

Best Practices in Employee Education and Communication

What happens when employees don't understand their benefits? Fear, apathy and under-appreciation, for starters. That's why education must go hand-in-hand with any benefits program. As Janet Owens, vice president—benefits and welfare at North Island Credit Union, explains, "There's no point in offering benefits if employees don't value them."

Here's what you can do to implement the education and communication best practices of *The Principal 10 Best Companies—2008*:

- **Help educate employees through economic turbulence.** If employees seem worried about their retirement investment direction, bring in an outside advisor to talk with them and answer their questions. Several of *The Principal 10 Best Companies—2008* used this tactic and found that their employees felt more in control after talking with someone.
- **Make it fun.** When A.Y. McDonald realized employees weren't using the benefits intranet site, they created an unusual campaign. Timed with the release of the *Pirates of the Caribbean* movie, they called their campaign "Pirates of A.Y. McDonald Treasure."

The campaign drove traffic to the intranet to participate in treasure hunts. Printed materials about the site were distributed. The company's VP of sales even "became" Johnny Depp's character. "It increased the traffic to the site, and people realized that there was a resource available to understand their benefits," says Chad A. Huntington, vice president of human resources at A.Y. McDonald.

Get personal. All of *The Principal 10 Best Companies—2008* offer one-on-one education, either through an outside financial professional or an inside HR representative. One-on-one meetings allow employees to ask questions and express their concerns without fear of embarrassment.

- **And make it mandatory.** The Spiratex Company requires that employees attend two one-on-one retirement benefit meetings—one with a human resources representative and one with an employee benefits specialist from the company's retirement service provider.
- **Create a total compensation statement.** Many of this year's winners show employees a customized total compensation statement at least once a year. Letting employees see the total value of their pay and benefits can be eye-opening—and aid in retention.
- **Give extra education on under-used benefits.** When North Island Credit Union management found that participation in its voluntary health insurance programs was low, they got to work. According to company CEO Mike Maslak, "We had the representative come out to each of our branch locations to make one-on-one meetings available to employees during their break time. The representative also came to our corporate office to provide meetings over a week's timeframe. Our participation level in the plans immediately increased by 500 percent."

- **Let employees tell their own stories.** Jewelers Mutual Insurance Company features employee testimonials in the “benefits corner” of their employee newsletter. The testimonials feature employees explaining the difference a particular benefit has made in their lives.
- **Brag about your good deeds.** When Jewelers Mutual Insurance Company decided to absorb a 30 percent increase in health insurance costs—instead of passing the increase along to employees—the company made sure to let employees know. “It was one of the first employee benefit meetings I’ve been in where there was applause,” laughs Connie Rank-Smith, the company’s vice president of human resources.
- **Use focus groups.** Employee focus groups have been a “resounding success” for Jewelers Mutual Insurance Company. “They’ve been a great opportunity to get feedback on benefits and educate at the same time. We usually have nine or 10 employees in a group, and I hold more than one group. I mix the groups up as far as ages, tenure and department,” says Rank-Smith.
- **Cross-train HR staff.** All of the human resources staff at 1st United Services Credit Union are cross-trained on major HR duties. That allows any one of the staff to answer most benefit-related questions, even if the “official” benefits person isn’t available.
- **Teach employees the basics of saving and investing year-round.** The Spiratex Company uses ongoing education to help teach employees proper ways to invest, the importance of starting early with the 401(k) plan and how to take full advantage of the employer match. “Because we’ve done this, I think our workforce is really empowered,” says Bob Racey, president and general manager, The Spiratex Company.
- **Beef up education during benefit changes or reductions.** Thanks to CENTRIA’s ongoing, open communication, employees have an easier time understanding things like premium increases. “When we’ve had to increase the cost to employees for health care, there was no surprise. We discussed it six to nine months ahead of time. They may not have liked it, but there was no surprise,” says Mark Sherwin, the company’s president.



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