



Slashing Benefits Communication Could Hurt Bottom Line

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While companies want to ease financial pressure by reducing spending, slashing benefits communication could cause them more harm than good. During difficult times, employees are especially burdened. In addition to being buffeted by layoffs, lost bonuses, and delayed salary increases, often their benefits are cut and/or they're asked to assume a larger portion of the cost of those benefits. Maintaining benefits communication is essential as it directly affects employee recruitment, retention, satisfaction, and productivity—all of which are especially vulnerable during tough economic times.

An effective communication program helps companies make the most of their benefits investment. According to a study by Watson Wyatt released last year, companies with highly effective communication programs experienced a 47% higher total return to shareholders over five years (2002-2006) than companies with low communication effectiveness. Additionally, companies that implement or improved their communication practices by even one significant deviation can increase their market value as much as 15.7%.

Following these tactics will significantly improve benefits communication effectiveness and results.

- **Develop a strategy.** *Know your company:* What drives business results? *Know your employees:* What's important to them? Have a clear understanding of how your benefits tie the two together. And be patient. Educating employees and changing behaviors takes time.
- **Get their attention.** Market your benefits as you do your company. Stand out.
- **Treat them like customers.** Segmenting your employee population and tailoring communications to meet their needs works for all types of goods and services; it works for benefits, too. A strategy that puts your employees first yields better outcomes for you.
- **Know their families.** It's estimated that 60% to 70% of all company health care costs derive from employees' spouse and family, and it's actually these folks who are making the decisions about benefits. So be sure to get them the information, and be sure it's tailored to address their needs.
- **Provide access.** Make information easily accessible to all those who need it. The easier it is to use, the more it will be used.
- **Keep it whole.** Every employee communication should be reviewed in its relationship to the whole of a) your company's communication strategy and pieces, b) the context of the current environment and/or situation, and c) their individual package.
- **Integrate.** Depending on your company's size, you may have as many as a dozen vendors providing programs and services to your employees. Rather than let each vendor communicate independently and overwhelm your employees, control the process to make it easier for your employees to navigate.
- **Be consistent.** Keep your employees in the loop. Use every communication vehicle available—print, online, social media, person-to-person. Changes won't be so difficult to understand or accept if they understand what's happening throughout the company as it's happening. This is especially true in difficult

times.

- **Keep it simple.** Provide employees with tip sheets, simple checklists, and easy-to-use information. Tailor information— age, family situation—and provide relevant examples.
 - **Be specific about the impact of changes** on costs and provide a comparison with current offerings; don't make them do the math.
 - **Demonstrate how they can save money with their choices.** Help them use their plans all year long with regular tips. Nudge them when they're not taking full advantage of available plans and programs.
 - **Let them talk back.** Give employees a way to share their thoughts and questions, and be sure to respond. Communication that flows both ways helps you earn respect and loyalty from your employees.
 - **Is it working?** Use surveys, focus groups, or communication audits to gauge success. Then use these findings to refine your strategy and continuously improve your communication.

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