



On the mark

Consultants help employers target communication.

BY BROOKE SMITH

“

What we've got here is failure to communicate.” Paul Newman in the film *Cool Hand Luke*

didn't enjoy hearing this, and plan sponsors don't enjoy hearing it either—particularly when they're trying to communicate benefits and pension plans to employees. But some plan sponsors are failing to reach members as, more than ever, employees are bombarded with the detritus landing in their inboxes and mailboxes and infiltrating their minds. “The overload of information requires that [communication] be innovative, creative and eye-catching,” says David Krieger, president of Krieger + Associates in Toronto. “[It should] grab people's attention—and make them want to read it.”

Attention-grabbing communication not only helps employees understand and appreciate what benefits they have, it also makes overall business sense. According to Towers Watson's 2009/10 *Communication ROI Study Report*, companies that are highly effective communicators offered 47% higher total returns to their shareholders over the last five years compared with companies that are ineffective communicators.

So, how are consultants helping employers communicate their pension and benefits plans better? “We're trying to persuade plan sponsors of the difference between merely providing information and actually educating people to under-

Consultants play a huge role in helping plan sponsors help their plan members. Here, they tell us what plan sponsors want and reveal the leading trends that are hitting their radar these days.

Plan sponsors want...



Our clients are asking for solutions to implement lower-risk pension funding and investment policies and strategies.

— **Tony C.L. Williams**, president, PBI Actuarial Consultants Ltd.



[Plan sponsors] are also looking for some leadership in the debate on whether we truly have a pension crisis and what should be done. In addition, they are increasingly seeking guidance to steer them through the new accounting requirements brought on by the International Financial Reporting Standards. Finally, plan sponsors would love to have a solution that off-loads defined benefit (DB) pension risk at a reasonable cost.

— **Fred Vettese**, chief actuary, Morneau Sobeco



Plan sponsors are asking their consultants for numbers. They require detailed financial and utilization information to support decision-making. Plan sponsors want to know how legislative changes will impact their plans financially. They want to know what the financial impacts will be of any proposed changes to an existing plan design.

— **Mike Sullivan**, president, Cubic Health Inc.

Lights, Communication, Action

Film actors and screenwriters communicate for a living. By extension, then, Actra Fraternal Benefit Society (AFBS)—the federally licensed insurance company that provides insurance and retirement benefits to performers and writers in English-language film and television—should have no challenge reaching its 17,000 members. Unfortunately, that sounds too much like a movie script.

AFBS's main communication culprit is its membership's creativity. "We're preaching to a very experienced and creative community that has extremely high expectations for all of our communications material," says Robert Underwood, president and CEO of AFBS. "We have to make it compelling, and our delivery has to be a little bit unusual."

AFBS overhauled its corporate website this year and relaunched it on July 12. The Society hired a videographer to interview 50 of its members across the country to share their (unscripted) stories about AFBS. One video, for example, features actor John Dunsworth coming in and out of character as Mr. Lahey from the *Trailer Park Boys*. "If it wasn't for Actra Fraternal Benefit Society, I would not have insurance of any kind," Dunsworth says. "It's a gift, for me, to be able to work in the art that I love so much and to have my employer pay for maybe a problem that I'm going to have."

stand and change their behaviour," says Annie Massey, a principal with Mercer's workforce communication and change business in Toronto.

Historically, employee communication has been paper-based: mailed-out annual reports and statements, thick pension plan booklets and detailed employee kits—but technology has *not* replaced these more traditional communications. While the Towers Watson study indicates that almost two-thirds of responding organizations use the intranet to communicate benefits, half continue to rely on print materials. "There's a place for email and the pension plan booklet, the kit, but there's also a need to get people engaged first of all before they'll even turn to those tools."

Engagement, in other words, is all about communicating the right way.

Strategies That Work

One way to engage employees is to involve them. Russ Oehmen, vice-president of Fraser & Hoyt Benefits in Halifax, says some of the most successful employers have done just that. "Several employers have set up a benefits committee with employee representation to clarify the current programs available and review staff needs and wants on a continuing basis."

