



Industry Report: The Power of Benefit Integration

Increasing Employee Engagement
and Return on Investment

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eni has over three decades of experience in the employee benefits industry led by CEO Gene Raymondi, who is a widely recognized thought leader on benefit integration. Here at eni we practice innovation through integration! We have experienced great success in helping our clients integrate employee benefits and achieve an overall greater return on their largest investment, their staff.	30

The Evolution of Employee Benefits

As we know, employee benefits have been a standard element in overall compensation packages for many years. In fact, the earliest government employee benefit was the Plymouth Colony settlers' military retirement program which was established in 1636¹; the earliest private employee benefit was the Gallatin Glasswork's profit-sharing plan established in 1797².

Employee benefits began as "fringe" benefits as they were considered an added bonus to salary designed to attract top talent. However when the federal government began legislating federal tax incentives, the provision of employee benefits became increasingly prevalent. By the 1950's these fringe benefits, including health insurance and retirement plans, became a customary piece of an employee's compensation package.

Fast forward to today... The majority of employers offer a multitude of benefits of which employees can choose to utilize or not. Employee benefits include both employee sponsored group benefits and voluntary benefits. Mandatory, or government benefits, include: Medicare Part A, worker's compensation, Medicaid, Supplemental Security Income, Social Security Disability, and Social Security Retirement. Commonly offered voluntary benefits include health insurance and retirement plans as well as additional voluntary benefits such as long term disability, dental, wellness, EAP, life insurance, health advocacy, legal and financial consultation. In addition to all of these employers can even offer selected optional benefits, such as cancer insurance, short term disability, and specific illness insurance.

Regardless of how many benefits are offered, they are still being administered in the same fragmented way they were in the 1950's when there were only a few benefits available. Simply put - This is NOT efficient and has left the benefits industry in need of an overhaul. Employee engagement and utilization of ancillary benefits, designed to attract and retain employees as well as reduce costs, is low while the cost of health insurance continues to undermine organizational profitability.

The Importance of Employee Benefits

The importance of employee benefits has been in the news a lot lately. Why are benefits so important? For starters, employee satisfaction with their benefits is linked directly to employee loyalty, job satisfaction, retention and recruitment.

In addition to their importance, benefits also account for a major share of an organization's operating budget:

- For every employee making an annual salary of \$50,000 per year, the average employer spends an **additional \$21,839** on benefits for that employee⁸
- The majority of employers cited **cost control** as their most important benefit objective⁹

These statistics clearly demonstrate that employee benefits are a driving factor in employee loyalty, retention, and recruitment and that cost containment is top of mind for many executives. This highlights the importance of understanding how to provide your employees with a benefit package that will effectively address their needs while not breaking the bank.

So the question becomes, what is the best way to ensure that employee engagement is high enough to drive optimal job satisfaction, employee productivity and return on investment for all benefits.

Just how important *are* employee benefits.... Let's take a look:

- 60% of employees report that employee benefits are an important reason why they remain with an employer³
- Employees who are satisfied with their benefit package are **3 times** more likely to indicate that they are satisfied with their job⁴
- "Employee loyalty is linked to satisfaction with benefits – employees who are very satisfied with their benefits are **more likely to feel loyal** to their employer"⁵
- "Workers who are extremely or very satisfied with their benefits program are **9 times** more likely to stay with their employer than those workers who are dissatisfied with their benefits program"⁶
- "50% of workers say employee benefits are very or extremely influential on their decision to leave"⁷

The Problem – Fragmented Benefits

These days it's not uncommon for an employer to offer 10, 12, even 15 independent benefits to the employee. The problem is that these benefits are still administered in the traditional manner leading to complete fragmentation. With no integration of benefits, engagement tends to be low for all of the ancillary benefits.

Here are just a few of the issues that arise from benefits being offered in a fragmented, disconnected manner:

Time



Dealing with multiple vendors requires a great investment of time and energy. Human Resource Professionals spend a lot of time communicating with each separate benefit vendor. Employees also spend too much time searching for contact information and calling around to several vendors in order to reach the benefit that can best assist them.

Coordination



When benefits are administered by separate vendors, there is often little to no coordination between them. This results in different enrollment periods, communication materials, contact numbers, ways to measure engagement, etc. This method also results in employees being lost and confused in the benefits shuffle. In addition, their life event may necessitate the use of several benefits, however when they contact one benefit vendor, that vendor most often will not refer them to other available benefits that would further address their needs.

Communication



It is very difficult to fully communicate the totality of your benefit package to each and every employee. When employees are introduced to a comprehensive benefit package, they often forget the details of available benefits, leading these benefits to be underutilized.

Engagement



Employee utilization of ancillary benefits is typically very low. It is not uncommon for employees to “forget” that these benefits are even available to them until they have a distinct need for a particular benefit. These benefits are often meant to save employers money on health insurance, reduce absenteeism, maintain productivity, and increase employee satisfaction. However, if they are not being utilized you will not see a Return on Investment (ROI).

Measurement



Effectively measuring ROI on your benefits is critical to gaining insight into which benefits are positively impacting your employees and your bottom line. However, when there is no cooperation between vendors it is nearly impossible to gain a comprehensive view of the impact your overall benefit package is having.

What does this mean for your bottom line? Let’s take a look at some recent statistics:

“53% of employees rated benefits as a very important contributor to their job satisfaction. Benefits have ranked among the top two aspects of job satisfaction for employees since 2002”.¹⁰

“Employee engagement, which may be aligned with job satisfaction, is about employees’ connection and commitment to their organization”.¹¹

In a nutshell, with fragmented benefits, employees often do not know how to access all of their benefits or even that they exist, due to the complex nature of having a separate process for using each benefit. There is also no way to measure the effectiveness of your overall benefit package.

You can have the most robust and comprehensive benefit package in the industry, but if your employees don’t know these benefits are available and/or don’t access the benefits; it’s like throwing money away! You will not increase employee engagement, satisfaction, or retention if your employees are not aware of just how great their benefit package is. And finally, if the benefits are not utilized, they will not provide a return on investment.

