

Focusing on Life Event Communication to Increase Benefit Engagement and Improve the Employee Experience

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Executive Summary

Because benefits are expensive and difficult to administer, HR is seeking innovative ways to better leverage that investment. One effective approach is to focus on ensuring employees understand the value they receive from benefits. In other words, it's not all about improving benefits or cutting costs. HR can enhance the positive impact of benefits by ensuring employees can clearly see how the benefits help them. One side of this is communication and, in particular, the tactic of tying communication about benefits to employee life events (such as marriage) when they will be particularly receptive to that communication.

The idea of benefits communication tied to life events is not new, but it's been made immensely easier due to technology. Communications that are personalized and arrive at exactly the right time have become a practical option.

To help HR professionals better understand benefits communication and life events, HR.com produced this study in partnership with eni, an industry leading employee benefits provider that specializes in integrated benefit engagement solutions.

The goal of the research was to:

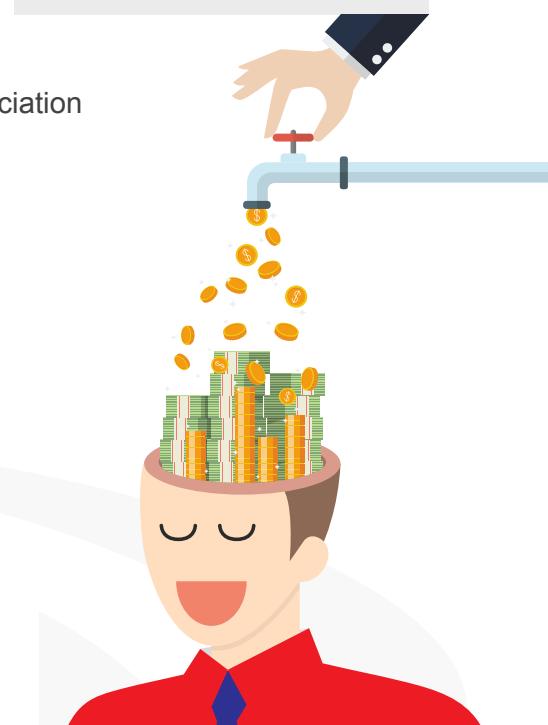
- understand the link between communication and employee appreciation of benefits
- examine the methods that lead to effective communication
- learn how organizations are using life events and personalization technology to get more value from their benefits offering

About this Survey

The survey, "Employee Benefits and Life Events," ran in the first quarter of 2018. There were responses from 892 participants with 680 responding to every question.

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 or more employees. Just under 40% of respondents represented organizations with 500 or more employees.

eni, the company that partnered with HR.com on this research, is a workforce solutions provider that specializes in integrated benefit engagement programs.



Below is a quick overview of some of the key findings:

Communication has a striking impact on how employees feel about their benefits.

Organizations that are especially good at benefits communication (that is, “good communication organizations”) are four times as likely to have employees who strongly agree that their benefits are top notch compared to firms with poor communications.

Many organizations don't have effective benefits communication. Forty percent of organizations do not feel their employees have a comprehensive understanding of the benefits offering.

The delivery of personalized information differentiates good communication organizations from poor ones. Good communication organizations were much more likely than poor communication organizations to respond to employee requests for benefits information with personalized, life event and extra information. For example, 49% of good communicators would respond to an employee's request for information with extra insights about other relevant benefits whereas only 32% of poor communicators would do so.

Most employees want personalized benefits information targeted to life events. Almost three-quarters of respondents believe employees would be interested or very interested in benefits offerings personalized to their unique needs.

Almost all organizations believe life event technology can improve communication. Nearly 90% of respondents reported that life event technology would improve employee awareness of their benefits; over 80% felt it would improve employee understanding of, and engagement with, benefits.

A single benefits platform independent of specific vendors is likely to provide multiple advantages. Over 70% of respondents felt it would be advantageous to have a single benefits platform that housed all benefits, provided a consistent user experience and enabled seamless changing of benefits vendors.

Organizations with high quality benefits generally get their vendors to work together. Over half of lower quality benefits organizations admit that their different benefits seldom or never work together. In over two-thirds of high quality benefits organizations, vendors work together very often, often or sometimes.

Offering and Communicating Employee Benefits

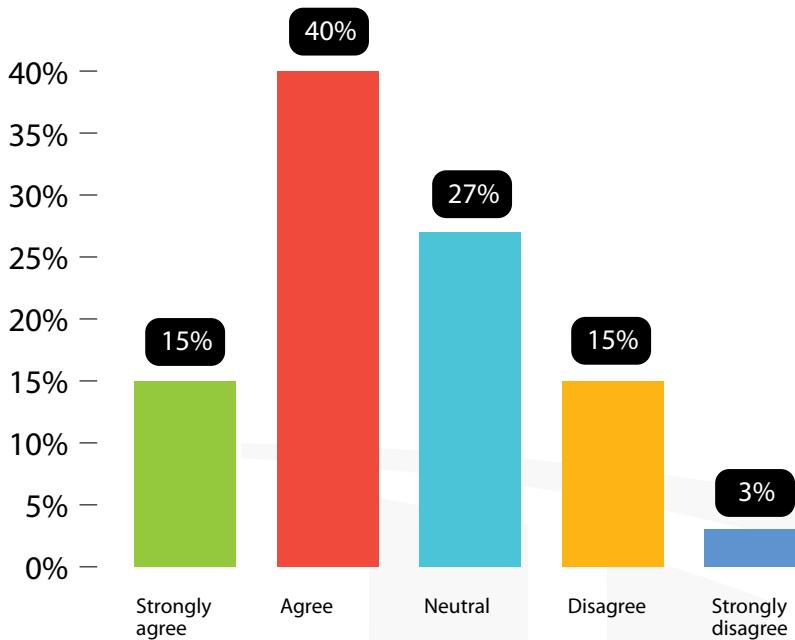
How Do Employees Feel About Benefits Offerings?