This approach—running focus groups and involving employees in developing communication plans and being part of a committee that drives communication in the organization—has evolved from the

traditional one-way directive, says Diane McElroy, senior vice-president, communication, with Aon Consulting in Toronto. "We found this was a very impactful way of enhancing the communication that was already there," she says. "You're networking and actually asking the audience you're trying to communicate to, to help you develop the best way to do that."

Segmenting or targeting certain employees is another engagement tactic. For instance, for one company where employees were not maximizing the company match potential to its pension plan, Aon created a personalized one-page communication that calculated the amount "left on the table." As a result, hundreds of employees increased their contributions. "That's a small example of a call to action type of communication that is very specific, very targeted," says McElroy.

Singling out experiences works, but sometimes engagement requires planned bombardment of information, too. Last year, Toronto-based Kinross Gold reviewed its benefits plan in the U.S. and decided to make changes. "We wanted to move in a different direction in terms of really working with our employees to help them manage their health and the healthcare costs as opposed to it being more of a paternalistic approach," says Tara Wiseman, director, total rewards, with Kinross Gold.

First off, the company learned that its employees didn't fully understand benefits

"Because we're a not-for-profit insurance company—but it's actually owned by members—they have something more than a passing interest in the organization," Underwood explains. "We're not the employer, but we would typically fill the role of a plan sponsor."

Another challenge for the Society has been the ton of paper—annual reports, brochures, booklets, financial statements—generated over its 35-year history. "Our writers write scripts and our performers read scripts, but without qualification, none of them ever read anything!" To save more paper ending up on the cutting-room floor, AFBS mailed out a PIN to each member to encourage them to register on the new site. "That way, they can pick up their personal financial information and investment account balances online," explains Underwood.

A blog will likely be part of the next stage of communication for AFBS, but Underwood notes that reputational risks will have to be assessed before that can become a reality. Right now, however, the video clips have provided an entertaining way to promote the benefits of AFBS. "That's how we've dealt with 'Insurance and retirement are boring' and 'We have no interest in reading anything' to 'I wonder if my new clip is up on the site.'"

That's definitely a wrap. **BC**

terminology such as *premium* and *copay*, let alone their benefits. To combat this, shortly after releasing a brochure introducing the new approach to benefits, Kinross Gold published a newsletter that explained key terms. A postcard—reminding employees of the upcoming open-enrollment group meetings—was sent to the homes of 1,000 U.S.-based employees about two weeks before a DVD was mailed. The DVD included an introduction by the regional vice-president and a PowerPoint presentation showing what the company was doing and why and the actual plan changes involved. The meetings followed soon after, with a participation rate of 90%-plus.

Social Media

While employee involvement, a call to action strategy or bombardment of information work well, social media may eventually be the way of the future for its more "conversational" way to reach employees.

McElroy says HR blogs and Twitter accounts interact with members rather than simply providing fact-based material. For example, consider this tweet from the University of British Columbia's HR department: *Go paperless w/your Sun Life benefits claims. Get your \$\$ faster. Save a tree. And, maybe win \$1,000 before June 27.* <http://bit.ly/b7BymF> "To me, it's almost a live conversation. You can almost feel some of the enthusiasm coming through."

Jean Iozzo, president of Watermark Human Capital in Calgary, has imple-

mented one company's employee meetings to a Facebook page. "We did enrollment meetings for the last five years," says Iozzo, "[and] over the years we've found that the participation has gone down." The company now sends out tweets to employees' cellphones because not all the employees have an internet connection or a continuous connection.

Use of video messaging embedded within the electronic format is also increasing, says Scott Bunker, senior vice-president, human capital, with Aon Consulting in Toronto. "We're seeing that occurring at the highest levels of organizations, where CEOs are interested now in delivering messages about the rewards program."