Trending Now – Benefit Integration

Benefit integration is the coordination of any combination of employee benefits that were previously separate from one another, in a way that they are monitored, managed, and processed in cooperation with each other. Once benefits are integrated, they can be promoted as one comprehensive program, with one easy to use process to access them.

The trend toward benefit integration has been emerging steadily over the past few years. Currently, organizations are primarily utilizing integration to consolidate a few niche benefits. Some companies have integrated short and long term disability, FMLA, sick leave, and workers comp in an effort to administer and measure absence management. Others have integrated health insurance, disease management, wellness, EAP, and health advocacy in order to better administer and measure employee health management. Even the federal government has jumped onto the integration bandwagon – The Affordable Care Act incorporates an integrated approach using Accountable Care Organizations (ACO). ACOs work by integrating different components of health care for patients and, in so doing, ensures that the spectrum of health care providers work together seamlessly. Thus, an ACO would work to unite health care providers such as primary care physicians, specialists, and hospitals in providing care for their patients.¹²

Let's take a look at some of the research in this area. In 2010, Spring Consulting Group designed a survey to identify trends in integration. They surveyed 104 employers who already had some level of integration in place. Why did the majority of these employers dabble in integration?

- 46% of employers stated they integrated certain benefits to streamline the administration of their programs and bring about [efficiency and natural connections between benefits](#)¹³
- 75% of employers noted increased [employee satisfaction](#) as a goal¹⁴
- 75% of employers listed [improved productivity and reduced absenteeism](#) as goals for their integrated programs¹⁵

And how did even this limited integration work for these companies? The results speak for themselves!

- After integration the majority of employers:
 - Achieved and documented [savings in lost time as well as direct costs](#)
 - Experienced “[return to work](#)” rates of 11% higher than before integration¹⁶
 - Finally, 64% of employers said they plan to [increase the amount of integration](#)¹⁷
-

This trend toward integration and the corresponding results are beginning to produce a new definition of ROI for benefits, instead of Return on Investment; it can be viewed as '**Return on Integration**'. Now let's take a look at a few organizations that enacted some level of benefit integration and the new ROI Return on 'Integration' that was achieved.

Pitney Bowes

Pitney Bowes integrated its employee benefits to mitigate costly trends in healthcare. Their integration goal was straightforward: maintain or improve quality benefits while containing costs. Just two years after integration, Pitney Bowes noted a decrease in STD lost-time days by 42%.¹⁸ Between 1991 and 1998, Worker's Compensation claims per employee were down 29%, cost per employee was down 38%, and cost per claim was down 11.6%.¹⁹ The company achieved these results with no decrease in benefits. Employees received improved wellness and health management initiatives at no cost. When Pitney Bowes compared disease management program results to baseline costs, first-year savings produced an ROI of as much as \$3.40 return to every \$1.00 invested.²⁰ Going forward, comparing participants to non-participants produced a ROI of \$4.80 to every \$1.00 invested.²¹

Steelcase

After benefit integration at Steelcase, the company experienced dramatic decreases in benefit costs. More specifically, the combined cost of short term disability, long term disability, and worker's compensation dropped 13%, from \$1.63 per \$100 of payroll in 1998 to \$1.42 in 2001.²² In addition, restricted workdays plunged 73%, from 63,000 in 1992 to 16,943 in 2000.²³ Lost time days declined 70% from 4,313 in 1992 to 1,313 in 2000.²⁴ Furthermore, the number of litigated disability related cases fell from 15 in 1996 to 6 in 2000.²⁵ Finally, Steelcase, which made employee satisfaction a primary measurable goal for its initiative, found employee satisfaction increased 48% over four years.²⁶

It's clear that benefit integration is becoming an initiative of progressive organizations. The vast majority of organizations that implemented some level of integration experienced much success and plan to continue and increase their benefits integration efforts.

Horizontal Trumps Vertical Integration

Before we delve any deeper into discussing the advantages and ROI achieved through benefit integration, it's important to note the two models of integration and understand which model will work best for your organization.

Vertical Integration

The first model we will review is vertical integration. Vertical integration is a “form of business organization in which all stages of production of a good, from the acquisition of raw materials to the retailing of the final product, are controlled by one company”.²⁷ As industries mature and decide to try their hand at integration, they are often drawn toward vertical integration as it seems easiest to control and most cost effective. However, in reality vertical integration results in poor quality and service, a slower response to the ever changing needs of an organization, as well as higher costs in the long run.

Disadvantages of Vertical Integration:

Conflict of Interest – There is an inherent conflict of interest as one single entity controls the means of production, distribution, and all aspects of service delivery. In this system, there is no competition; therefore the vendor is much less motivated to provide you with the best possible products and services. The power of the free market, which drives quality through competition is lacking in this model.

Little to No Customization – When selecting a vertically integrated benefit vendor, you are more likely to receive a one size fits all benefit package. Vertically integrated vendors are less likely to develop a customized benefits package that caters specifically to your organization's identified human capital needs.

Slow to Innovate – Today's marketplace is consistently changing, growing, and developing. This leads to a fast paced fluid environment, where continuous innovation is critical to an organization's long term success. It is difficult to innovate and respond to market needs with a vertically integrated model. Instead



of simply replacing a vendor who is not keeping pace with market demands, vertically integrated providers must innovate internally. This can require a complete overhaul of the integrated benefit offering, which is often costly, and can take an exorbitant amount of time.

Poor Quality – Simply put, you will not end up with best in class vendors, you are “stuck” with the products and services offered by the vendor who actually owns the host of benefit services. Many times with vertically integrated companies, they specialize in one product or service and then also offer other products or services that typically correlate with their primary offering. Therefore, you may be receiving a best in class primary service BUT when it comes to the ancillary benefits they are offering to complete the vertically integrated package, these services are often of lower quality.

