



## Communicating Employee Benefits: Why the Traditional Open Enrollment Brochure Is Just the Beginning

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Once upon a time, it was normal—and even encouraged—to present your employees with a 50-page printed enrollment guide during benefits open enrollment and send them on their way.

“Pick your plans, sign, and return the forms to me in two weeks,” you might say.

And your employees would nod their heads before returning to their cubicles with pencil in hand to read (a little) and then fill out their selections for the year ahead.

No one really understood their benefits. And companies didn't really care.

### **Fast forward to the present.**

While employees are still in the dark—a recent survey by the Society for Human Resource Management (SHRM) estimated only 9 percent of employees are “very knowledgeable” about their benefits—companies do care.

And they should.

MetLife's 13th annual US Employee Benefit Trends Survey, which included 2,595 interviews with benefits decisions makers and 2,463 interview with full-time employees, found that professionals satisfied with their benefits are almost four times as likely to also be satisfied with their work.



**Only 9 percent of employees  
are 'very knowledgeable' about  
their benefits.**

*Society for Human Resource Management*



In addition, the Affordable Care Act (ACA), the impending 40 percent excise tax, rising costs of healthcare, and increasing competition to recruit and retain skilled talent have brought the importance of employee benefits even more into the spotlight.

Yet, while companies are finally paying closer attention to their benefits, they're often still failing to effectively communicate those benefits.

According to the SHRM survey, only one-fifth (22 percent) of respondents "strongly agree" that their organization's employee benefits communications efforts are very effective in informing employees about their benefits.

What's missing? A strategic communications plan.

### What's in a plan?

HR, meet your marketing and communications team. It's time you started working together.

The first step is to put pen to paper and create a strategic communications plan. This plan should include a yearlong timeline of ongoing communications delivered through a variety of channels.

Now, for some of you, working hand-in-hand with your communications department may be unrealistic. Your communications team may be extremely busy . . . or nonexistent.

And, even if you do have a communications team with capacity, team members may not be well-versed in employee benefits communications.

In any case, Lockton Benefits communications experts can help. Our experienced employee benefits marketing and communications professionals can help craft your plan and execute it, seamlessly taking your "to do" list from absolutely overwhelming to somewhat manageable.

What our communications experts—and yours too, if you have them—will tell you is this: A paper enrollment guide isn't enough, but it should not be thrown out the window. And, of course, open enrollment is a critical time of year to communicate with employees about their benefits package, but is it the only time? No way.





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*MetLife*

In short, a comprehensive and strategic employee benefits communications plan should:

- ❖ Understand the audience.
- ❖ Take place year-round.
- ❖ Incorporate traditional communications like enrollment guides and in-person meetings in addition to mobile, social, and video technology, depending on your company culture.
- ❖ Make communications personal and relevant by segmenting messages for various employee groups.
- ❖ Consider spouses and dependents as possible decision makers, making your communications easy to share and access outside of work.
- ❖ Include a budget.
- ❖ Feature measurable goals.

Recently, we partnered with one of our clients in the hospitality industry to develop a strategic communications plan tackling two key messages—removal of its health

maintenance organization (HMO) plan and addition of a health savings account (HSA).

The communications plan was designed to run from February through October, nearly the entire year, and divided the audience into several categories—new hires and existing employees, as well as English-speaking and Spanish-speaking.

A variety of communication channels were used, including:

- ❖ Traditional enrollment guides.
- ❖ Benefit charts.
- ❖ Posters.
- ❖ PowerPoint presentations.
- ❖ Brainshark videos.
- ❖ Postcards and separate trifold brochures (mailed to employees' homes to be reviewed with family).

These materials were all available in English and Spanish, and both online and in print.

“Our client is already reporting great success,” said Lauren Hoggatt, Communications Consultant in Lockton’s St. Louis Benefits operation. “HSA enrollment and employee morale are both up—a win for all.”

In another example, Lockton recently helped a client launch a multimedia approach to communicating during open enrollment. This real estate management company, with a diverse population spread across the country, deployed text messaging and a private employee-based social networking site to communicate employee benefits messages.