Finding One: Only 15% of respondents strongly agree that employees in their organizations view their benefits offerings as top notch

How do employees feel about benefits? The good news is over half (55%) of respondents either agree or strongly agree that their employees consider their benefits offerings to be “top notch.” The bad news is that only 15% strongly agree with this proposition and 45% do not agree at all. This suggest that, although some study participants are proud of their organizations’ benefits offerings, there’s still plenty of room for improvement.



Survey Question: Employees in our organization consider our benefits offerings to be top-notch



Nearly half of respondents (45%) do not agree that employees view benefits offerings as top notch

Later in this report, we will use this data to divide respondents into two cohorts:

- **High quality benefit organizations:** These are respondents that agree or strongly agree that employees in their organizations view their benefits plans as top notch.
- **Lower quality benefit organizations:** These are respondents that do not agree that employees consider their benefits as top notch or are neutral.

The goal is to see if there are any notable differences between the benefits-related practices of these two cohorts.

How Well Do Organizations Communicate Benefits?

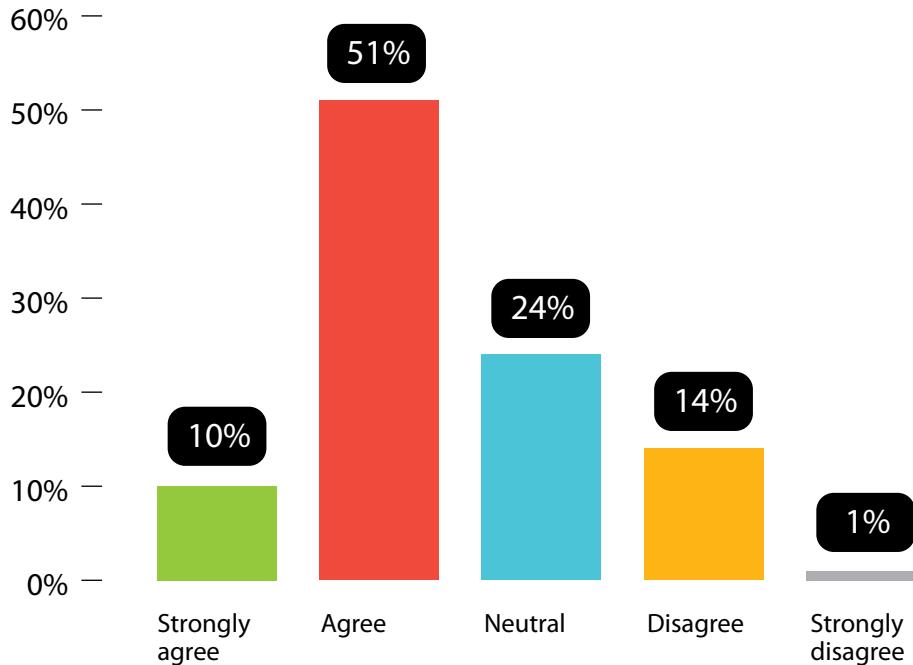
Finding Two: Only 10% strongly agree that employees have a comprehensive understanding of benefits offerings.

This is another good news/bad news story. Although only a tenth of participants strongly agreed that their employees have a comprehensive understanding of their benefits, another 51% agreed. Of course, this leaves another two-fifths of respondents who do not agree at all.

Once again, there's clearly room for improvement in this area. Many organizations have some work to do if they hope to attain full value from their investment in employee benefits.



Survey Question: My employees have a comprehensive understanding of their overall employee benefits offering



About 60% of respondents agree that their employees have a solid understanding of the benefits offering

This represents another question that allows us to divide survey respondents into two cohorts. We will reference these cohorts later in the report.

- **Good communication organizations:** These are respondents that agree or strongly agree that employees in their organizations have a comprehensive understanding of their overall employee benefits offering.
- **Poor communication organizations:** These are respondents that do not agree that employees in their organizations have a comprehensive understanding of their overall employee benefits offering or are neutral.

The goal is to see if there are any notable differences between the benefits-related practices of these two cohorts.

How Do Organizations Communicate Benefits?

Finding Three: The most common way to communicate benefits is through email.

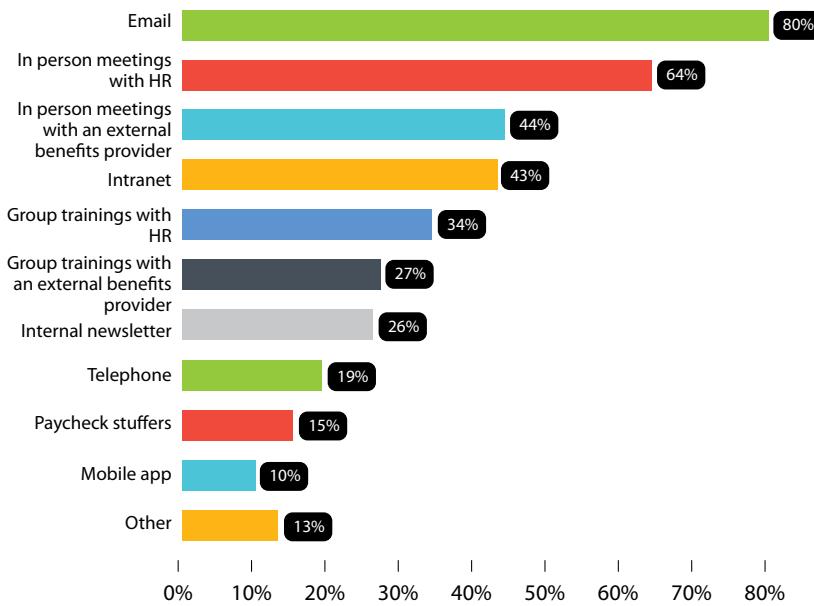
Organizations use a wide-variety of methods for communicating benefits, but email is the main workhorse for communication, used by 80% of respondents. The next most favored methods of communication are in-person meetings with HR and in-person meetings with an external benefits provider.

