

# Improving the Communication of Employee Benefits

Seven communication  
tips to maximize  
your value

Sponsored by

bambooHR™



## Contents

**Executive Summary**

3

**There Are Disconnects in the Communication of Employee Benefits**

4

**When It Comes to Benefits, Employee Feedback Is Not a High Priority**

7

**It's Not Clear How Committed Employers Really Are to Worker Health**

9

**HR Teams Seek Help with Communication and Training**

14

**Top Takeaways**

17

# EMPLOYEE BENEFITS



## Executive Summary

Although most of today's HR professionals tend to be satisfied with the benefits packages their organizations offer, they raise several red flags in other key areas such as benefit communications, according to a new survey conducted by HR.com in partnership with BambooHR.

Many of these professionals are, for example, skeptical of upper management's commitment to the health of employees, and fewer than half report that their organizations have initiatives that support work/life balance. Moreover, they report multiple hindrances to communications.

Here is a quick overview of some of the positive and negative trends discovered in our research:

- **Most HR pros are satisfied with packages:** Nearly two-thirds (64%) of respondents report being satisfied with their company's employee benefits package.
- **Companies care about employee health:** Two-thirds (66%) report that their organizations care about employees' personal health, though other survey findings call this into question.
- **HR pros are vexed by employees' benefit usage and understanding:** Less than a quarter feel as if "employees take full advantage of the resources available to them to fully understand and use the company's benefits plan."
- **Internal experts would like to get more help.** That is, they would like to make greater usage of self-service technology and external vendors.
- **And many companies are not communicating value:** Only half of respondents say their companies help employees understand the added value that their benefits contribute to overall compensation.
- **Employee feedback seems underutilized:** Few organizations allow employee feedback during the benefits options decision-making process, and collecting feedback is not commonplace during other phases, either.
- **HR pros are skeptical of management's commitment to wellness:** Less than half of the participants believe upper management is "totally committed" to employee wellness.
- **There's not a lot of focus on work/life balance:** Only about two-fifths say their companies have initiatives supporting work/life balance.

### About this Survey

The *Communicating Employee Benefits* survey of HR professionals ran in the final quarter of 2016 and closed in early January 2017. We gathered 1,004 total responses from participants in virtually every industry vertical. The participants represent a broad cross-section of employers by number of employees, ranging from small businesses with under 50 employees to enterprises with 20,000+ employees. About three quarters of surveyed organizations operate in the U.S. only, while the others operate in more than one nation.

## Why are there disconnects in the Communication of Employee Benefits?

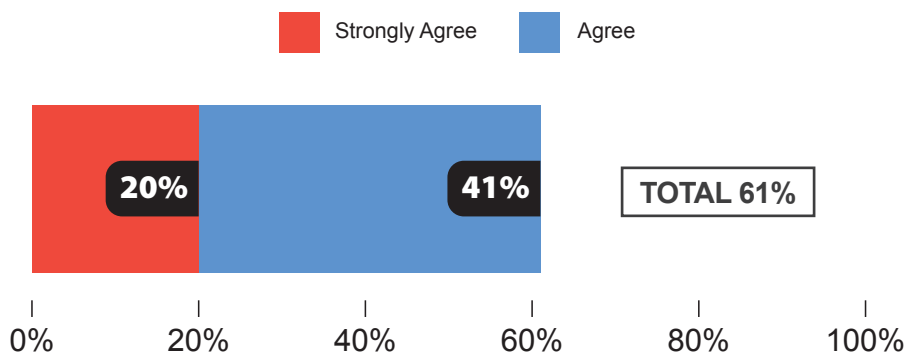
Survey responses indicate that there are worrisome contradictions in employee communication when it comes to benefits. On one hand, most study participants said that employees receive an appropriate amount of communication regarding benefits. On the other hand, relatively few think employees are taking full advantage of the communication resources, and they readily admit that they generally understand the benefit plans better than the employees receiving those benefits.

### Finding One: Most participants think employees receive enough communication about their benefits

One of the essential requirements of effective communication about benefits is delivering information in an amount that works to accurately communicate with employees. We asked our participants whether they believed employees received an appropriate amount of communication about their benefits, and about three-fifths said they did. One caveat, however, is that only about a fifth strongly agreed with this proposition.



Survey Statement: "Employees in my company receive an appropriate amount of communication about their benefits options."



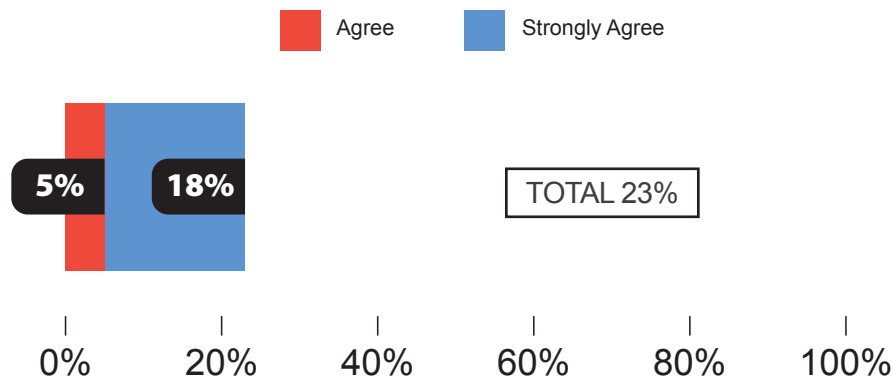
A majority of participants agree that employees in their organizations receive an appropriate amount of communication about benefits.