These tools, coupled with traditional print, email and intranet campaigns, are driving enrollment and engagement.

“Our client’s employees appreciate the option of receiving text messages regarding their benefits,” said Thais Moore, Vice President, Director of Marketing and Communications, Lockton Northeast. “My advice: Take inventory of your recent employee benefit communication campaigns. Don’t stop doing what you’ve always done that has worked, but be open to new communications channels too.”

### Know your audience

Understanding your workforce demographics—age, income level, language, gender, and more—as well as health needs and risks—are all critical to creating an employee benefits communications plan that inspires action and helps meet your company’s business goals.

Gathering information about your employees is key. A few questions to consider:

- ❖ What worries your employees? How can your employee benefits plan address these concerns?
- ❖ Who are you trying to influence? There may be multiple groups here.
- ❖ What behaviors do you want to change?
- ❖ How do your employees prefer to receive communications? Email, text, intranet, in-person?
- ❖ Do your employees have access to all communications channels?

When it comes to understanding your employees’ health needs and risks, Lockton’s proprietary InfoLock® data warehouse can help by using real data and claims. Now, your communications can be targeted to achieve certain results—reducing body mass index (BMI), ensuring proper prenatal care, addressing diabetes, or lowering stress.

The more you know about your employees, the better you can tailor your messaging and ensure success.



## Keep the conversation going year-round

OK, you know your audience. But how often do you communicate with them? Historically, benefits communications were limited to the open enrollment period or new-hire orientation. Those methods still apply, but we absolutely must keep the conversation going all year long.

Worried you'll run out of things to say? Here are a few tips:

- ❖ Develop a schedule, an editorial calendar or whatever you want to call it. Just make one, and stick to it.
- ❖ When you don't have anything pressing to communicate, consider tying your message to a seasonal one—flu season, allergies, sunscreen/UV protection, or cancer awareness.
- ❖ Repurpose content across all channels—perhaps the same message is modified slightly to be used in an email, poster, direct mail piece, text message, and video. Consumers need to hear/read the same message multiple times before it sinks in fully. Repetition is good.
- ❖ Create an online benefits hub, typically through your company intranet, where employees can easily find the information they need. This will be your employees' go-to place for benefits information, not the handbook or enrollment guide buried in the bottom drawers of their desks. Send regular emails or text messages about updates to the benefits hub.
  - Consider using an externally hosted site so family members can see the information too.
- ❖ Provide employees with personalized statements (print, online, or both) that show them the cost breakdown of their benefits—how much the company pays vs. employees, how close they are to scoring on the company wellness initiative, etc. Companies can provide these statements quarterly, monthly or even bimonthly along with paychecks.
- ❖ Keep it simple. When selecting benefits, an employee wants to know: “What should I do?” All of your messaging should focus on answering this simple question.



## Embrace mobile, social, and video

Despite our society's increasing demand for technology, very few companies (4 percent) who took part in the SHRM survey use social media as an employee benefits communications tool, and only an additional 8 percent plan to start using social media in the next year.

Yet the Pew Research Center reports that 74 percent of American adults use social networking sites, and 90 percent of American adults own a cell phone.

Furthermore, a recent GuideSpark survey revealed that 44 percent of millennials prefer to receive benefits information from their employer via text message.

Clearly, employees of all ages are using mobile devices, social networking sites, and video to communicate and engage with one another. HR professionals need to jump in the mix and meet their employees where they already are . . . and want to be.

The first step is to make sure your benefits information is optimized (sized and scaled correctly) to be easily viewed on a mobile device—a strategy 40 percent of companies already embrace, according to the National Business Coalition on Health.

Next up, text messaging.

Lockton has worked with several clients on text messaging programs to communicate with employees about benefit plan changes, enrollment deadlines, wellness opportunities, and more. It's a quick and easy way to send information to your employees and can often be customized based on language, gender, job type . . . you name it.