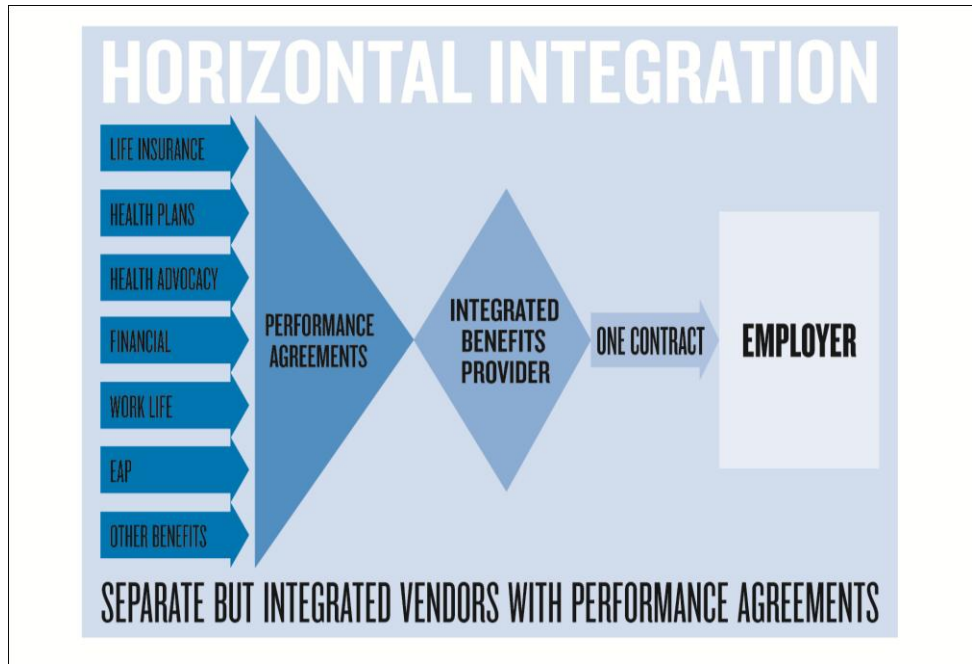
Higher Costs – This goes hand in hand with poor quality. Vertically integrated companies may offer slightly lower prices on their integrated offering at the point of sale; however this is a short lived savings. Poor quality products and services end up costing more money in the long run because this model has proven to be less efficient in responding to an organization’s changing needs and meeting evolving strategic goals.

Let’s examine our own Human Resource industry. It has become increasingly common for large health insurance companies to offer “integrated benefit packages”. In addition to health insurance, they also include, wellness, disability, life insurance, EAP, voluntary benefits.... and the list goes on. The problem is that they are integrated vertically – they are the actual owners of all the offered benefits in their package. There is no question that these companies offer excellent health insurance as this is their primary focus. However, the other benefits they include in their integrated offering tend to be sub-par because they are not subject to the competitive pressures of the free market; therefore they quickly fall behind from a quality and innovation standpoint.

Horizontal Integration – The Superior Model

Horizontal integration refers to a business structure where one company subcontracts with numerous vendors for the needed products and services rather than rely on a one stop shop approach to services and benefits.

A company contracts with ONE provider for all of their benefit administrative needs – just like in vertical integration. However, with horizontal integration all benefits are not owned by that particular provider. Instead, the integrated benefits provider selects separate but integrated Best in Class vendors that match the organization’s identified



human capital needs. The integrated benefits provider contracts directly with each vendor and then provides the client with one integrated benefit package. The outcome is one contract, separate vendors, but an integrated approach and offering.

This model of horizontal integration results in:

- ✓ **Superior Quality**
- ✓ **Rapid Innovation**
- ✓ **Rapid Response to Organizational and Human Capital Needs**

Performance Agreements

With horizontal integration all benefit sub-contractors are required to sign Performance Agreements. These agreements contractually obligate vendors to work together synergistically to meet the benefit needs of employees. They also hold each vendor to specific standards and define processes for integrating with other benefit vendors.

In a horizontal integration model, vendors who are not meeting the standards set forth in their performance agreements can simply be replaced with another vendor quickly and without disrupting the delivery of the overall benefit package.

When benefit vendors are aware that they can be contractually replaced and easily transitioned out at any time, they maintain a higher quality of service and are more responsive to employer needs. The power of competition through the free market drives quality, cost containment and innovation!

Simply put, horizontal integration of separate vendors is the clear choice in producing the best benefit offering for your people.

EXCERPTS FROM A PERFORMANCE AGREEMENT

REFERRAL AND TRANSFER OF CALLS.

- (i) **In General.** Vendor shall immediately warm transfer to Company all calls received from Participants. Notwithstanding the foregoing, if a Participant is not willing to be transferred to Company, Vendor shall provide Participant with current contact information for the Company, which contact information shall at all times include the applicable telephone number for the Company and the URL for the Company's applicable website. Vendor acknowledges its receipt of contact information for the Company and understands that Company may change this contact information at any time by providing written notice to Vendor. At the Company's request, Vendor shall work with Company to provide accurate information to Participants regarding the Services and to answer inquiries from Participants regarding the Services.

UTILIZATION INFORMATION.

Vendor shall provide Company with information regarding the utilization of the Services by Participants in a specified file format (See Appendix C). Vendor shall provide both monthly and annual reports to Company detailing the utilization of the Services by Participants, including, without limitation, the fees received (both premiums and administrative fees, if any), number of claims made, amount of claims paid, number of Participants and any additional information that may be reasonably requested by Company and/or required by Company or the Client for purposes of ERISA or any other applicable laws.

TRANSITION SERVICES.

If this Agreement is terminated prior to the expiration of the Term, Vendor agrees to cooperate with and assist Company in connection with the transition to a new benefit plan vendor for the Client. Vendor agrees to work with Company and the Client to ensure a seamless transition from Vendor to any such new benefit plan vendor with as little disruption as possible to the Client, the Participants and the services being provided to the Participants.

Integrating Benefits – From Niche to Comprehensive

There are certain benefits that seem like obvious choices for integration. For example, in order to manage the rising cost of health insurance, it makes sense to integrate your health plan with a Wellness Program, Employee Assistance Program, and Health Advocacy Service. These subsequent benefits can help mitigate some of the costs of delivering a comprehensive health plan. With Wellness, employees will learn to curb lifestyle choices that can lead to illness and manage chronic conditions, thereby reducing trips to the doctor and lessening the reliance on costly prescriptions. Health Advocacy helps employees navigate their health plan, from bill mediation to finding an in-network doctor, saving your company on erroneous charges. Finally, with an EAP, your employees will not have to utilize expensive mental health benefits as frequently.