But many employers are slow to engage in social media. According to Towers Watson's study, only 4% of Canadian survey respondents are using social media to communicate benefits. While the perception may be that employers are concerned with more traditional fears around social media—IT issues, losing control, decrease in productivity, legal issues, negative comments by employees—this is not what the study uncovered. "Employers aren't [using social media] more now, they tell us, because they don't understand it perfectly yet, and they just don't have the resources to look into it and use it effectively," says Ofelia Isabel, Canadian practice leader, rewards, talent and communication, with Towers Watson in Toronto.

Leading trends in the consulting industry...

Corporate Objectives



The Canadian economy may be recovering, but plan sponsors are still very conscious of the challenges they faced

during the recession. They want to ensure that the benefits they offer—and all of their HR programs—are aligned with business objectives. If the program isn't meaningful to the people the organization needs to achieve its goals, plan sponsors will remove it from their lineups.

— **Sarah Beech**, managing director, Canada, Hewitt Associates

Wellness



I still see wellness as a leading trend factor in the future, and it is going to be up to the consulting community

to get that message out.

— **Thomas A. James**, vice-president, consulting, Pal Benefits Inc.



Going forward, the consulting world will continue to help in cost reductions, but through wellness programming, the reduction and/or elimination of the need to access the benefits plan is possible. Bringing wellness to the masses will be critical.

— **Don Williamson**, president, The Williamson Group

Risk Management and Cost



Risk management and shared cost and responsibility in the small to mid-size enterprises market.

Many more companies are coming to terms with the realities of traditional DB plans and looking to either redesign benefits plans and share costs more with employees to reduce risks or switch out of DB altogether to a defined contribution (DC) plan.

— **Kevin M. Sorhaitz**, principal and consulting actuary, Buck Consultants



The small and mid-size employers are realizing that benefits can no longer be viewed as a commodity (shop to get the best price). To effectively control the cost associated with this element of compensation, they need to take a more consultative approach that addresses what is driving their benefits costs.

— **Dan Lawrie**, president, *Dan Lawrie Insurance Brokers Ltd.*

Shifting From DB to DC



Barring fundamental changes to the regulatory and legislative frameworks that govern pension and benefits programs in Canada, traditional pension and benefits consulting firms will need to manage this shift from DB to DC sooner rather than later.

— **Jill Wagman**, principal, *Eckler Ltd.*

Jacob Clark, lead consultant with London, Ont.-based FIRM Consulting, is not surprised employers are slow to adopt social media. He says it's even been a struggle for them to adopt earlier technology—at least for the small to mid-size market. “Since the mid-’90s up until today, it’s been a long transition for people to be up on online plan administration and using email,” he says, adding that in the past year, he’s had two companies indicate they prefer to communicate through telephone and paper. “A lot of our employers are trying to determine whether they should allow people even to have access to [social media] at work rather than use it to their advantage corporately.”

And, according to a recent survey from the National Business Group on Health—a non-profit group of almost 300 large U.S. employers—even employees aren’t overly interested. Roughly 75% of respondents said they would have no interest in receiving health benefits information via Facebook, and approximately 80% said they had no interest in receiving this information via Twitter.

And while the survey indicated that younger and higher-income employees

have more interest in communication via social media than older and lower-income employees, employers should not take this to heart. “I don’t think you should assume people nearing retirement don’t use Facebook,” says Massey. “While gen Y has opened the door to that sort of thinking, I think it serves everybody very well to do something [that is] more modern and has better potential to engage people.”

In fact, according to an eMarketer report, baby boomers’ use of social networking sites such as Facebook increased to 46% in 2009, from 31% in 2008.

Any communication strategy—whether online or print or a combination of both—will work as long as it gets employees thinking about their benefits. However, social media is here to stay. “Going forward, if organizations embrace these new technologies, they’re really going to contribute a significant step forward in the engagement of employees,” says McElroy. And then what we’ll have is successful communication. **BC**

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