



Get Out From Under the Benefits Microscope by Focusing on the Big Picture

They say good things come in small packages, but when it comes to health insurance benefits, most workers prefer a different adage: “The more the merrier.”



Unfortunately, there hasn't been much benefits-centered merriment at U.S. companies for some time. The recession forced employers to cut back on spending, and the budget-slashing mindset spilled over into the benefits arena. Workers are reeling from years of increasing health insurance premiums and co-payments, as well as the wholesale elimination of some benefits offerings.

With the implementation of health care reform on the horizon, workers are wondering what's coming next – and companies, many uncertain about how the reform will affect their coffers, aren't in a giving mood. Wise leaders are using open enrollment to switch employees' focus from a microscopic view of health care benefits to a telescopic view of “total benefits” or “total rewards.”

What exactly are total rewards? They're the entire range of benefits provided to workers, from health care coverage and retirement benefits to career-development opportunities and work-life balance. In a nutshell, total rewards are all the things that help a company attract, motivate and retain employees, communicated to workers in one tidy package.

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A Panoramic View

During the depths of the recession, many workers made conscious decisions to remain in their current jobs until the financial skies began to clear. Now, with the economy moving again, many are polishing their resumes and looking for new opportunities: A recent Right Management survey revealed that 86 percent of employees plan to actively look for new jobs in 2013.¹ What's more, it may take very little for companies to reel them in: Aflac's 2013 WorkForces Report² revealed that 59 percent of employees would take a job with slightly lower pay if it came with more robust benefits.

Let's you think only rank and file employees are looking for greener pastures, be aware that the best and brightest workers are polishing their resumes too. Last year, 32 percent of employers lost their top performers to other organizations, and 39 percent of companies worry the trend will continue.³

Given that superior benefits are an attractive enticement to job-seekers, companies that want to retain their valued workers and bring in top new talent communicate about benefits at open enrollment and all year round.

The Communications Gap

Unfortunately, many companies don't invest time and effort into their benefits communications. Some simply don't grasp the urgency of letting employees know what types of coverage are available to them, or the importance of communicating about how coverage helps with both physical and financial well-being.

The just-released 2013 Aflac Open Enrollment Survey⁴ showed how wide the communications chasm truly is, with 69 percent of workers saying their employers have not communicated about reform-driven changes to their benefits packages. Time is running short for companies to share the information before the Oct. 1 deadline, although it's possible they're simply delaying the delivery of bad news: Nearly 4 out of 10 companies surveyed (37 percent) said they'll likely discontinue their plans or reduce benefits as a result of health care reform.

If that's the case, employers can expect to get bad news in return: 55 percent of workers say they're at least somewhat likely to look for other work if their employers stop offering comprehensive benefits or send them to marketplaces or exchanges to purchase health insurance.

Turn the Conversation to Total Rewards

Clearly, health care reform and ongoing changes to employers' benefits portfolios are making workers nervous. They're especially worried about how changes to their benefits plans will affect their financial circumstances, with 51 percent of Aflac Open Enrollment Survey participants saying they can't afford more than a \$25 monthly increase in costs.

To limit worker attrition and increase the odds of attracting employees seeking new work opportunities, companies should develop communications plans and materials that encourage workers to take a look at the bigger picture, which oftentimes is brighter than the health benefits snapshot alone.

What to Say to Workers and When to Say It

Many companies communicate about benefits at three key stages of the employee work cycle: at hiring, at open enrollment and at retirement. Unfortunately, this strategy has an unwanted side effect. In the absence of ongoing communication about total rewards, workers focus only on a single benefit that's easy to understand – take-home pay.

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When communicating about total rewards, or the total value of employment, the conversation should expand to encompass not only wages and salaries, but also employer-paid taxes; workers' compensation insurance; employee assistance programs; wellness initiatives; company-sponsored health, life and disability insurance; access to voluntary insurance; health-care spending accounts; dependent-care spending accounts; commuter-assistance programs; training; vacation time; sick days; pension funds; 401(k) matches and any other perks that have an innate monetary value.

Many of these benefits are well-known to the people in HR, but not to the worker population at large. What's more, when companies do talk about compensation other than salaries, the communications are often muddled by acronyms, jargon and charts that only HR representatives understand.

Unfortunately, even some companies that comprehend the importance of clear, straightforward benefits communications drop the ball with respect to timing. Benefits communications should be delivered throughout the year and in small doses to ensure they're read, understood and absorbed.

Key times to spread the benefits message include open enrollment, during recruiting and on-boarding and when a worker is promoted or transferred to another department. The message can also be timed to life events, such as marriage or the birth of a child. Other opportune moments are work anniversaries and significant age milestones.

Start Spreading the News

With workers nervous and unsure about how health care reform will affect their benefits packages, now is the time for companies to launch total rewards discussions or even provide employees with annual total rewards report cards outlining the true monetary value of their benefits. Many employees who view the improving economy as a chance to seek jobs with better benefits have skewed impressions of just what constitutes a “better benefits package.”

By reminding workers to consider their full range of benefits, from salary to health care to PTO and more, many companies will help workers realize that the green grass on the other side of the fence is actually artificial turf.

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Total rewards resources and information

Considering implementing a total rewards strategy to market your company and its benefits to employees? Get more information about how to go about it from these resources:

- » The Society of Human Resource Management’s free booklet, “[Implementing Total Rewards Strategies](#)”
- » “[What is Total Rewards?](#)” from the Alliance for Work-Life Progress
- » World at Work’s “[What is Total Rewards?](#)” materials
- » Towers Watson and World at Work’s “[The Next High-Stakes Quest: Balancing Employer and Employee Priorities](#)”

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Sources:

- ¹ Right Management employee survey, <http://www.right.com/news-and-events/press-releases/2012-press-releases/item24318.aspx> - accessed Aug. 19, 2013
- ² 2013 Aflac WorkForces Report conducted by Research Now on behalf of Aflac, http://www.aflac.com/aflac_workforces_report/2013/executive_summary.aspx - accessed Aug. 20, 2013
- ³ Career Builder, Nearly One-Third of Employers Are Concerned About Top Talent Leaving Their Organizations, <http://www.careerbuilder.com/share/aboutus/pressreleasesdetail.aspx?sd=5%2F13%2F2010&id=pr570&ed=12%2F31%2F2010> – accessed Aug. 19, 2013
- ⁴ 2013 Aflac Open Enrollment Survey, part of the 2013 Aflac WorkForces Report, was conducted by Research Now on Aflac’s behalf, Aug. 2013