However, the only way that these benefits can do their job is if your employees are made aware of them and understand how to properly access them. If these benefits are integrated they will be communicated as one complete package, making it far more likely that employees will utilize all available benefits. In addition, when an employee contacts an Integrated Benefits Provider regarding one benefit, they will be reminded about other available benefits that may also address their concern. Finally, by integrating these benefits each independent benefit provider is obligated to work together to treat the employee holistically.

Another obvious choice for integration is absence management. As we reviewed earlier, some companies have already integrated their short and long term disability, FMLA, sick leave, and workers comp in an effort to administer and measure absence management. It makes sense that integrating these benefits would cut costs and get employees back to work faster and this is exactly what happened.

With such great results from integrating niche benefits, imagine the Return on Investment your company will experience from integrating your entire benefit package. There really is a natural connection between all the benefits offered to employees. The goal of an attractive employee benefit package is to effectively address each employee's individual needs.

Life Events

Consider all of the *life events* that employees may experience over the course of their career from getting married, to pregnancy, to grief, to finding the right college for their child, all the way to retirement. A life

event is defined as any significant step, event, or milestone a person may experience in their life. With traditional benefit administration, opportunities to use benefits to fully address life events are often missed. However, through benefit integration, an employee's benefits work together in a complimentary manner to support them at whatever life stage they are in.

Let's take a look at two events that many employees will experience at some point in their lives and how their benefits can work together to fully address their needs:

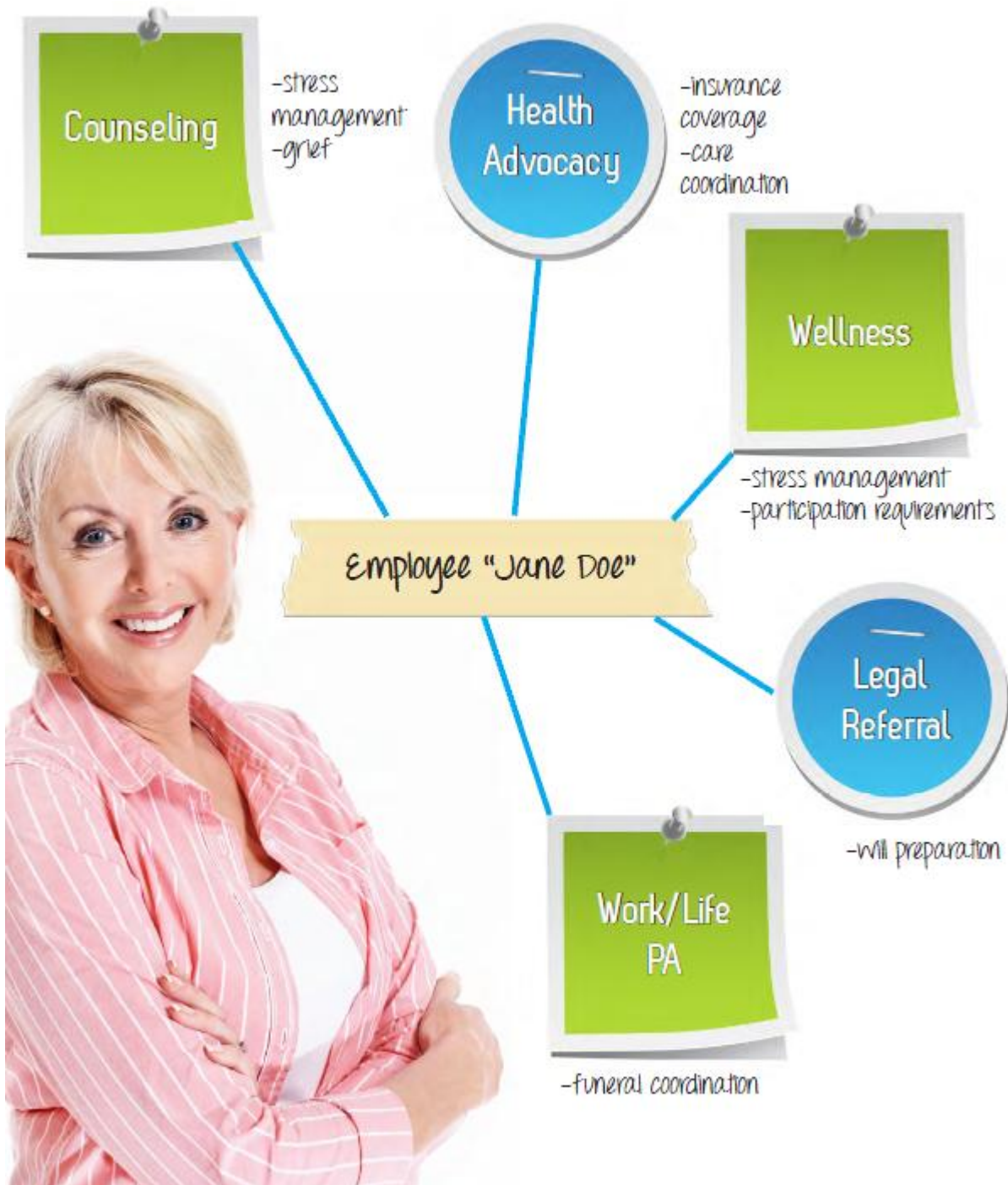
Purchasing a Home

Buying a home is a significant and sometimes overwhelming time in a person's life. Fortunately, many employees have a variety of benefits available to support them throughout this process. For example, an employee may choose to access their Retirement Benefit in order to borrow money against their 401K for a down payment. The employee could utilize their Work/Life Benefit for assistance researching home prices, neighborhoods, school districts, moving companies, etc. The employee could also use their Financial Benefit to learn about mortgage structures, interest rates, rolling property taxes into the mortgage or paying separately, etc. Finally, the employee could access their pre-paid Legal Benefit to help review closing documents.