It is particularly interesting to see mobile apps make an appearance as a means of communication. They are still relatively rare (just 10% of organizations), but no doubt on the rise.

We also provided an “Other” response item that allowed participants to write in other communications methods. These write-ins included portals, benefits fairs, webinars, posting on bulletin boards, signage, videos, social media, flyers, memos and home mailings. That’s a long list and underlines the belief that communication is such an important element of benefits that organizations should reach out with a wide variety of media.



Survey Question: How does your company provide information about employee benefits to employees? (check all that apply)



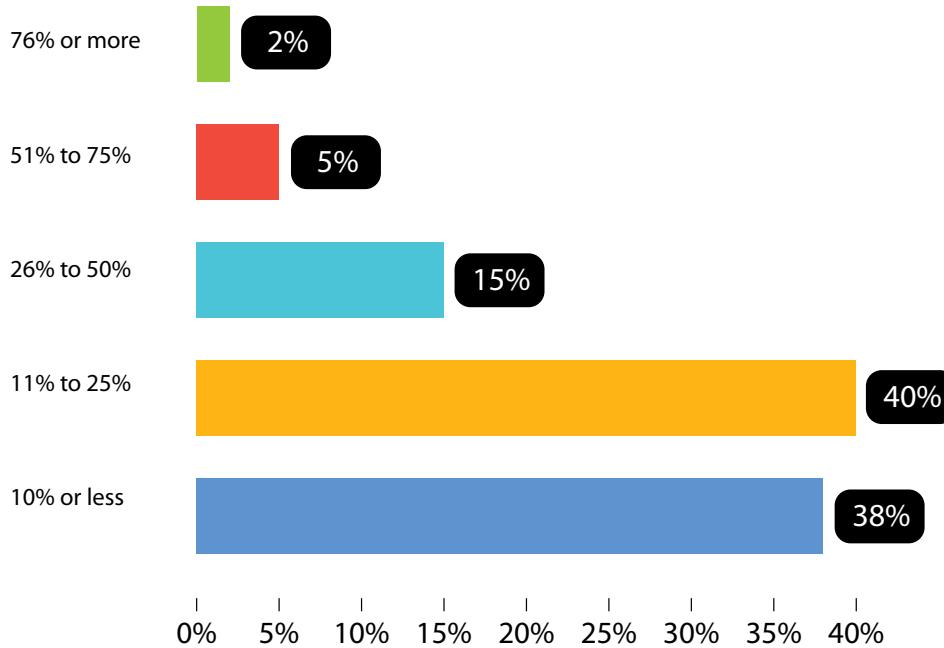
Organizations use a wide variety of methods to communicate benefits

Finding Four: HR departments most commonly spend between 11% to 25% of their time answering employee benefits questions.

Answering benefits questions is time consuming. The survey asked study participants what percentage of time their HR departments spend answering employees' benefits questions. The most common answer (cited by 40% of respondents) was 11%-25% of HR's time. Moreover, for 20% of respondents, benefits communication took more than 25% of HR's time.

Good communication organizations did not tend to spend a lot more time at the task than poor communication organizations. Based on the data, therefore, spending 11%-25% of HR's time answering benefits questions should usually be enough.

Survey Question: Approximately what percentage of its time does your HR department spend answering employees' benefits questions?

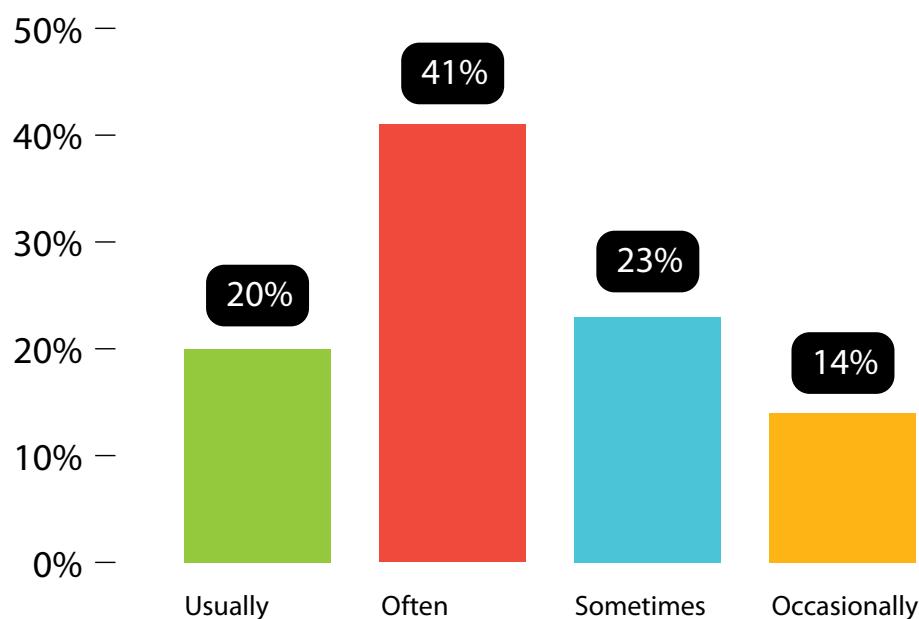


About a fifth of organizations spend more than a quarter of their time answering benefits questions

Finding Five: Most respondents say employees usually or often seek benefits information when there is a life event.

Based on the previous finding, we have an idea of how time consuming benefits communication can be. But are employees especially likely to seek such information when they go through certain life events? Yes. Well over half of participants (61%) said that life events “usually” or “often” cause employees to seek benefits information.

Survey Question: How often do you believe that life events cause employees to seek benefits information?