**Finding Two:** On the other hand, there are clearly comprehension problems on the part of employees, suggesting communication is suboptimal

Respondents were asked if they felt as if “our employees take full advantage of the resources available to them to fully understand and use the company’s benefits plan.” Less than a quarter of them agreed or strongly agreed with that statement. Given such a meager response, it’s hard to believe that benefit communication programs are as effective as they should be. If employees do not fully understand and do not make full usage of benefit plans, then it’s likely employers are not deriving maximum advantage in terms of employee retention, productivity, engagement, etc.



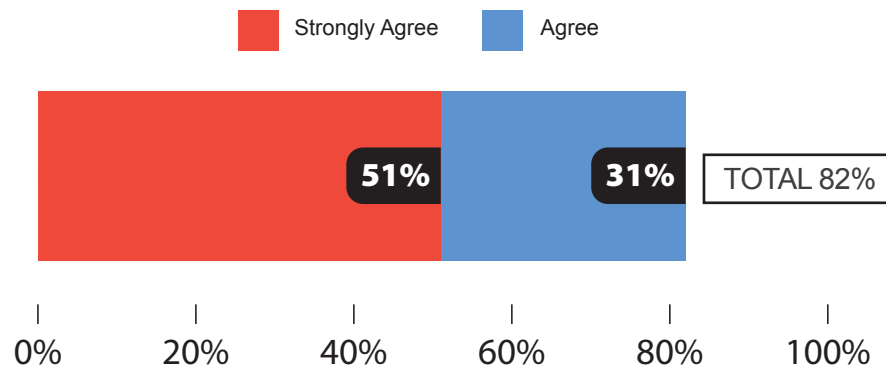
Survey Statement: “I feel like our employees take full advantage of the resources available to them to fully understand and use the company’s benefits plan.”



Employees do not seem to take full advantage of benefits communication.

Moreover, the large majority (86%) of survey participants admit that they understand benefit packages better than employees. Although this isn’t surprising, given that it’s often the HR professional’s job to have a firm grasp of the content of benefits packages, the strength of this response suggests that there’s a serious disparity in understanding. This is another indicator that benefit communication plans are lacking.

Survey Statement: Employees in my company receive an appropriate amount of communication about their benefits options.

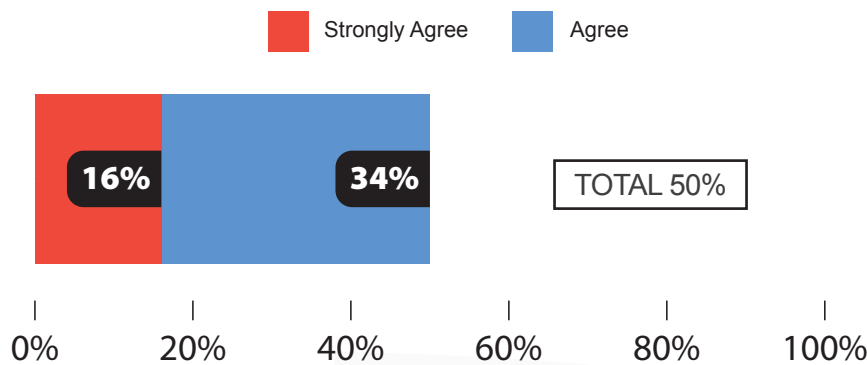


Participants believe they understand benefits packages better than employees.

**Finding Three:** Despite the financial resources poured into providing benefits, many organizations are failing to communicate the worth to those who receive them

Many organizations wish to be viewed as an “employer of choice.” But it’s hard to leverage great employee benefit packages into higher retention rates or engagement levels if employees do not understand how their benefits add value to their total compensation. With this in mind, it’s surprising that only half of the participants agree their employers help employees make the connection between their benefits package and total compensation.

Survey Statement: “My company helps its employees understand the added value that their benefits contribute to their compensation.”



Many participants do not think the value of benefits is communicated well.

Again, we see an apparent contradiction. On one hand, participants said their employers provide an appropriate level of communication about benefits. On the other hand, too often this communication does not include content to help employees connect the added value of their benefits to compensation. This illustrates that there are opportunities for organizations to improve the quality of their communication.