Divorce

Dealing with a divorce is often an extremely stressful time in a person's life, but fortunately many employees have a benefit package that can help with this as well. The employee's Employee Assistance Program could help them handle the stress. The employee could utilize their free legal consultation for counsel on an array of issues including custody, division of assets, etc. Divorce can be extremely draining and even start to impact the employees own health. By utilizing their wellness benefit the employee can learn relaxation techniques/healthy eating techniques/quick exercises/etc to keep themselves healthy. Finally, a divorcee who was previously on their partner's insurance plan, can utilize their health advocacy benefit to obtain information on their own employer sponsored health plan.

Now let's take a look at an actual case study in integration:

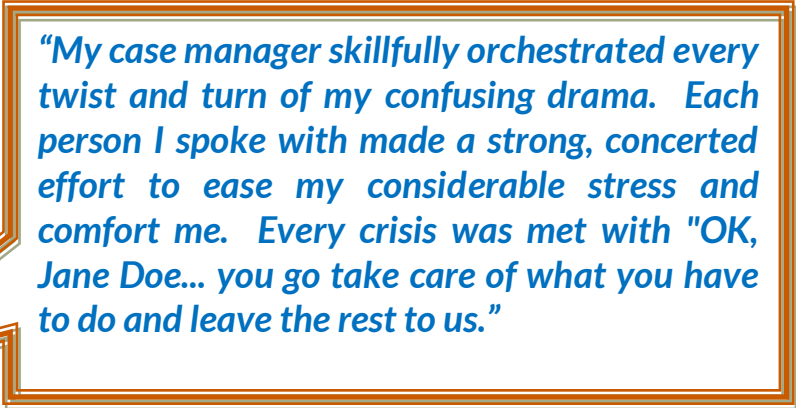


An eni client “Jane Doe” is an excellent example of benefits integration in action. She had several benefits available to her including health insurance, an employee assistance program (EAP), health advocacy, a wellness program, legal consultation, and a work/life program. Luckily Jane’s benefits were integrated, enabling her to fully deal with her stressful and difficult life event.

Jane’s husband was diagnosed as terminally ill. She decided to call her EAP to obtain some counseling to help her deal with the stress and shock of his diagnosis. Upon conducting an intake, the Care Manager assigned to Jane’s EAP case immediately recognized the need for Jane to utilize additional benefits. Because her benefits were integrated, all vendors were expected to work together and they did just that. Jane’s initial request was met and she was given counseling sessions for stress management. She was also directed to her health advocacy program as it was uncovered that some of the stress was related to insurance coverage for her husband’s illness and his care coordination. Her health advocacy program was able to resolve these issues for her. She was also referred to her free legal consultation, which assisted her in setting up her husband’s will. All the stress was wearing Jane down physically as well. At this point she was directed to her wellness benefit, which helped her make healthy nutrition and exercise choices to encourage healthy self care. Finally, after her husband passed away, Jane was referred to her work/life benefit, where her Personal Assistants helped research funeral arrangements. Her Care Manager, who had been advocating and managing her case in its entirety, also authorized additional counseling sessions to help Jane deal with her grief.

Thanks to benefit integration Jane’s case was managed consistently from start to finish, resulting in these 5 separate benefits working harmoniously together to create an overwhelmingly positive experience for the client in her time of need.

Jane expressed
her sincere
gratitude:



“My case manager skillfully orchestrated every twist and turn of my confusing drama. Each person I spoke with made a strong, concerted effort to ease my considerable stress and comfort me. Every crisis was met with “OK, Jane Doe... you go take care of what you have to do and leave the rest to us.””

The Advantages of Benefit Integration

Rocket Fuel for Human Resources

In many organizations there is a very small HR Department or even a single HR Representative responsible for handling all of the company's HR needs. As any busy HR Rep will tell you, administering employee benefits and answering benefit questions is a full time job in itself.

Having an Integrated Benefits Partner will offer tremendous support for your HR Department. Your Integrated Benefits Partner will administer and promote all of your benefits as one complete package. Most importantly, your Integrated Benefit Partner will be available to address your employees' questions or concerns regarding any available benefit 24/7, allowing HR to focus on addressing higher priority objectives such as communicating the corporate culture and aligning human capital needs with the company's strategic goals.

More specifically, Benefit Integration supports HR by:

Increasing Administrative Efficiency – By dealing with one entity that manages your entire portfolio of benefits, HR will save a great deal of time and energy. Questions about enrollment, coverage, dependents, contributions, requests for marketing materials, etc for any benefit can now be directed to a single provider.

Streamlined Communication – HR will be able to provide employees with a simplified benefit orientation, consistent benefit message and a single contact for all of their benefit needs.

Improving Tracking and Recording – An Integrated Benefits Partner will still be able to track and measure employee engagement for each benefit separately, however, they will also analyze, cross-reference, and measure how all benefits work together to impact overall ROI. Effectively measuring ROI on your benefits is critical to gaining insight into which benefits are positively impacting your employees, your bottom line, and supporting your organization's strategic plan.

Why am I happy that my company integrated our benefits?
It's pretty simple really...

- ✓ I save time.
- ✓ I save energy.
- ✓ The company saves money.
- ✓ Benefit communication is streamlined.
- ✓ I have more time to focus on employee morale and corporate culture.
- ✓ The employees are more satisfied.
- ✓ I can get home in time to have dinner with my family.

~ HR REP at a Mid-Sized Software Company

Controlling Costs – By integrating available ancillary benefits such as Wellness or Health Advocacy into the overall benefit plan, employees are exposed to these benefits at a higher level, thus positively impacting costly benefits such as Health Insurance and Disability. In addition, if a benefit is not adequately engaged by your employees or the cost of the benefit is rising, your Integrated Benefits Partner will proactively offer strategies to address these concerns. The Integrated Benefits Partner will negotiate with benefit vendors to provide a resolution or find a new vendor who will more effectively meet the organizational needs and will then seamlessly integrate the new benefit into your existing benefit package.