Over 60% of respondents reported that life events usually or often cause employees to seek benefits information



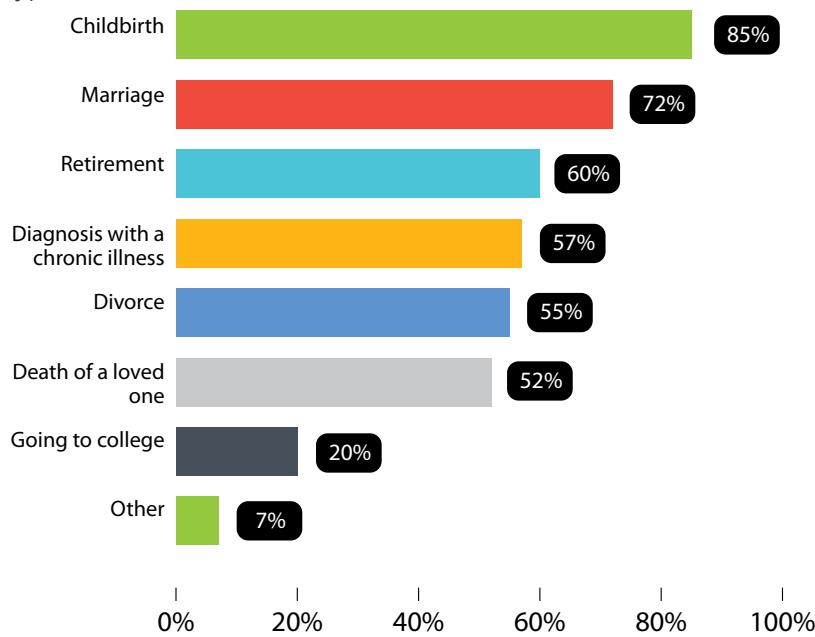
Finding Six: There are six critical life events cited by half or more respondents.

Which life events are most likely to motivate respondents to seek benefits information? Childbirth is viewed by the greatest percentage of respondents as the life event that leads employees to seek benefits assistance. Over 80% of respondents say their employees are likely to seek benefits information when they have a child.

However, there is a broader finding in the data. There are six events that over half of study participants cite as so important that employees are likely to seek benefits assistance in regard to them. In other words, life events are central to the communication of benefits.

Therefore, organizing communication around life events gives employers the chance to provide benefits information at a time when it will resonate most deeply with employees. If HR departments can determine the best way to offer such information proactively to those in need of it, they may be able to both save time and improve employee satisfaction with benefits programs.

Survey Question: For which of the following life events do you think employees are most likely to seek benefits assistance? (select all that apply)



Childbirth is the life event most likely to drive employees to seek benefits assistance

Finding Seven: Responsibility for D&I most commonly rests with HR

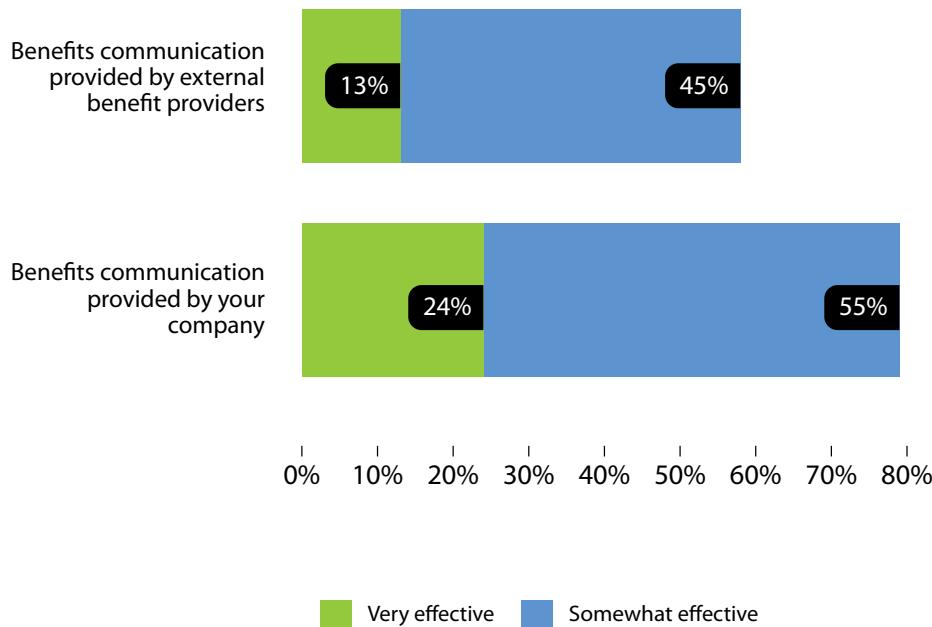
Generally speaking, respondents rate the effectiveness of their own benefits communication higher than the benefits communication of external providers, but both sources of communication tend to be problematic.

Only about a quarter of respondents, for example, view their own benefits communication as very effective.

Therefore, it's clear that organizations need to both improve their own communications and demand better communications from external benefits providers. Communication is crucial as a means of getting value from the investment in benefits, so organizations should take a dual approach to this problem. Since they have direct control of internal communications, however, organizations should start improving that area first.



Survey Question: How would you rate the effectiveness of the following? [Percent saying somewhat or very effective]



Only a quarter of internal benefits communication are viewed as very effective

Practices Linked to Better Results

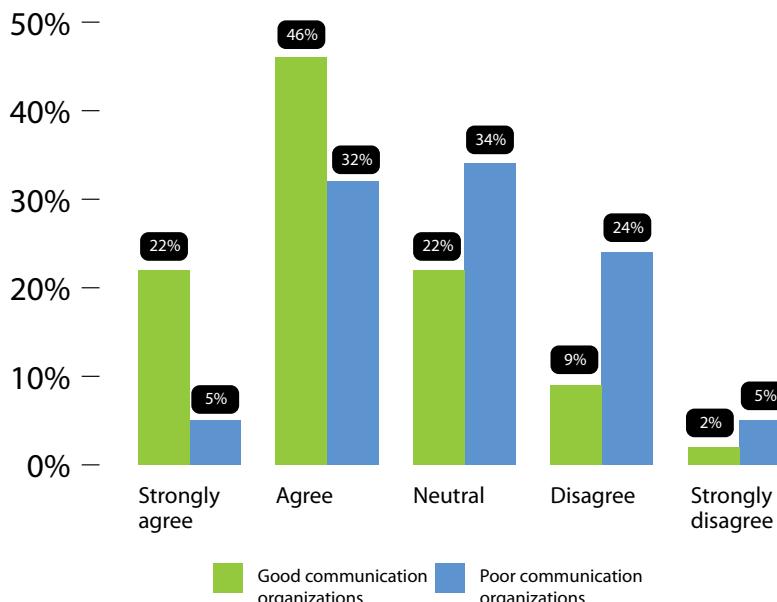
Does Benefits Communication Matter?