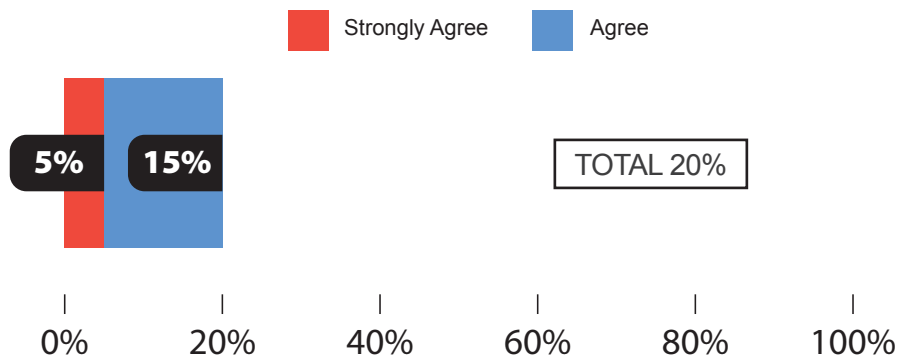
## When It Comes to Benefits, Employee Feedback Is Not a High Priority

Employee feedback about a variety of workplace issues can be valuable, and we believe employee benefits is no exception. So, we posed three statements to gauge the degree to which employee feedback plays a role in employee benefits.

**Finding Four:** Employee feedback is rarely sought while decisions about benefits options are being made

For employees, benefits tend to be very important and highly personal. Yet, just a small portion of our survey sample allows employees to have any input at the decision-making stage. To some degree, this is understandable. After all, selecting and purchasing benefits plans can be a very complex financial process. Attempting to incorporate ongoing employee feedback in a dynamic process may simply be too difficult for many organizations.

Survey Statement: "Employees in my company are able to provide input in the benefits options decision process."



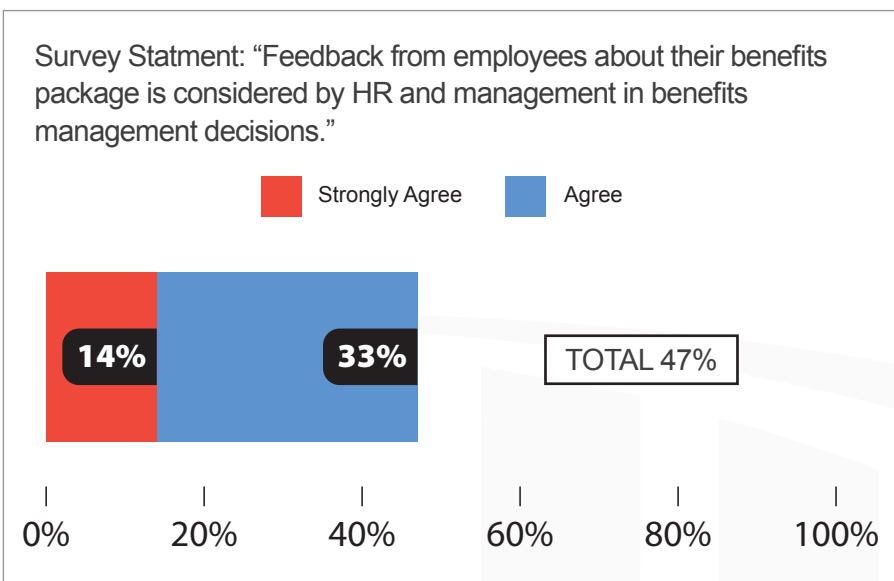
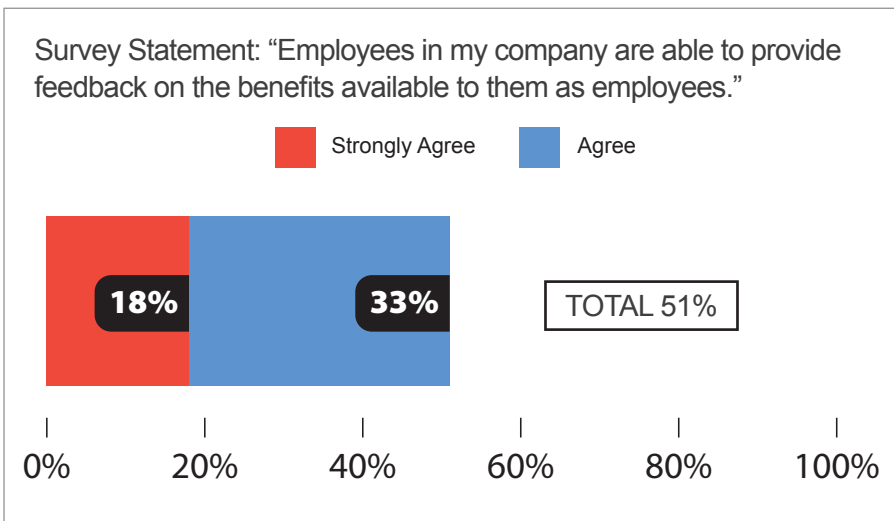
Eighty percent of participants do not agree that employees have input into the decision process about benefits options.



**Finding Five:** Although about half of the respondents say their organizations allow employee feedback on current benefit packages, even fewer use such feedback

A slight majority of organizations allow employees to offer feedback about current benefits, though fewer than half say that their organizations take such feedback into account in future benefit selection choices. This begs the question of whether some employees are being disingenuous by allowing employee feedback but then going on to ignore it.