The Advantages of Benefit Integration – Employee Engagement & Satisfaction

Integration leads to higher employee engagement which is crucial to a successful benefit package. When employees are highly engaged with their benefits, employers experience a much higher Return on Investment (ROI).

Benefit Integration supports increased employee engagement and ROI by:

Increasing Benefit Awareness – Employees are unable to use benefits that they are unaware of. By utilizing an Integrated Benefits Partner, all available benefits will be promoted as one complete package. Employees can contact a single vendor to answer all of their benefit questions and get details on all available benefits.

Increasing Benefit Understanding – Having a single trusted contact makes it much more likely that employees will reach out to their benefits vendor when they have a benefit question or concern. The process of obtaining information becomes simplified and employees are confident that they will receive an immediate and accurate response. The consistent benefit communication provided by an Integrated Benefits Partner drives a higher understanding of the employee’s entire benefit package.

Increasing Benefit Connectivity – When employees contact their Integrated Benefits Partner for information on a specific benefit, the

**ADVANTAGES
AT A GLANCE**

- Increased Administrative *EFFICIENCY*
- Streamlined *COMMUNICATION*
- Improved *TRACKING & REPORTING*
- *COST* Control
- Increased *BENEFIT AWARENESS*
- Increased *BENEFIT UNDERSTANDING*
- Increased *BENEFIT CONNECTIVITY*
- Increased Employee *SATISFACTION & RETENTION*
- Higher *PRODUCTIVITY*
- Consistent *CORPORATE CULTURE*
- Improved *MORALE*

representative will recommend and provide information on other available benefits that may address the employees' request.

Increasing Employee Satisfaction and Engagement – By increasing awareness, understanding and connectivity employees are much more likely to utilize all of their benefits appropriately. When employees appropriately utilize their entire benefit package their benefit expectations are met at a higher level and employees can take comfort in the fact that they are being adequately supported by their benefit package, resulting in:

- Increased Retention
- Higher Productivity
- Fewer Sick Days
- Reduced Presenteeism
- Improved Engagement, Satisfaction and Morale

The bottom line is that when employees are highly engaged and satisfied with their benefits, your organization's benefit dollars are not wasted. Your company will experience a much higher Return on Investment and your benefit package will work to retain top talent.

The Mechanics of Integration

Benefit integration is achieved through a vendor partner who has the expertise to work with each provider to integrate your benefits and consolidate them into one centralized location. For benefit integration to truly work there needs to be the assurance of confidentiality, integrated vendor access, integrated communication efforts, and well defined knowledge points.

Confidentiality

Employees are generally unwilling to discuss details of their personal lives, issues, or concerns with the people they work with. That's why for integration to work a 3rd Party must administer the benefits program. Employees will trust a confidential 3rd party provider as they can be assured that everything they are being helped with will not be relayed back to their co-workers or supervisors. Instead employees will be free to take full advantage of their benefit package without fear of judgment or job loss.

Integrated Access/Performance Agreements

As we reviewed earlier, your integrated benefit provider will meet with and/or contract with each benefit vendor selected for integration to ensure vendors meet performance and industry standards while working together in a synergistic and holistic manner. Then you and your employees will only have to deal with one vendor and your integrated benefits provider will do the rest! These agreements also ensure that each vendor provides best in class service. If service does not meet expectations, new vendors will be found and integrated into the existing benefit package without interrupting service to your employees.

Integrate, Don't Communicate

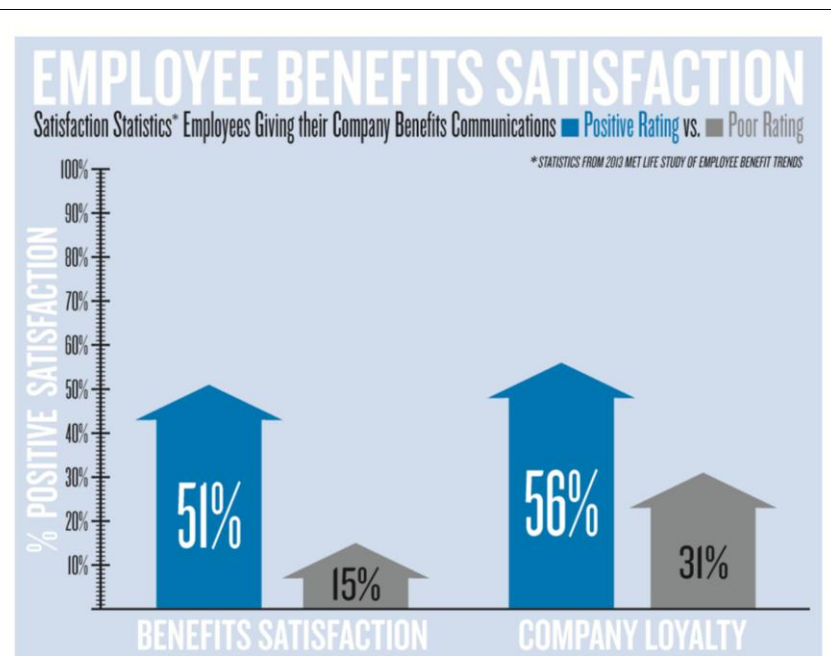
Many organizations spend tens of millions of dollars on comprehensive benefit packages that are consistently underutilized. This is due simply to the fact that most benefit communication strategies largely fail. With the amount of money being spent on benefits and the amount of time Human Resource professionals dedicate to communicating these benefits, it is unacceptable that employees are not highly engaged with their benefits and are not using them appropriately.

Employers believe that with comprehensive orientations and repetitive communication they can adequately communicate information on their benefit package. However, after 30 years of observing this approach, it has become clear that it simply does not work! In fact, it has been a dismal failure.

Let's take a look at what the statistics show on the current state of benefit communication:

- “80% of HR decision makers believe it is important for employees to fully understand their benefit options, yet they estimate only about 60% of their own employees do”²⁸
- “52% of employers believe their benefits communications are very easy to understand.

