Best Practices to Engage Employees in Voluntary Benefits Program

benefits
MAGAZINE

A thorough understanding of an employee population, including its financial literacy levels, is important in choosing which voluntary benefits to offer and then communicating about them.

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Benefits such as life, short-term and long-term disability, vision, dental, accident and critical illness insurance, provided either by the employer or on a voluntary basis with employees paying premiums, can both help employers contain insurance costs and position them as employee-centered organizations. This, in turn, can help boost employee morale, productivity and retention, while supporting recruitment goals and lowering rates of employee absenteeism.

According to MetLife's *12th Annual U.S. Employee Benefit Trends Study,* 55% of employers surveyed believe that their employees are interested in a wider range of voluntary benefits.[1] The study found:

- 80% of employees value benefits that are personalized for their circumstance.
- 64% are interested in having their employer offer a wider array of voluntary benefits.

These findings are consistent with those of other surveys. A Gallup poll, for example, found that 82% of U.S. workers surveyed value voluntary benefits more today than in the period prior to the nation's last recession.[2] These surveys indicate employees believe various benefits can supplement health insurance and provide financial protection.

That said, engaging employees in a voluntary benefits program is not a simple undertaking. It requires a well-thought-out and well-implemented plan of action. Individuals overseeing and managing their organization's employee benefits program should be familiar with best

practices relating to employee assessment, education, communication and motivation.

Assess Employee Demographics

Launching a voluntary benefit program should start with an understanding of the organization's employee demographics. Different benefits will appeal to different employee sectors. For example, disability insurance may not resonate as much with young, healthy employees as it will with older workers who are more prone to health issues. Similarly, a mother or father with young children may be more concerned with dental insurance than a single man or woman might be. Employees who have experienced the effects of a catastrophic illness on a family's finances may be more inclined to value critical illness insurance than those who have not.

Given that the United States has an estimated 150 different ethnic cultures, ethnicity can also be a factor. An employee's socioeconomic status, family history and behavioral risk factors (smoking, use/abuse of alcohol and other substances, exercise and fitness level, etc.) also will be factors in his or her inclination toward different voluntary benefits.

Clearly, employees with lower wages and less discretionary income may be less excited about voluntary benefits than those with higher incomes. When presenting a voluntary benefits program, it is important that an employer be sensitive to all employee demographic issues that will factor into interest in and purchase of these additional benefits. Third-party consultants brought in to present information to employees also should be informed and knowledgeable regarding employee demographics in order to be most effective and sensitive to employees' circumstances.

Use Data to Optimize Voluntary Benefit Programs

Employee demographics represent just one layer of data that should be analyzed when embarking on a voluntary benefits program. Medical claims, employee absenteeism reports, Family and Medical Leave Act (FMLA) reports, wellness program participation and carrier disability incident reports are among other sources of information.

Considered in its entirety, all of this data may reveal an organization's employees' need for, and likely interest in, various voluntary benefits to provide an additional safety net. For example, employee absenteeism data may reveal employees missing work for emergency dental procedures that might have been prevented had the employee been covered by a dental policy and, therefore, more likely to take advantage of preventive dental care. Along with providing a global picture, this data can be helpful in highlighting the greater need for a particular voluntary benefit for a certain demographic segment of the organization's workforce.

Know Employees' Financial/Insurance Literacy

An organization should be aware of how knowledgeable employees are about personal insurance products in general and voluntary products specifically. Conducting employee focus groups or surveys can provide insight into their literacy level. It is important that the right questions be crafted and asked in a way that will gain the most forthright responses from employees. The answers to open-ended questions are always more revealing. A question such as "How much do you know about accident insurance?" will provide a better understanding of employees' knowledge than asking, "Do you know what accident insurance is?" An organization that has established that many of its employees don't understand accident insurance can see the need for comprehensive employee education about the product, rather than simply handing out brochures.