These data also raise the possibility that making strategic use of employee feedback could be an untapped avenue for improving employee understanding and participation. Getting employees involved early in the evaluation and decision-making process might serve to increase their engagement with the whole process, improve employee knowledge levels and, by extension, raise the level of participation.





## It's Not Clear How Committed Employers Really Are to Worker Health

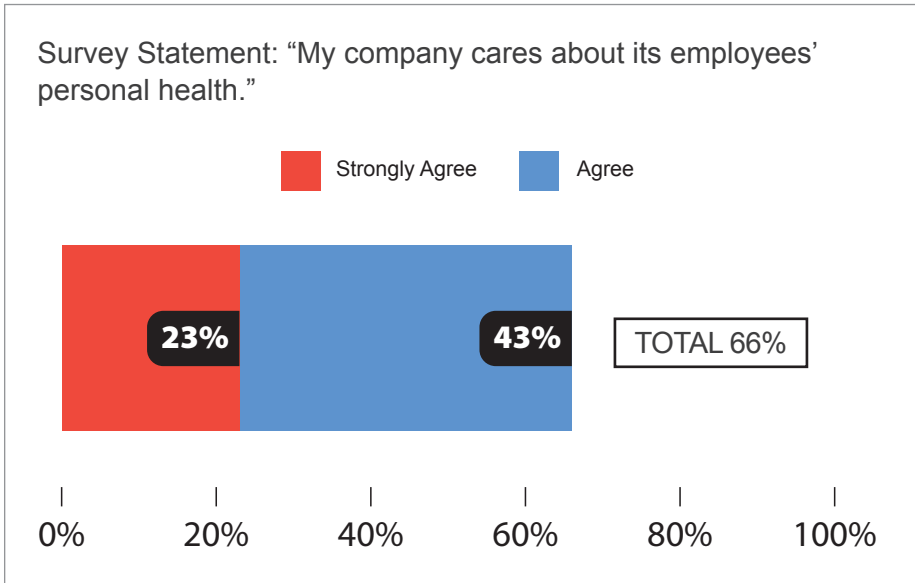
Do employers care about employee health? As was the case with employee communication, we see apparent contradictions when trying to answer this question.

### Finding Six: Most respondents say their companies care about employee health

Nearly two-thirds of the participants agreed with the proposition that their organizations care about employee health, though slightly less than a quarter strongly agreed. This seems like a straightforward finding. But subsequent responses to other questions indicate that such caring is not whole-hearted.

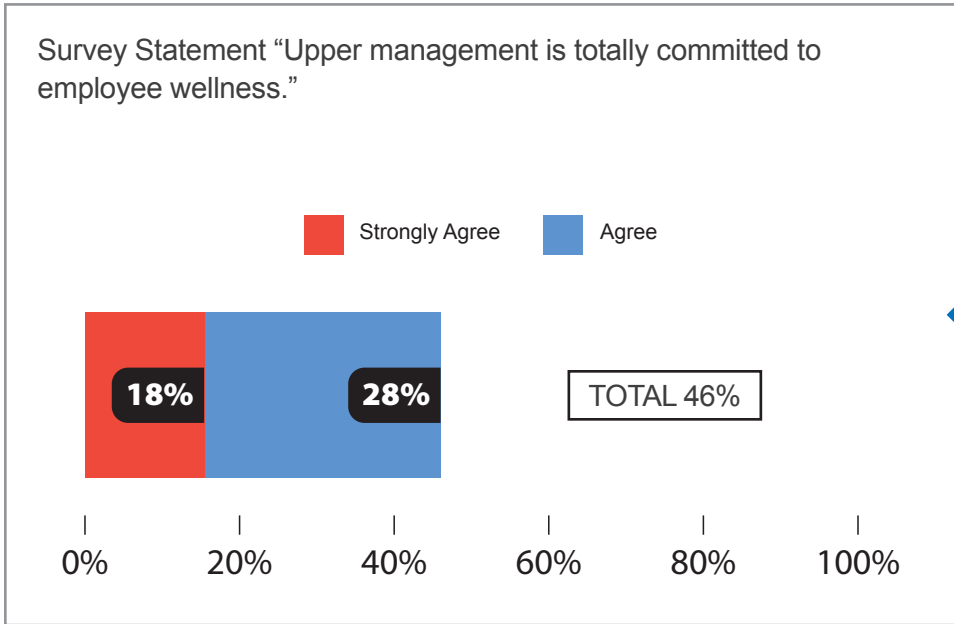


A majority said their organizations care about employee health.



### Finding Seven: However, many participants were skeptical of top management's commitment to employee wellness

If most firms typically care about the health of employees, then why do so many top managers lack a total commitment to employee wellness? Maybe respondents are reacting to differences between health insurance benefits and employee wellness programs. Although some wellness programs are covered by healthcare benefits, others – such as subsidized gym memberships – may not be. Or perhaps the study participants are suggesting that upper management is more concerned with keeping employees healthy enough to be productive than they are with ensuring employees are in optimal health (that is, that they are truly “well”). This is a question that should be pursued in future studies.



Less than one-half of participants believe upper management is totally committed to employee wellness.