Finding Eight: Communication has a striking impact on how employees feel about their benefits.

Good communication organizations were much more likely than poor communication organizations to have employees agree or strongly agree that the benefits were top-notch.

How do we interpret this striking difference? We are likely seeing a case of “reciprocal causality.” good communication ensures employees realize the value of their benefits; at the same time it is probably true that organizations with great benefits are also better communicators. This finding strongly supports the value of communication while recognizing that the magnitude of the difference is enhanced due to the likelihood of those who have good benefits doing better communication.

Survey Question: Employees in our organization consider our benefits offerings to be top-notch.



In good communication organizations, employees are four times as likely to strongly agree that the benefits are top-notch.

What Leads to Better Communication?

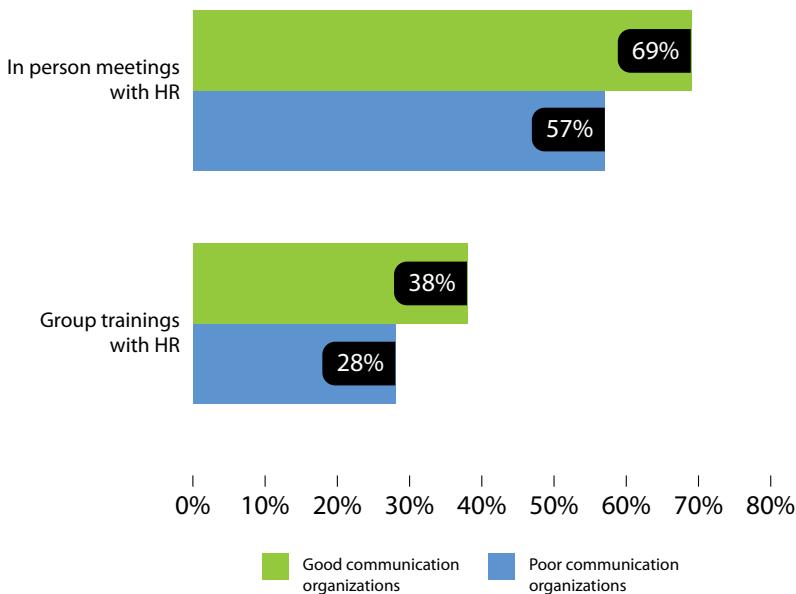
Finding Nine: Companies with great communication lean towards in-person meetings.

Does it matter what means of communication are used? While it's true that good communication organizations tended to do more of it through all media, two particular methods stood out. Those with effective communication were far more likely to use in-person meetings and group trainings with HR.

In-person meetings and group training takes more work than sending an email, but given that these methods show up as a distinct differentiator in good communication organizations, it makes sense to use them.

It's easy to see why in-person meetings and group training are more effective than simply giving employees information to read. Communication isn't merely about making information readily available. It's about engaging and convincing the audience, and that's easier to do in-person.

Survey Question: How does your company provide information about employee benefits to employees? (check all that apply)



Good communication organizations were far more likely to have in-person meetings and group trainings with HR

Finding Ten: Delivering personalized information to employees differentiates good communications organizations from poor communications organizations.

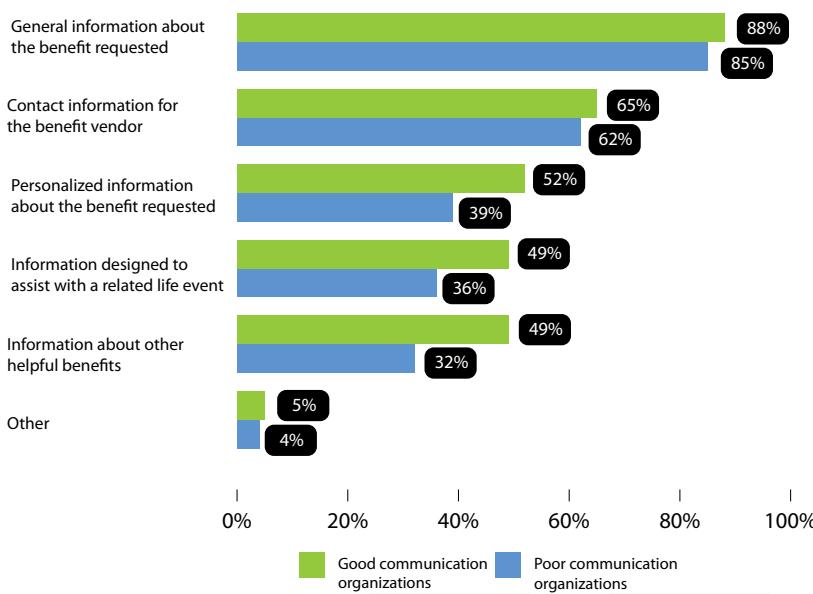
The chart below ranks the types of information that HR provides to employees about benefits. What stands out is the data in the bottom half of the graph where we see a sharp distinction between what good communications organizations do compared to poor communications organizations.

Almost everyone provides general information about benefits. What makes good communicators special is that they go beyond this to provide personalized information, information relevant to life events, and information about other helpful benefits. All these extra aspects of communication show that HR is taking the time to ensure employees learn specifically what is relevant to them at that time—even if they didn't specifically ask for it.

There is a clear message here that simply providing general information or giving the benefits provider's contact information is not enough. Again, communication is not simply about making information available. It's about presenting it in a compelling way that is relevant to the individual at that particular point in time.



