

communi

By Amy Crosby, Workscape Inc.

Employees are increasingly paying closer attention to employer-provided benefits. With skyrocketing health care costs and escalating concerns over investments and retirement savings, employees often consider a comprehensive benefits package as important as, if not more crucial than, salary. The various parts of a health and welfare benefits package are part of the total compensation package afforded to employees. It's impossible to calculate the intangible value of current and future feelings of security afforded by health insurance and 401(k) plan management.

For employers, administering a multifaceted health and welfare benefits program is time consuming and costly. Labor-intensive transactions, such as open enrollment and benefits administration, involve multiple workflows, resources and deadlines, all of which prove particularly challenging when today's HR managers have more responsibility with fewer resources. As a result, more companies are turning to technology to automate benefits administration.

QUICK LOOK

- ⇒ Properly communicating the “what’s in it for me” of an automated solution properly sets expectations and prevents employee misperceptions.
- ⇒ By 2007, most global 2000 firms will outsource at least 33 percent of their HR administrative tasks.
- ⇒ Before implementing any companywide system, detailed research about the current environment should be conducted.

However, the challenge with implementing any new technology is guaranteeing employee use. Without employee adoption, companies cannot realize both hard and soft returns on the investment. Adoption of an automated self-service solution is directly influenced by how well organizations communicate information to employees and how well employees understand that information. Properly communicating the “what’s in it for me” of an automated solution properly sets expectations and prevents employee misperceptions. Without a clear, concise communication program that both promotes and educates the value of the new system, employees will revert to the old solution — inevitably returning the burden to HR and obviating technology’s mission.

It seems obvious that when a company chooses an outsourced HR solution, such as a Web-based application for benefits enrollment and administration, employees will quickly understand the flexibility that comes with being able to access their own information online. Employees can — and should — be educated on the many benefits of HR self-service. But it’s not an overnight process. It requires the appropriate level of communication and training to help employees maximize the systems.

The Case for Outsourced Benefits

Outsourcing benefits administration enables companies to cut costs and offer employees increased services. In fact, by

2007, most global 2000 firms will outsource at least 33 percent of their HR administrative tasks, according to research compiled by industry research firms Gartner and META Group.

One major selling point of moving to Web-based self-service is the “always available” aspect of the system. Similar to shopping online, an employee can make changes 24/7. With the economy changing every day, a staffer might want to monitor his or her 401(k) investments and have the ability to make changes or check profits and losses. With online access to their personal information, employees take control, make their own choices and keep track of their own benefits.

Of course, there are still challenges to contend with: managing employee comfort levels with new technologies, motivating change or refining existing workflows are just a few issues that can arise. Perhaps there is a concern that “self-service” HR equates to lack of attention from an onsite HR manager or a loss of existing benefits. If so, the company must organize and unveil a multilevel communication program that builds momentum and excitement among employees and helps ensure the new plan is adopted. It is important for HR managers to communicate that assistance is not being taken away, but rather being extended for employees’ convenience. Also reinforce which services, such as the company call center, will still be available. This level of communication not only nips

cation

A Key to Effective
Benefits
Self-Service

Contents © 2005 WorldatWork. The content is licensed for use by purchasers solely for their own use and not for resale or redistribution. No part of this article may be reproduced, excerpted or redistributed in any form without express written permission of WorldatWork and appropriate attribution. Reach WorldatWork at 480/922-2020; customerrelations@worldatwork.org

negative perceptions in the bud, it also instills confidence that the solution can address employee needs and provide the level of service they require.

Before implementing any company-wide system — especially one that will have such far-reaching effects on the workforce — detailed research about the current environment should be conducted. What does the employee population look like? Does the company have experience with online systems? The answers to these questions are important for the outsource provider to know. Consider: A manufacturing company has a very different employee population compared with a knowledge-worker organization, such as a software company; access to personal computers and the Internet will vary dramatically. If the appropriate steps aren't taken to offer kiosks and other "after hours" access channels, the percentage of adoption by manufacturing employees may be less than desirable.

Get Employees Onboard

Introducing the concept of automated benefits administration to employees should be done one to two months before implementation to ensure successful rollout. Repetition is key. Employees need to hear and read information multiple times before they truly absorb and understand the impact. Provide literature (e.g., brochures, posters), send e-mails or post messaging on the company intranet. Make sure the change is discussed in employee meetings. A solid communications campaign needs first to build awareness throughout the population. The key is to create a buzz and generate excitement about the upcoming launch of a new self-service solution that will give employees both power and choice. With awareness comes consensus building. If employees begin understanding the benefits of the new program, they also

will be more accepting of the company's overall vision for reducing costs while increasing employee benefits.

The next step is to launch a detailed education program. Employees need to know why they should use the Web-based program and what rewards they can derive. Finally, employees need to be given the tools to get to work. An abundance of information and encouragement is needed to teach employees about the functionality provided by the new systems, including training sessions and onsite demonstrations, if necessary.

Also, rolling out a Web-based employee benefits solution provides an opportunity to rebrand the company benefits program. What once was old is new again, and this is the perfect venue to educate employees on the varied benefits available. Employees will understand the value in the context of their total compensation — both tangible and intangible.

For example, a national homebuilding company with 5,000 employees rolled out a new enrollment Web site while providing new branding for the company's benefits program. By developing a new and creative image — "Benefits By Design" — complete with a new logo, the company reinforced the benefits available to employees. The new online benefits administration system put increased flexibility and choice at employees' fingertips, and four years later the brand is still going strong.


Another example is that of a global digital imaging and photographic equipment business with about 5,000 employees. The company wanted to convey the message that an online solution is efficient and easy to use. "Service Made Simple" did the trick and, after an intensive employee adoption campaign, the company has been happily using the program for three years.

Both enterprises successfully implemented an automated self-service

solution because it was supported by a comprehensive communications program that eased employees into awareness, anticipation and understanding of the system's features.

A Note on Selecting a Vendor

When partnering with an automated benefits administration vendor, it is vital to choose a company that knows a company's market and competition. Look for a firm that has the expertise to implement an effective HR solution, and has successfully worked with companies similar in size to your own. Finally, it is important to ensure that the vendor is able to effectively roll out the employee awareness and communications programs, as well as manage and track implementation to ensure positive return on investment.

With a solid communications plan in place, a company can ease employees into the changes that come with implementation. Once the stage is set, the audience will come to understand and accept the change. And in this case, a change that allows a company to cut costs and drive return on investment while allowing employees to take control of their own benefits transactions makes sound economic sense. 

ABOUT THE AUTHOR

Amy Crosby is manager of communications services at Workscape Inc. She can be reached at amy.crosby@workscape.com or 508/861-5500.

RESOURCES PLUS

For more information related to this article:

Go to www.worldatwork.org/advancedsearch and:

- Type in this key word string on the search line:
Benefits and communication OR benefits and self-service.

Go to www.worldatwork.org/bookstore for:

- *Communicating Benefits Programs: An Approach to Providing Information to Employees*
- *The Best of Communicating Total Rewards: A Collection of Articles from WorldatWork.*

Go to www.worldatwork.org/certification for:

- T4: Strategic Communication in Total Rewards.