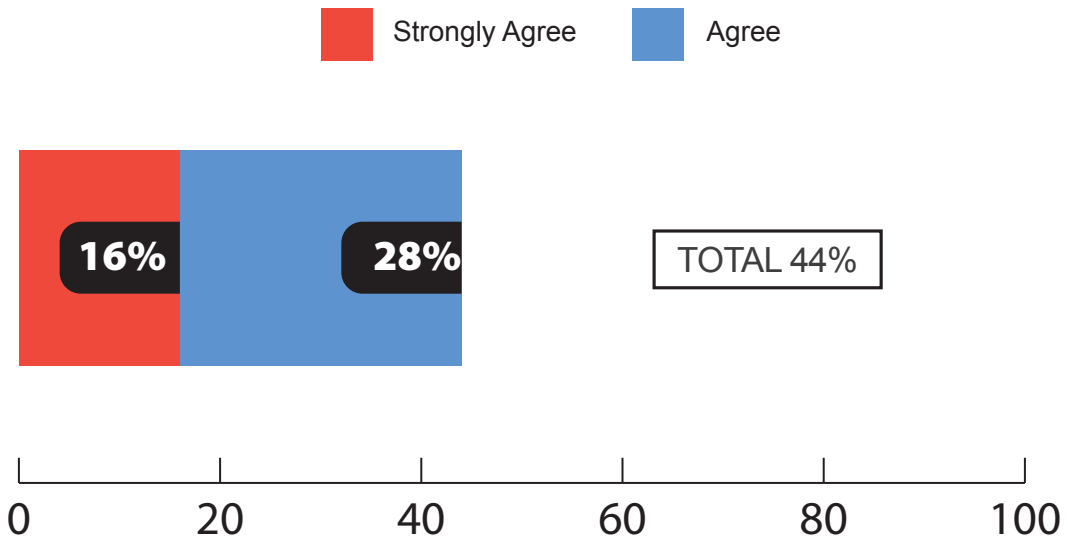
This lack of “total commitment” on the part of upper management may help explain some of the following findings.

**Finding Eight:** Fewer than half of the respondents agree that their employers take affirmative steps to encourage healthy lifestyles for employees

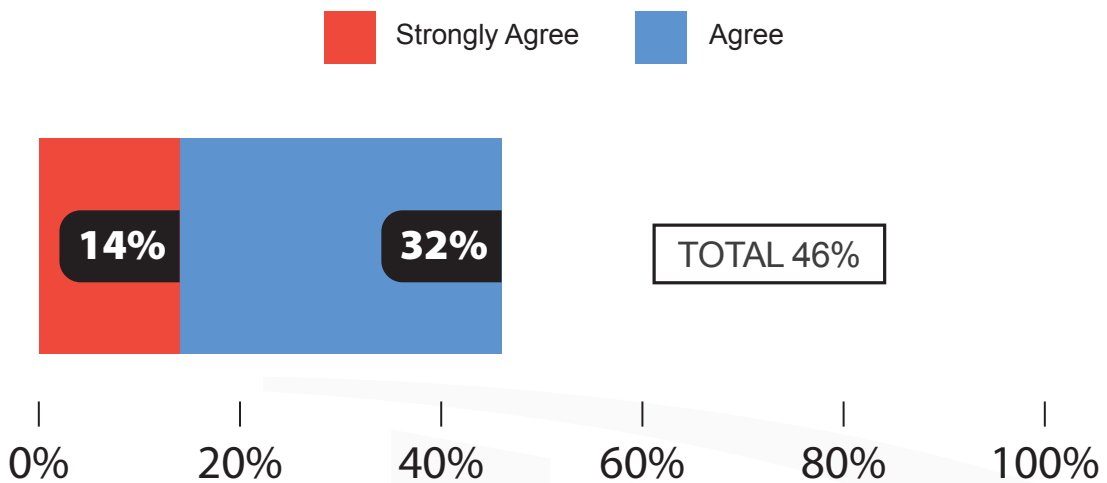
This lukewarm attitude toward wellness and healthy lifestyles shows up in two other questions as well. Fewer than half of the participants agree that their employers communicate with employees about their physical health as a means of encouraging healthy choices or have programs in place to help employees improve their personal wellness.



Survey Statement: "My company has a program in place that encourages its employees to improve their health."

