


2006 Employer Survey

Differences in Benefits, Services Lessen among Large, Small Employers

THE INCREASING applicability of web-based solutions and the growing sophistication of benefits advisors have enabled employers of all sizes to have access to tools and services that were previously available only to large employers, according to the *2006 Employer Survey* from United Benefit Advisors (UBA). While querying 1,675 companies comprising a representative cross section of employers across all industry groups, employee size, and regions, the survey identified the range of employee benefits offered, various communications strategies in place, and employers' wish lists for future adoption in these critical areas, according to David LoCascio, UBA's co-founder.



The prevalence of some specific benefits, certain web-based services, and a few employee programs (including wellness and disease management initiatives) continues to increase progressively as the number of employees increases, says LoCascio. However, the only factors notably more prevalent for employers with 1,000+ employees vs. all other size employers were: (1) use of employee self-service technology (45% vs. 23%); (2) less awareness of the reasons for increasing costs, benefits reductions, or emerging trends; and (3) being more upset about such changes and having greater decreases in morale. However, the adoption of *(Continued on back)*



Educating Employees

Life Stages Create Different Info Needs



DIFFERENT LIFE stages create different needs for information about benefits, according to a recent MetLife *Employee Benefits Trend* study. Employers who are interested in life-stage communications are the leading edge of the new guard. They view the workforce as a diverse group of employee consumers who are looking to customize benefits to boost recruiting, retention, and overall employee satisfaction. Yet most employers do not see such advice or education as a top priority, according to the study.

The "one size fits most" approach may no longer be an effective way to communicate with employees about insurance benefits, according to Ben Colvin, MetLife's vice president of institutional marketing. "As employees shoulder more responsibility for selecting and funding their own benefits, they require education and tools at each major life stage," such as getting married, buying a home, having a child, sending a child to college, or approaching retirement, "to ensure that the information they are receiving is pertinent to them," says Colvin. *(Continued on back)*

Lightening the Workload

Flexibility Enhances Job Satisfaction, Productivity



WORK-LIFE BALANCE advocates see flexible work forms as natural steps in the transformation of the modern workplace. In progressive, forward-looking companies, flexible arrangements likely will become commonplace, according to Kossek and Lee's

research, *Making Flexibility Work: What Managers Have Learned About Implementing New Work Forms*. Leadership in 60 percent of the companies in the study viewed reduced-load work not as a work-life program, but as a "smart business practice."

"What became clear after six years of funding basic research was there was a dramatic structural mismatch in our country between the way work is organized and the needs of an increasingly diverse workforce," says Kathleen Christansen, director of workforce programs at the Alfred P. Sloan Foundation, which funded the research.

Findings from the recently published *National Study of Employers* notes that small companies are at the forefront when it comes to offering flexibility, as they have a better handle on making work "work" for both the employer and the employee, according to Ellen Galinsky, president, Families and Work Institute." What this ultimately translates into is a work environment in which employees perceive their supervisors as being in tune with their needs," says Galinsky. Under the *(Continued on back)*

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personal health management strategies by employers of all sizes continues to increase, notes LoCascio. Roughly 25 percent of all employers currently provide various wellness and/or health risk assessment programs, and an additional 50 percent would like to add such programs in the future. Approximately 30 percent of all employers currently utilize disease management programs, and an additional 33 percent hope to some day.



"We have reached a tipping point regarding employer involvement in helping to manage the health of its workforce," says LoCascio.

Consequently, employers have placed a greater emphasis on educating employees. Following a decade of significant increases in medical plan costs which resulted in decreases in benefits and increases in employee costs, employers are sharing the reasons for plan changes. They are also educating employees about how to improve their health and reduce the cost of their health plans.

"Employers of all sizes have seen that effective employee communication can have a notable direct impact on plan costs," says LoCascio. "Employees have a huge vested interest in helping to contain costs in order to stem the erosion in plan benefits and the increased hit to their pocketbooks from higher premium costs. Most are willing to do so if provided the tools and information required."

Copies of the survey are available for purchase via UBA's website at www.benefits.com. A companion report, *the 2006 Health Plan Survey*, will be released later this year. ■

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Colvin says that different life stages create a need among employees to re-evaluate their insurance coverage and savings contribution. Thus, open enrollment, benefits education, and investment advice may also need to be customized based on life stages. Currently, 40 percent of all employees purchase more financial and protection products (e.g., life insurance, dental insurance, etc.) through the workplace than outside of work.

As the competition for top talent continues to escalate, employers need to underscore the value of the benefits they are offering, according to Colvin. "Nearly one-third of today's employees say benefits are an important reason why they came to work for their current employer," says Colvin. "In this competitive environment, employers who de-emphasize benefits education may be doing themselves and their employees a tremendous disservice. The good news for employers is that benefits communications by life stage need not be complicated or expensive to deliver." ■

Lightening the Workload . . . *(Continued from front)*

circumstances, employee retention is high, as is productivity."

Workplace flexibility can have a positive impact on an employer's talent management, human capital outcomes, and financial performance, according to Nina Madoo, director, Marriott International's Workplace Strategies. This is extremely important as increased global competition, shifting market opportunities, and changing employee demographics are among the key drivers of 2006 workforce trends, according to CCH. ■

..... Bulletin Briefs

◆ *Employee Benefit Costs Consume 40% of Payroll Expenses*

The cost of employee benefits in 2004 reached 40.2 percent of payroll expenses, according to the U.S. Chamber of Commerce's *2005 Employee Benefits* study. "These results indicate that employers continue to strive to offer good benefits packages to workers, even in the face of increasing costs," says Randel Johnson, Vice President for Labor, Immigration & Employee Benefits. Benefit costs, as a percentage of payroll costs, have increased on average close to 1 percent each year since 2000.

◆ *HR.BLR: Compliance is Biggest Challenge for HR Managers*

Compliance with federal and state laws is the most important challenge facing HR professionals, according to Business & Legal Reports' survey, *HR's Toughest Challenges for 2006*. Other challenges rounding out the top five are: (2) retaining talent in an improving economy; (3) managing performance; (4) developing leadership; and (5) dealing with rising healthcare costs. ■

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