Survey Question: What does Human Resources provide to employees who request benefits information? (check all that apply)

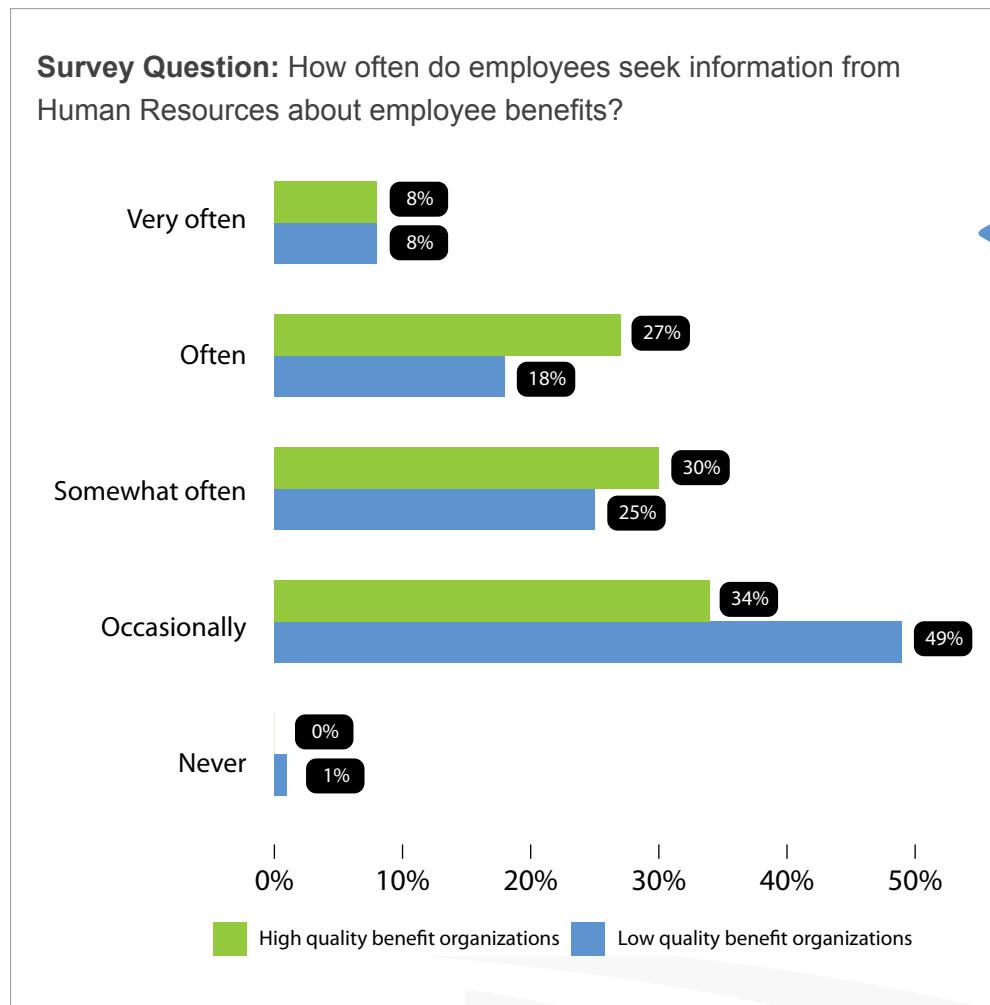


Over half of good communication organizations provide personalized benefits information

Finding Eleven: In high quality benefits organizations, employees ask more questions than in lower quality benefit organizations.

Sixty-five percent of high quality benefit organizations have employees who ask questions somewhat often, often or very often; this is much higher than the 51% found in lower quality benefit organizations.

The takeaway is that the better the benefits, the more likely employees will seek information about them.



How Do Organizations Try to Get the Best from Service Providers?

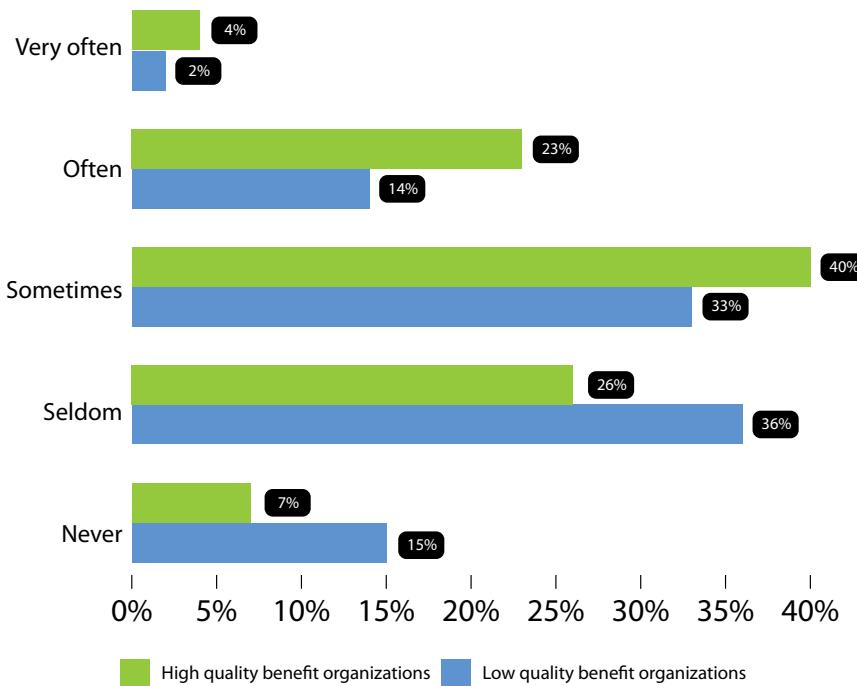
Finding Twelve: High quality benefits organizations get their vendors to work together.



It is obviously preferable to have service providers—which we will refer to as vendors—work together, but how much does it matter? The data shows that high quality benefit organizations are much more likely to have their vendors work together very often, often or at least sometimes. Lower quality benefit organizations are more likely to answer that their benefits vendors seldom work together.