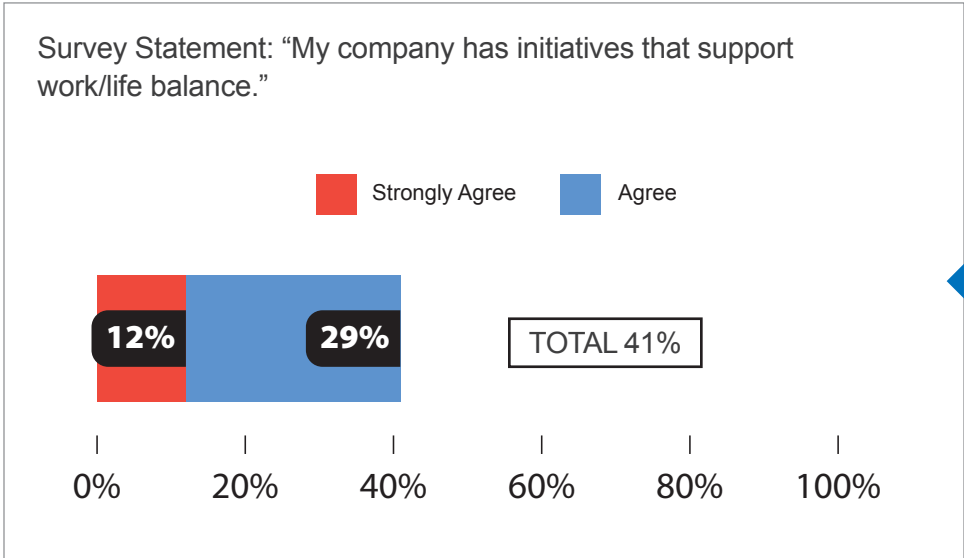


Survey Statement: "Benefits communications to our employees contain aspects intended to encourage a more physically healthy lifestyle."



**Finding Nine:** Based on initiatives, employee work/life balance does not seem important to most organizations.

Another indication that most employers are not deeply committed to health is a lack of initiatives that support work/life balance. There has been a substantial volume of published material over the last several years, and it's a subject that tends to be highly visible when discussing job and career satisfaction. The relative scarcity of such initiatives may mark a missed opportunity for some companies.

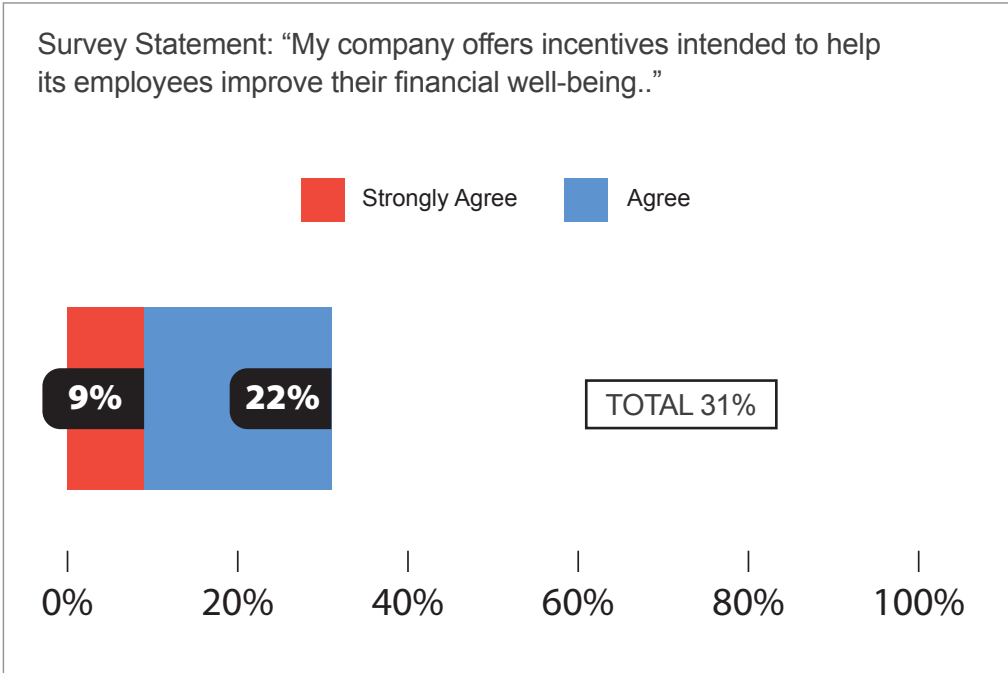
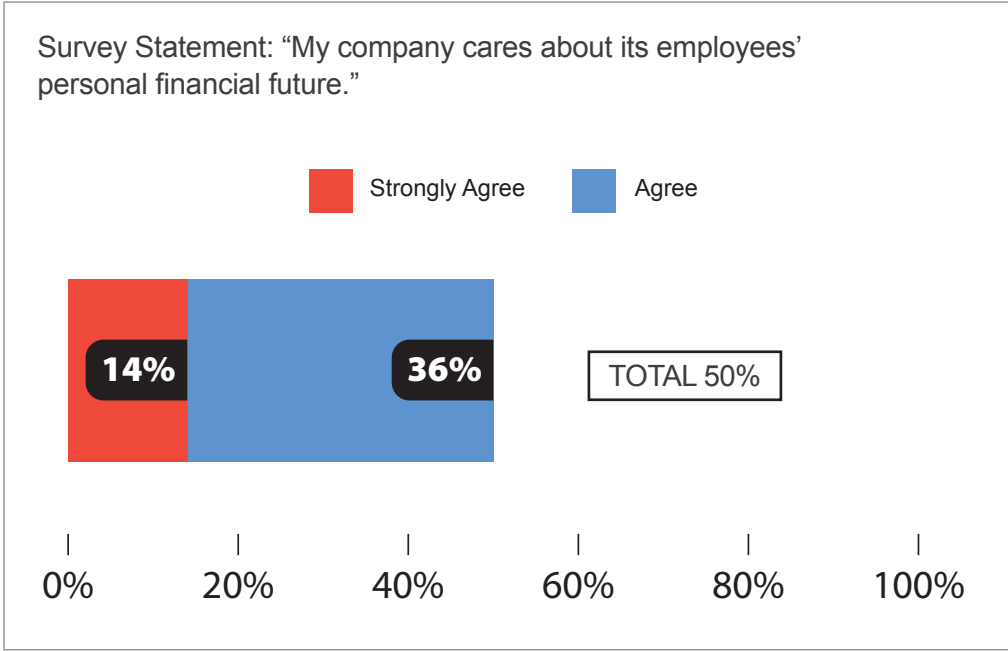