Yet only 43% of employees would agree.”²⁹



Why is it important for employers to provide effective benefits communication? Because employees who rated their company benefit communications positively were nearly 3 times more satisfied with their benefits (51% vs. 15%) and nearly 2 times as loyal to their companies (56% vs. 31%) than employees who rated company benefit communications poorly (which is over a third of employees).³⁰

Human Resource professionals spend an inordinate amount of time managing benefits and determining the best way to effectively communicate these benefits. Instead they should be focusing on managing their human capital needs, strategic goals, and corporate culture. It's time to stop beating our heads against the wall of benefit communication and get back to what really matters, which is successfully supporting our people.

So the question becomes, how do we accomplish this? The answer is clear; a better approach is benefit integration. As we know, with integration all benefits work in cooperation to support the employees' life events and provide one comprehensive benefit package.

Once benefits are integrated the next step is providing 'knowledge points' where employees can go to access information on their entire benefit package. Knowledge points generally include a single call center where an employee can receive live assistance with any/all benefits within their package, a web portal where they can access all of their benefits and see how their benefits can be used together to provide a complete solution, and of course a mobile application, which enables employees to access their benefits anytime from their mobile device. Having such defined knowledge points to access information and offer assistance with the entire benefit package simplifies the process and cuts down on both confusion and underutilization.

Benefit Information Line

The main features of a Benefit Information Line should include:

- One toll free number, through which employees can access information about all of their benefits.
 - A team of experienced Benefit Information Specialists, trained to assess each caller's benefit needs and then identify and recommend additional supporting benefits and complementary external services.
 - Benefit integration software, which guides Benefit Information Specialists in assessing caller needs and in making benefit recommendations.
 - 24/7 availability, which gives employees convenient and immediate access to their benefit information.
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- External third party vendor, which provides employees with a higher level of perceived confidentiality regarding benefit inquiries and corresponding life event needs.

With a Benefit Information Line, each caller would experience an immediate connection with an intuitive and supportive Benefit Information Specialist, who explores the caller's request while using benefit integration software to ensure consistency of service and process. With the click of a button, this software analyzes the caller's information and recommends additional benefits and complementary services, specific to the caller's needs. In addition to resolving the caller's immediate concern, all available employee benefits as well as national and community resources will be considered. This works to fully support the caller's concern and ensure that benefits are utilized in harmony to provide the best possible integrated solution. Benefit Information Specialists will not simply provide information; they will go beyond benefits and facilitate an individualized comprehensive solution.

Benefit Information Portal

The main features of a Benefit Information Portal should include:

- An easy-to-use web portal, through which employees can access all of their benefit information.
- Benefit Integration Software, which guides users in addressing their benefit needs and connects them to additional benefits within their plan that can further support their needs. The software should also allow users to explore their benefits and how they will support life events and individual interests.
- Live chat support linking back to a team of experienced Benefit Information Specialists.
- 24/7 availability, which provides employees immediate and convenient access to their benefit information.

The Benefit Information Portal should work synergistically with the Benefit Information Line to drive a higher return on investment for your employee benefit dollars. Each user can access all benefit information electronically, ask specific benefit questions, and receive individualized benefit recommendations that assists the user's specific requests.

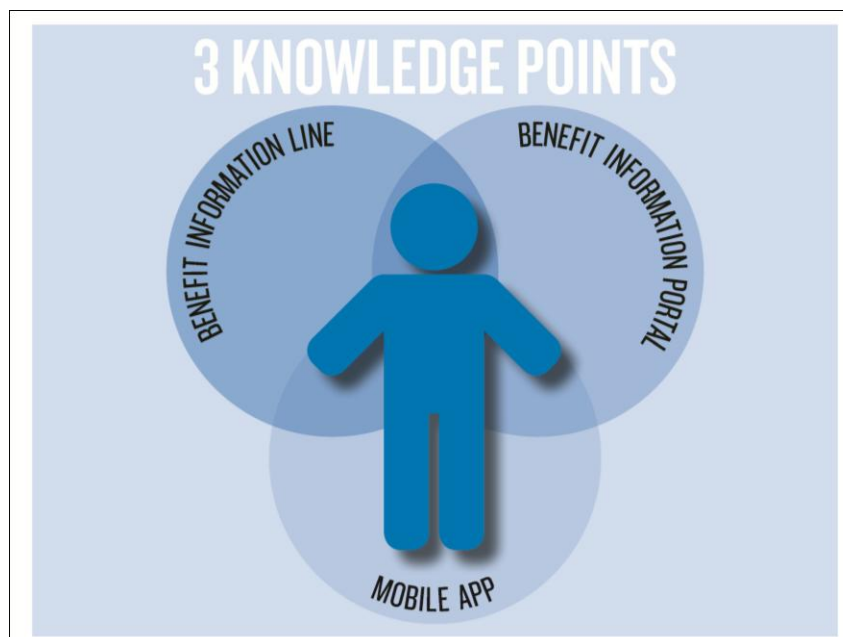
As with the Benefit Information Line, all available employee benefits are considered as well as appropriate community and national resources. Once a user's initial request has been addressed, they should be offered a complete report, outlining relevant additional benefits that can support their concern or life event.

Mobile App

Today's way of connecting and communicating is through mobile technology and benefits are no exception! Effective communication about benefits to employees through a mobile app will help employees both understand and use their benefits appropriately. A comprehensive mobile app is a powerful benefit engagement tool because it is available 24/7, not just during enrollment periods. With a mobile app, your employees will have all their benefits in the palm of their hand!



By creating defined knowledge points and housing all benefit information within these knowledge points, the process of communicating and obtaining benefit information is simplified, thereby reducing the need for lengthy orientations and repeated communications that employees ultimately forget. Employers will have greater success simply connecting employees to these knowledge points, rather than attempting to explain the depth and breadth of each available benefit. These knowledge points also have the ability to highlight the natural connection between benefits ensuring that your organization receives a high return on your benefit dollars, that employees are using their benefits properly, and that they feel adequately supported by their benefit package.