This finding hints at an underlying difference in how high quality benefit organizations see the service they are providing. They don't see benefits as a collection of separate offerings but as a coordinated package to help employees. Hence they expect vendors to work together to provide that coordination.

Survey Question: How often do different benefits vendors for your company work together to assist employees?



In 51% of lower quality benefit organizations vendors seldom or never work together

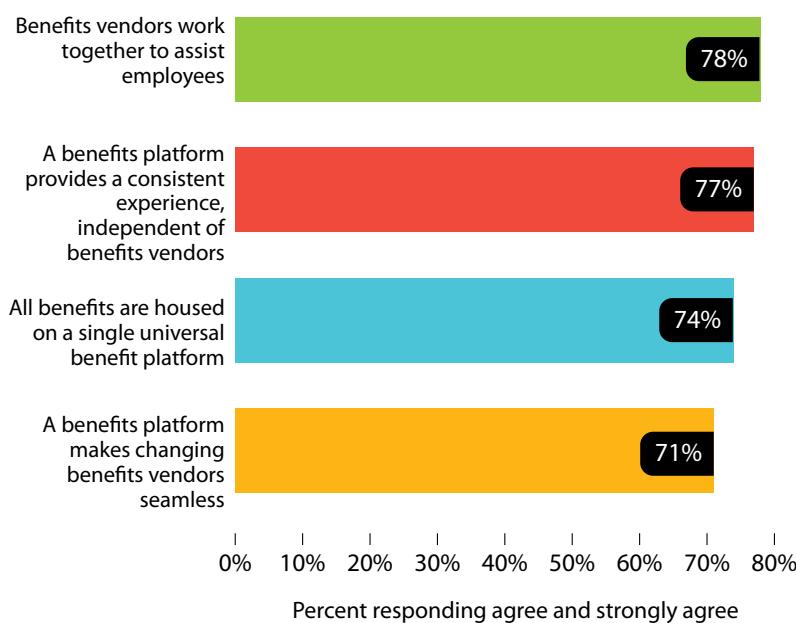
Finding Thirteen: Over 70% of respondents saw advantages in a single benefits platform that is independent of specific vendors.

The next chart looks at benefits platforms from four angles. The first question sets the stage: "Is it advantageous when benefits vendors work together to assist employees?" In other words, "Is there a point in getting a platform that enables collaboration?" The answer is a clear yes with almost 80% of respondents saying that this was advantageous.

The next three questions build on this first finding by investigating whether it was helpful to have a consistent platform that was independent of vendors, a single universal platform, and one that makes changing vendors seamless. In all cases, over 70% of respondents considered these features of a platform advantageous.

The takeaway is that organizations would like to have a single solid benefits platform that integrates the offerings from different providers rather than deal with platforms from each provider.

Survey Question: It is advantageous when: [percent responding agree and strongly agree]



A single benefits platform is advantageous for multiple reasons

Life Events and Personalization Technology

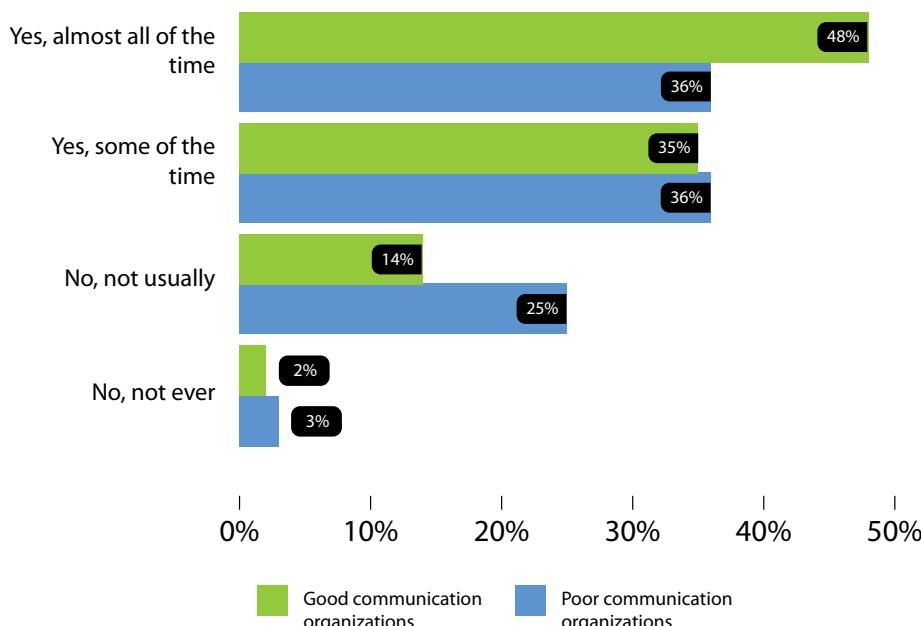
Finding Fourteen: Good communication organizations tie benefits information to life events.

The importance of life events to benefits communication shows up again in the data on good communication organizations. Good communicators are far more likely (48%) to “almost all of the time” tie benefits communication to life events, compared to poor communication organizations (36%).

The data suggests best practice is to almost always tie benefits information to life events.



Survey Question: When your employees request information about benefits from Human Resources, does HR tie the provided benefits information to the life events being experienced by the employees? (For example, if an employee is getting married, does HR suggest benefits information to assist with that?)