About two fifths of respondents say their company has initiatives for work/life balance.

**Finding Ten:** Only a minority of organizations take affirmative steps to encourage financial well-being of their employees.

Financial unease has become all too common in today's workforce as the growth in median earning levels has stagnated for various demographic cohorts. The problem was particularly intense in the aftermath of the "Great Recession." Yet, less than a third of participants said their organizations offer incentives to encourage employees' financial well-being.



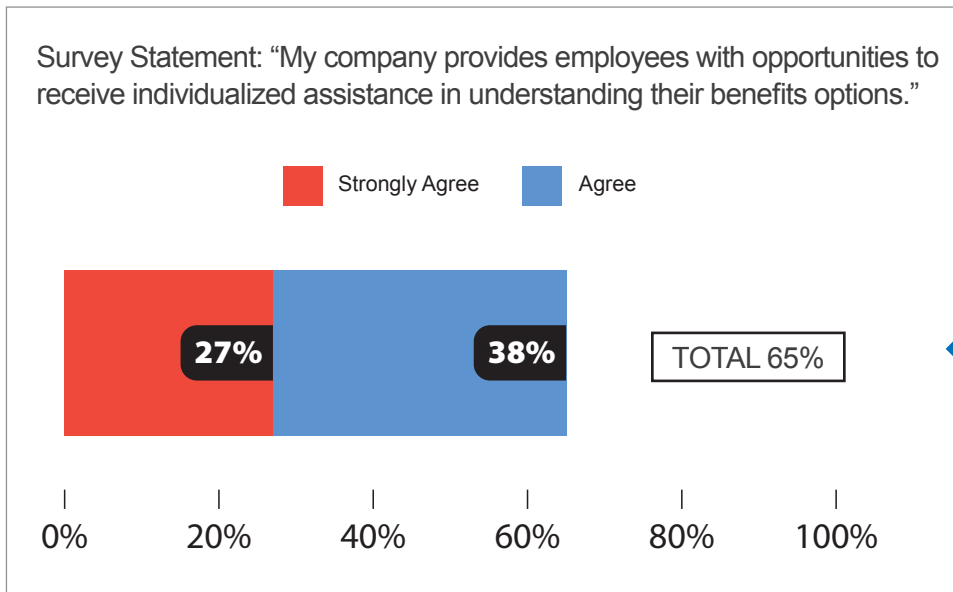


This appears to be another example in which the participants' agreement about their company's level of "care" is not matched by visible actions that demonstrate such care.

## HR Teams Seek Help with Communication and Training

**Finding Eleven:** Most employers are providing individual assistance to help employees understand benefit packages

Nearly two-thirds of the participating organizations agreed that their company provides employees with “opportunities to receive individualized assistance” to employees who want to understand their benefits options better.



Most organizations provide individualized assistance to employees to help them understand benefits options.