Recently, an employer was faced with the challenge of communicating to employees who didn't have regular access to computers or the company intranet and who worked odd hours, making in-person benefits meetings difficult to schedule. Text messaging turned out to be the easiest, most

reliable, and most effective way of reaching these employees. Texts could be sent in English, Spanish, and Mandarin Chinese—covering the company's diverse workforce—and employees could easily share the benefit information with their family members.

Besides texting, companies are also exploring social networking sites and video as ways to share information. New hires might find a Facebook page helpful to meet other new recruits. And Yammer, a private social network that claims to help employees collaborate across departments, locations, and business units, is effective for sharing benefits information and answering general questions employees might have.

Video, too, can be a tailored option for companies aiming to provide their employees with quick, easy-to-understand content that's cost-effective and efficient.

Lockton recommends video to nearly all of our clients, and many embrace the idea. Videos are especially helpful when sharing information with family members who aren't able to come into the office for in-person meetings with a benefits administrator.

### Employee benefits communication methods used by organizations:

Enrollment materials (online or paper)	83%
Group employee benefits communications with an organizational representative	70%
One-on-one employee benefits counseling with an organizational representative	52%
Intranet	46%
Newsletters (online or paper)	41%
Direct mail to home/residence	38%
Benefit fairs	25%
Virtual education	15%
Social media	4%
Other	9%

Source: Society for Human Resource Management, Strategic Benefits—Communicating Benefits

## Tailor your messages

Do you really want your male employees to receive a text message promoting the importance of mammograms? And should your night-shift employee in a distribution center receive an email featuring an image of a man in a tie sitting in a sunlit office?

Without segmenting, these impersonal messages could very well be sent to your employees, creating the very unfavorable message that you, the employer, don't know who they are or what they do . . . and you don't care.

Yet shockingly, the National Business Coalition on Health reports that almost 90 percent of employers don't personalize their communications to employee or demographic groups.

Be the exception. Take the time to know your audiences and tailor your messages. We are all different and, therefore, motivated by different things.

The words, images, and even delivery channels you use in communicating with your employees all matter. Make each benefits message meaningful and relevant, segmenting by age, job role, salary, demographic, or even whether an employee has dependents.

Your employees will love you for it—and engagement will soar.

**Take the time to know your audiences and tailor your messages.**



## Make it a family affair

According to the US Department of Labor, women make 80 percent of healthcare decisions for their families. Whether your employee is a man or woman, with numbers like these, it's only smart to consider family members in the enrollment process.

Whether your employee is the financial provider for his or her family and someone stays home with the kids, both partners work, or your employee has a same-sex partner or spouse, it's best that all family members are involved in selecting—and maximizing—their benefits options.

The best way to ensure involvement and, thus, engagement is to make benefits information easily sharable and interactive. Videos, webinars, emails, mobile apps, web-hosted platforms, brochures, postcards—all are effective ways to “talk” to decision makers at home.

It's also a good idea to use visuals and examples that represent different family scenarios in addition to considering family-friendly benefits some companies are offering, like:

- ❖ Life and disability insurance.
- ❖ Wellness programs.
- ❖ Flexible spending accounts.
- ❖ Infertility and adoption resources.
- ❖ Parental leave, family leave, flex time.
- ❖ Employee assistance programs.

## Show me the money

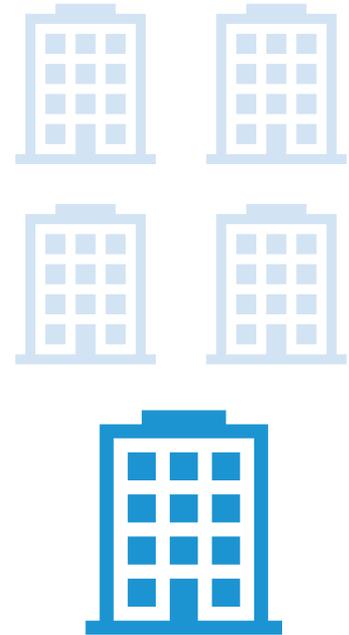
Communicating employee benefits doesn't come cheap—especially with the addition of the ACA and its many compliance requirements.