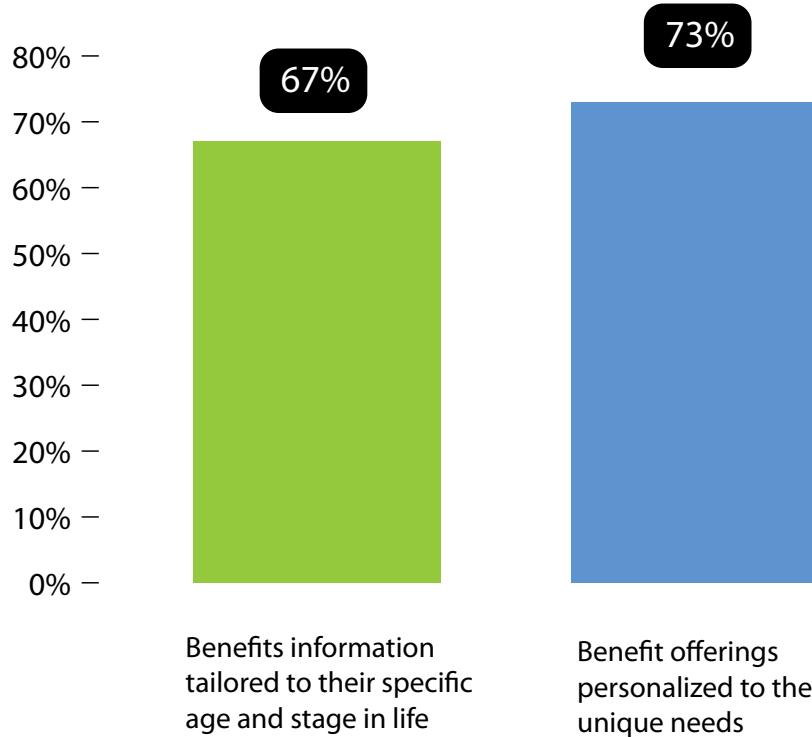
Almost half of good communication organizations almost always tie benefits information to life events.

Finding Fifteen: Most employees want personalized benefits information targeted to life events.

Nearly three-quarters of respondents stated their employees wanted benefits offerings personalized to their unique needs. Two-thirds stated employees wanted benefits information tailored to their specific age and stage in life.

In years past, offering personalized information was impractical, but with today's technology it is much easier. Given how important personalized information is to employees, the ability to offer it is likely to become a "must have" for organizations.

Survey Question: How interested would your employees be in the following? [% interested or very interested]



Most organizations believe employees would be interested or very interested in personalized benefits information.

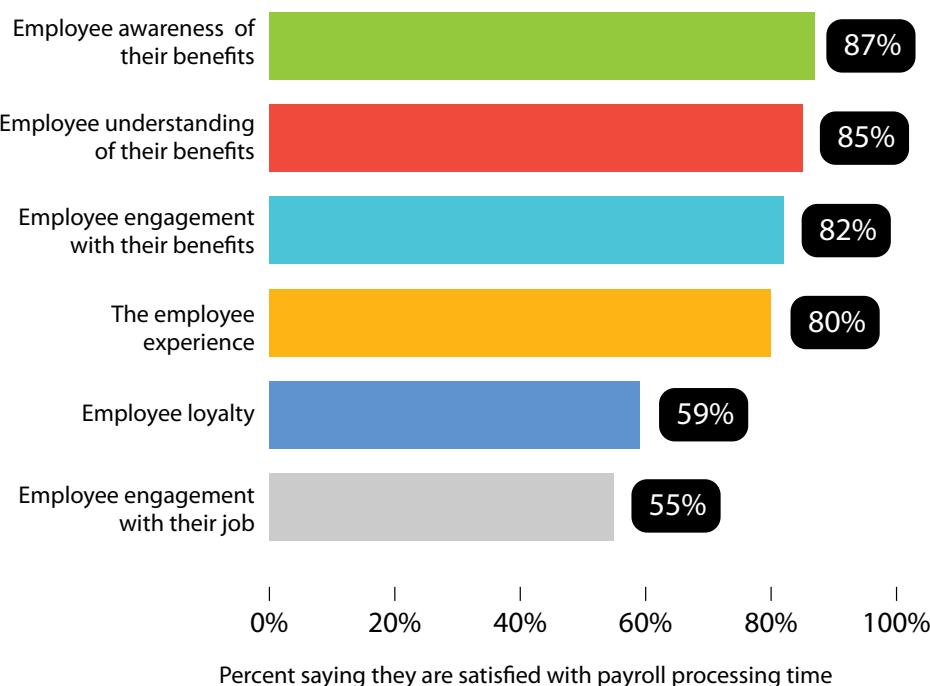
Finding Sixteen: Nearly 90% of organizations believe using life event technology would improve employee awareness of their benefits.

Life event technology ties employee benefits with employee life events. Eighty percent or more of respondents felt this technology would improve awareness of benefits, understanding of benefits, engagement with benefits and the employee experience. More than fifty percent also believed the technology would improve employee engagement and loyalty.

The takeaway is a strong vote of confidence in life event technology. It's a reminder of how central HR technology has become to the HR function.



Survey Question: In your opinion, associating employee benefits with employee life events (life event technology) would improve the following: [percent responding agree or strongly agree]



Eighty-seven percent of respondents felt life event technology would improve employee awareness of, understanding of, and engagement with, benefits



Key Takeaways

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

1

Use life events and personalization as a central concept in benefits.

Technology has made it practical to give employees what they want: communication tied to their specific needs such as those triggered by life events. When possible, plan benefits communication in light of this personalization lens instead of relying on a one-size fits all message.

2

Consider using technology to deliver personalized benefits communication.

Enable your HR team to provide the most relevant, compelling information by adopting a strong technology infrastructure.

3

Ensure there is enough integration.

Integrated platforms tend to enable better communication. If you use a collection of different platforms from different providers, try to ensure that they “play well” with each other. Otherwise, consider using a single integrated technology platform.

4

Get vendors to work together.

Effective communication won't happen if vendors are not working together. HR should ensure vendors know they are expected to collaborate to provide the most impactful benefits experience.

5

Suggest relevant information even if it is not requested.

One practice that separated good-communication organizations from poor ones is that the good communicators gave employees relevant information beyond what they asked for. Consider adopting this best practice.

6

Pay special attention to marriage and childbirth.

It's a good idea to design benefits communication for all major life events. However, if your organization is looking for a place to start, try marriage and childbirth. This study indicates that they are viewed as the two most important events from a benefits perspective.

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