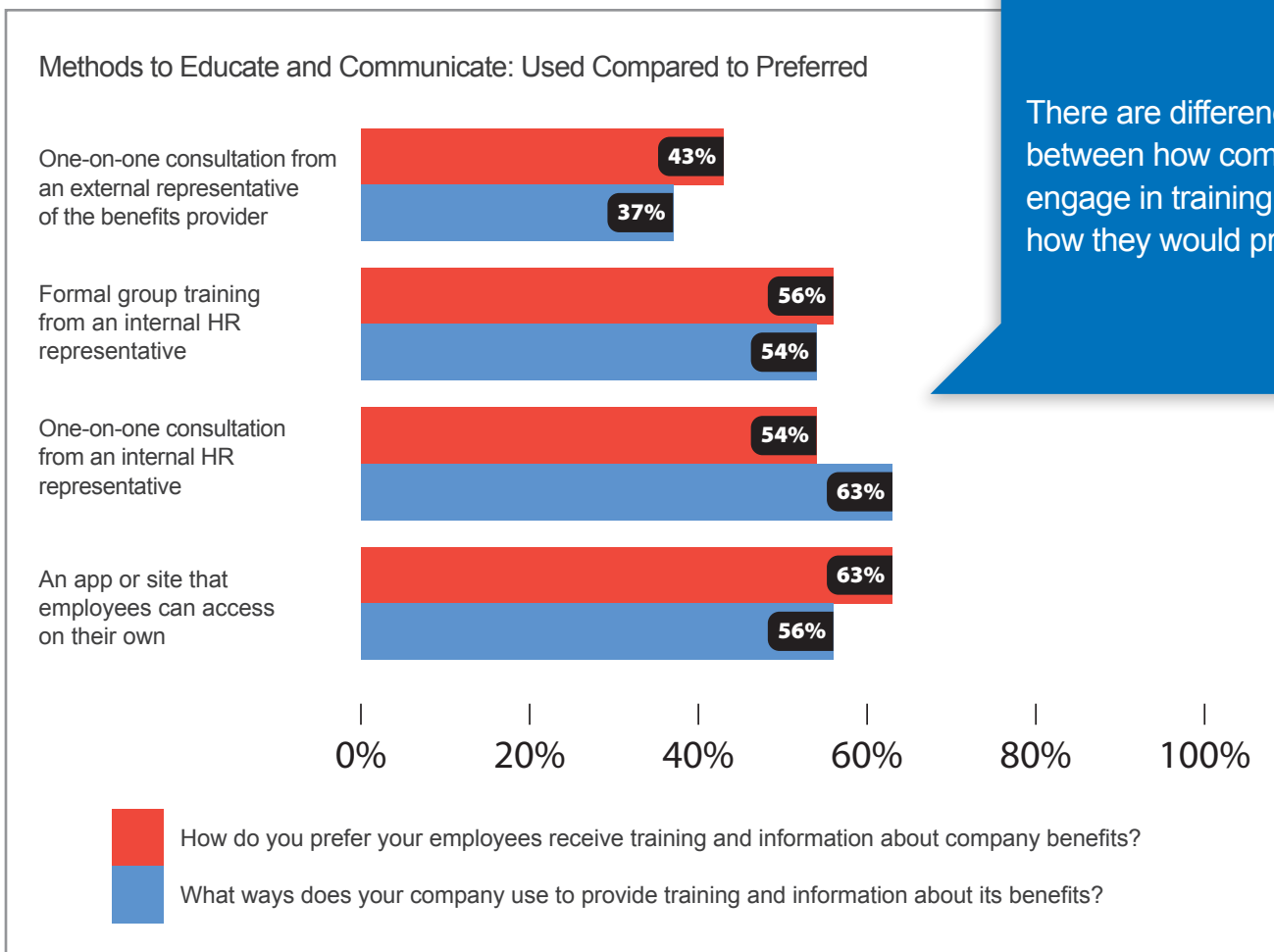
Additionally, a majority (55%) have a representative to give employees “qualified guidance” help with the decision-making process regarding benefits programs



24% Strongly Agree  
31% Agree

**Finding Twelve:** However, HR teams would prefer to rely more on self-service technologies and on external benefits providers

We polled our participants about the methods companies use and prefer using to educate and train employees about benefits. We offered participants a chance to answer two questions. The first was: “What ways does your company use to provide training and information about its benefits?” The next question was: “How do you prefer your employees receive training and information about company benefits?” We allowed participants to select as many options as they wanted, and the options provided for both questions were the same.



The most important thing this data tells us is that HR teams would like to outsource a substantial part of the burden of training and informing employees to their benefits providers and to the employees themselves through an app or website.

Respondents indicate that they’d like to reduce the usage of one-on-one consultations with internal representatives. That makes sense, given the amount of time and money that must be spent on such consulting.

In contrast, companies would generally prefer to increase their usage of one-on-one consultation from an external rep, use more formal group training, and use an app or site that employees can access on their own. They show particular interest in using external providers and self-service apps more than they currently do.

These selections are not a surprise. After all, HR teams are already heavily burdened during benefit enrollment season, and tools and assistance to reduce the demands on their precious time are very attractive.

It's fair to infer from these responses that HR teams would welcome better quality technology tools and more support from benefits vendors in the education and communication process.





## Top Takeaways

What key lessons can we learn from this research? Below are seven key strategic takeaways:

- Look for inconsistencies between your organization's employee benefit goals and its programs/actions. Our research suggests that the benefit "talk" does not necessarily translate into the "walk." For example, benefits specialists say they are doing their best to communicate benefit offerings but then, if they delve more deeply, discover their communication initiatives are not as effective as they should or could be.
- Strive to measure employee's understanding of benefit plans to gauge the effectiveness of communication efforts.
- Communicate the value of benefits plans. Employees should have an idea of how much they are truly benefiting from high-quality packages.
- Take advantage of employee feedback. Too often, it seems, feedback is not gathered or, when it is, not considered. By listening to feedback, organizations can likely learn more about which benefits are most worthwhile as tools for retention and engagement.
- Create a vision related to employee health and wellness and then put together a consistent and cohesive plan that helps the organization achieve that vision. Decide whether the vision includes aspects such as financial well-being, lifestyle choices, work/family balance and more.
- Look for ways of getting as much help from external vendors and new technologies as possible without abdicating responsibility for helping employees both understand and get the most out of their benefit plans.
- Try to ensure that everyone in the organization is "on the same page" when it comes to setting the goals for employee benefit plans. Upper management should share the same values as HR professionals, and collective actions should reflect those values.