Focus groups and/or surveys should cover all of the voluntary benefits the company is planning to offer its employees. Using information gained from these, in conjunction with the data gleaned from other sources (e.g., claims reports, wellness programs, FMLA reports, etc.), educational

programs and materials can be customized to address the financial/insurance literacy of the organization's specific workforce.

Assuming that a company's demographics do not drastically change from year to year, this information can establish a benchmark for future employee programs on voluntary benefits. If there is a major transformation in employee demographics—for example, many baby boomers retire and are replaced with younger workers or a corporate expansion or acquisition results in an influx of employees—additional focus groups and surveying would be warranted.

Educational Program and Material Formats

Educational programs should be geared to individuals with the least knowledge and understanding. For organizations with a multicultural workforce, it may be important to consider whether programs and supporting educational materials should be offered in multiple languages and using graphics that reflect the cultural nuances of the ethnic groups.

Incorporating photographs or other images with which employees will be able to identify is likely to make the literature more effective. Educational materials also should be designed with the understanding that many employees will be sharing and discussing the information with their spouses and/or other decision makers. Therefore, while they should be employee-focused, the language should acknowledge these other individuals.

In-person educational seminars led by knowledgeable voluntary insurance specialists, held during lunch, before

work or after hours (e.g., lunch 'n' learn, breakfast or dinner seminars) are ideal. They provide an uninterrupted opportunity for employees to listen to a well-informed presenter, ask questions directly and also learn from questions asked by co-workers.

Webinars are another viable option, particularly for organizations with decentralized operations where it is impractical to expect employees to travel from one location to another, which may interfere with productivity. Videotaping presentations and creating podcasts of webinars for posting on the company website and/or employee portal are good ways to store presentations and make them accessible to new employees and staff members who were unable to participate in a seminar.

Employers should keep in mind that workplaces with a high percentage of Millennials (those aged 19 to 35 in 2016) should rely on digital platforms such as their website and even mobile apps to communicate with these digital natives in the format they value most.

All programs should be supplemented with printed information reinforcing the content presented in

the seminar or webinar. A printed or online form for additional questions should be provided so that followup questions can be asked and answered. This helps to minimize the potential for miscommunications and/or erroneous information being passed among employees.

Education on voluntary benefits should not be a one-time occasion. Programs should be ongoing throughout the year—at least quarterly but ideally monthly. Because there may be many different voluntary products to explain, education could start with an overview of the benefits and then progress to cover the different insurance products that fall under this category. It may be wise to repeat sessions on certain products of most interest to the organization's specific workforce. It may be helpful to offer the option for one-on-one consultations with human resources staff as a supplement to group educational offerings.

Voluntary Benefit Programs— A Catalyst for an Employee-Centered Culture

Research continues to reveal employees' rising concerns about their fi-

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nances given the many uncertainties in today's postrecession economy. For employees, benefit programs are one way their employers can help assuage some of their fears and capture their loyalty. The MetLife *12th Annual U.S. Employee Benefit Trends Study* found that employees who are very satisfied with their benefits are more likely to be very satisfied with their jobs and loyal toward their employers. This, according to the study, also contributes to their role as "ambassadors" for their companies, with the percentage of employees likely to recommend their company as a great place to work increasing in parallel with their higher job satisfaction. This comports with employers' views on the role of voluntary benefits to support employee loyalty. Based on the MetLife study, 70% of employers say they offer voluntary benefits to increase company loyalty, while 44% of employees say "having benefits customized to meet my needs would increase my loyalty." ❻

Endnotes

1. MetLife, "Insights from MetLife's 12th Annual U.S. Employee Benefit Trends Study," 2014, available at https://benefittrends.metlife.com/assets /downloads/benefits-breakthrough-summaries-2014.pdf.

2. J. Thornton, "Voluntary Solutions: Rethinking voluntary," BenefitsPro.com, November 1, 2015, available at www.benefitspro .com/2015/11/01/voluntary-solutions-rethinking-voluntary.