Reporting what's going on, and communicating about it, costs a fortune, said analysts at the International Foundation of Employee Benefit Plans (IFEBP). In a survey of 598 human resources and benefits professionals, about 17 percent said explaining the ACA to benefit plan participants and potential participants has been a major health benefits cost driver.

Thirty-eight percent said higher spending on complying with the new ACA reporting, disclosure, and notification requirements has been a big cost driver.

Despite these numbers, according to an ADP survey, most benefits specialists reported annual benefits communication budgets are \$25,000 or less, and 75 percent say that amount hasn't grown in the past year.

The ADP report also concluded that only one in five of both large and midsize companies plan to increase their budgets for benefits communications, despite significant new requirements imposed by the ACA.



A mere 1 in 5 of both large and midsize companies **plans to increase its budget for benefits communications**, despite significant new requirements imposed by health reform.



## THE LOCKTON DIFFERENCE

Does the thought of creating an employee benefits communication plan have you running for the door?

Lockton Benefits communications experts can help.

Our communicators are experienced in communications AND employee benefits—a critical combination—and up to speed on all of the latest technology. Social media, texting, mobile apps—we've done our homework and can help you determine the best fit for your company.

Working closely with your HR team, our communications pros can:

- ❖ Create a strategic year-round plan.
- ❖ Research your employees' demographics and, in some cases, health needs and risks.
- ❖ Write and design a variety of materials, including your enrollment guide, posters, brochures, and direct-mail pieces.
- ❖ Produce videos, PowerPoint presentations, and other online tutorials.
- ❖ Build a company benefits hub via your intranet or an externally hosted website.
- ❖ Set up and execute a text messaging program.
- ❖ Create and implement social media campaigns promoting benefits enrollment and engagement.
- ❖ Investigate emerging technologies and communication channels.
- ❖ Track, measure, and report on challenges, opportunities, and successes.

### Measure your progress

If you're going to spend money on an employee benefits communications strategy—and clearly we think you should—you'll need to prove its effectiveness. The best way to do that is by tracking, measuring, and reporting successes to company leadership.

A few items to measure include:

#### Volume and quality of communications

- ❖ Web traffic.
- ❖ Email click-through and open rates.
- ❖ Meeting attendance (in person or online).
- ❖ Communications survey responses.
- ❖ Focus groups.

#### Program participation/use

- ❖ Health plan enrollment.
- ❖ Wellness program participation.
- ❖ Preventive care utilization.
- ❖ Financial wellness programs.
- ❖ Employee assistance program utilization.

#### Health and financial outcomes

- ❖ Aggregate biometric data.
- ❖ Claims data.
- ❖ Retirement plan and HSA balances.

As you track, measure, and look for trends and successes, keep in mind:

- ❖ Change doesn't happen overnight.
- ❖ You must be consistent. Keep those communications coming.
- ❖ Be flexible. You may need to change up messaging or the channels you're utilizing based on feedback and performance.
- ❖ Assess your communications performance throughout the year. Don't wait until the end of your benefits year to realize a communication channel or message failed dismally.
- ❖ Keep your chin up. You're taking proactive steps to educate and engage your employees. Everyone will win.

[Learn more](#)

For more information about employee benefits communications, please contact your Lockton Account Team.



**Forty-four percent of millennials prefer to receive benefits information from their employer via text message.**

*GuideSpark*

## 7 Keys to Effective Employee Benefits Communications:

### 1. STUDY

Get to know your audience—your employees and their families—as well as their health goals, needs, and risks.

### 2. PLAN

Create a year-round communications plan, and stick to it.

### 3. MIX IT UP

Incorporate traditional communications like enrollment guides and in-person meetings in addition to mobile, social, and video technology.

### 4. SEGMENT

Make communications personal and relevant by segmenting messages for various employee groups. Age, marital status, language—all should be considered.

### 5. INVOLVE EVERYONE

Consider all family members as household decision makers, and make your content easy to share.

### 6. BUDGET

Set aside a budget for your communications efforts.

### 7. MEASURE

Establish goals and measure your progress.



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