your plan into effective delivery vehicles for your messaging. Outside partners, such as a public relations or design firm, can also provide their expertise in “packaging” and conveying your benefits communications message.

With senior support, a budget, and a plan in place, your campaign is ready to launch.

## How to Implement Best practices in your Strategic Communications Campaign

Best practices help make good plans even better. A few items you should consider when building your benefits communications campaign include:

- **Quantify the value of employer-sponsored benefits.** One of the best tools to showcase the combined worth of an employee's salary and employer-sponsored benefits is the total compensation statement (TCS). Whether paper-based or electronic, every TCS conveys important information that can build satisfaction, increase loyalty and improve retention. Provide employees with their TCS at least annually – and try to issue an updated TCS whenever an employee is awarded a higher salary or the value of his or her employer-sponsored benefits increases.
- **Understand that one size does not fit all.** You have one employee population made up of multiple audiences. They vary by gender, age, marital status, worksite, generational habits, and much more. Your benefits communications should consistently highlight the choices offered by your benefits programs to *each* of the audiences within your employee population.
- **Engage your employees at multiple levels.** Use every mechanism at your disposal to get your benefits messaging out. Baby boomers may read a bulletin board, as well as an e-mail message. Millennials may rarely retrieve e-mail, but some have a mobile device open-rate as high as 80 percent, so send them a text message.<sup>4</sup> And, your employees may also frequently check your

internal employee intranet site, so be sure not to overlook that important method of communication.

- **Leverage effective new technologies and channels to connect with your employees.** As new technologies and channels emerge, incorporate them into your messaging plan. Social media connects individuals around their interests and activities, which can include employee benefits and wellness topics. Mobile is another new channel for employees to access their benefits information. VDC Research and the ADP Research Institute report that smartphone use by employees now exceeds 50 percent for large and midsize companies surveyed. If you're not already incorporating mobile technologies to communicate benefits information to your employees, it's time to catch up.<sup>5</sup>
- **Measure cost-effectiveness and satisfaction on a consistent basis.** Leverage your company's existing HR surveys to gather trend information on satisfaction and loyalty. Begin charting employee retention statistics immediately, but look for initial, measurable results about a year after deploying your benefits communications campaign. Thereafter, gauge results and chart trends on a quarterly basis. Use measurement metrics, such as retention rates and training costs that speak the language of your senior decision-makers.

## Conclusion

Benefits represent a large portion of an employee's total compensation. To optimize each employee's understanding of his or her benefits and to increase satisfaction levels, communicate with your employees throughout the year, not just at open enrollment. The most effective communications plans are consistent and ongoing. Explain your organization's benefits plan changes in a clear and timely way. Ask employees for their opinions. Gauge the pulse of their preferences. Connect with them on multiple levels,

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and don't forget the value of new technologies such as social media or mobile.

Launch your comprehensive benefits communications campaign, help your organization's employees focus on the value of their employer-sponsored benefits, and watch great things happen.

## Endnotes

- 1 "Sixty-Nine Percent of Full-time Workers Regularly Search for New Job Opportunities, CareerBuilder Study Finds," *The Wall Street Journal*, October 10, 2012.
- 2 Sharon Daniels, CEO of AchieveGlobal, "Retaining a Workforce That Wants to Quit," *Harvard Business Review* blog, July 7, 2010.
- 3 "Tech Tools: The Game Changer for Employer-Sponsored Health-Care Benefits," ADP Research Institute white paper, 2012.
- 4 "Talent Communities: The Next Generation of Employee Recruiting and Sourcing," ADP Research Institute, Research and Trends, 2012.
- 5 "Mobile HR Solutions: Connecting & Empowering Your Workforce," VDC Research and ADP Research Institute white paper, 2011.

## About the Author



Mary Schafer is vice president of Benefits Outsourcing Consulting Services, Strategic Advisory Services, ADP, Inc. A communications expert, she works with clients to provide strategy, advice, insight, and practical communications solutions to help drive organizational change. ADP's Strategic Advisory Services is a team of experts that helps clients develop and execute highly effective benefits strategies in the areas of data analytics, decision support and forecasting, compliance, service delivery, as well as communications and education. Schafer has 16 years of dynamic, innovative, and well-rounded marketing leadership with documented success in communications, public relations, branding, events and employee programs.

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