Securing Leadership Buy In

To be competitive in the war for highly skilled talent, employers will need to start providing benefit packages that respond to each employee's particular life needs and interests. Competition for talent is predicted to become increasingly difficult.³¹ As noted in the book, *Workforce of One*, recruitment and retention of employees will be improved by implementing customized people practices.³² In fact, 80% of employees surveyed indicated they would be "more attracted to an organization with customized people practices than one without" while 78% of employees would "be more likely to remain at an organization with more customized people practices".³³

Employees use benefits differently depending upon age, gender, ethnicity, marital status, income bracket, etc. One size fits all benefit packages are not as attractive as packages that cater to the employee's specific needs and life interests.

Providing an integrated package is the best method of administering benefits in such a way that they will effectively respond to each employee's needs. Offering an integrated benefits package proves to your employees that you value them individually, while respecting the increasing diversity present within today's workforce. Building an integrated benefit package that truly supports your employees' individual needs, increases engagement, loyalty, retention, satisfaction, and productivity.



Let this serve as a wakeup call for leadership. It's time to stop the inefficiency of spending an exorbitant amount of time and money on benefits that are clearly being inappropriately used and/or underutilized. The solution is clear. Through integration, you will achieve increased engagement throughout your benefit package. It is time to take control and maximize the value of employee benefits.

Through benefit integration your organization will experience the following advantages:

<h2>BENEFIT INTEGRATION ADVANTAGES</h2> <p><i>Through Benefit Integration, your organization will experience these advantages:</i></p>	
<p>Increased Benefit Awareness</p> <p>Employees can contact a single resource to answer all of their benefit questions and get details on all available benefits.</p>	<p>Increased Benefit Connectivity</p> <p>When employees contact their benefit integration provided for information on a special benefit, they will also be provided information on other available benefits that will support their inquiry.</p>
<p>Increased Engagement</p> <p>With the process of obtaining benefit information simplified, employees will utilize their benefits more appropriately and at a higher level.</p>	<p>Increased Satisfaction & Retention</p> <p>When employees are more aware of and more efficiently connected to the value of their benefit package, they have a higher level of job satisfaction and are therefore far less susceptible to turnover.</p>
<p>Increased Recruitment</p> <p>Integration provides a competitive advantage focusing benefits more on individual needs, which is vital as benefits are a major factor when choosing a job.</p>	<p>Reduced Benefit Confusion</p> <p>Connecting employees to integrated knowledge points is far more successful than explaining the depth of each benefit. This approach leads to greater benefit accessibility, engagement and understanding, which leads to more appropriate benefit use.</p>

Let's take an in depth look at how these advantages are achieved through benefit integration.

Increased Employee Engagement

Benefit integration increases benefit awareness, benefit understanding, benefit connectivity, makes benefits more accessible, and reduces benefit confusion, all of which dramatically increases employee's engagement with their benefit package.

In addition to being more engaged with their benefit package, research shows that when employees are satisfied and feel fully supported by their benefits, they are significantly more engaged with their job.

A 2013 Gallup Report found that 70% of American workers are "not engaged" or are "actively disengaged".³⁴ Gallup estimates that "actively disengaged employees cost the U.S. between \$450 billion to \$550 billion each year in lost productivity".³⁵ Disturbingly enough, Gallup concludes that "these workplace engagement levels have hardly budged since Gallup began measuring them in 2000".³⁶ Clearly, it is time for a change!

Employee engagement is extremely important to organizational success. In fact, Gallup found that organizations that have the highest levels of employee engagement experience:³⁷



As we have seen from this research, employee engagement is extremely low within most organizations, yet is so incredibly important to an organization's success. A simple and effective way to drastically increase employee engagement is through benefit integration. It is undeniable that by integrating your benefit package, employees will be significantly more engaged with both their benefits and their job. Furthermore, by increasing your employee's engagement with their benefit package, benefits will be used at a higher level, ensuring that your investment in your benefit dollars is not wasted. Increasing your employees' engagement impacts your company positively on multiple levels, including profitability!

Increased Satisfaction & Retention:

Simply put, benefit integration increases benefit awareness, which connects employees to their benefits at a higher level, thereby increasing satisfaction with their job and benefit package and ultimately increasing employee retention.

Research shows that "employee loyalty is linked to satisfaction with benefits - employees who are very satisfied with their benefits are more likely to feel loyal to their employer".³⁸ In fact, employees who are very satisfied with their benefits are more than 3 times as likely to report satisfaction with their job".³⁹ In addition, workers are 9 times more likely to stay with an employer when they are satisfied with their benefit package.⁴⁰ Even if this number was only half that, it is something that we should pay enormous attention to when it comes to retention in this time of competition for highly skilled talent. With "employee turnover costing as much as 10% of revenue", it is extremely important for companies to retain talent!⁴¹

Still not convinced that benefits are intrinsically linked to employee satisfaction and retention?

Well, a 2011 MetLife study showed "50% of workers say employee benefits are very or extremely influential on their decision to leave".⁴² Furthermore, 60% of employees indicate that their total reward package including benefits is one of the top factors when assessing job satisfaction.⁴³ Yet 40% of employees are not satisfied with their total reward package.⁴⁴ The problem is often not the benefit package itself, but in the employee's perception of their package and how it fits their individual needs. Due to the fragmented nature of traditional benefit offerings, most employees are not aware of just how robust their benefit package is.

This issue can be remedied by integrating your benefits. Increasing benefit awareness and making benefits more accessible raises employees' satisfaction with their benefit package. Satisfaction with benefits translates to increased job satisfaction and employee retention.

Recruitment

Benefit integration significantly increases an organization's value by offering an integrated benefit package that addresses each employee's individual needs.

As the competition for talent heightens, companies increasingly seek to retain skilled employees while attracting new, desirable talent. How many employees are seeking new jobs, one wonders? A 2012 Globoforce study found that "25% of employees are presently searching for a new job".⁴⁵ In addition, "69% of employees report that benefits were very important when choosing a job".⁴⁶

With at least a quarter of the talent pool currently seeking employment, now is the time to make sure your organization stands out by providing an attractive benefit package. A superior benefit package is in fact, a top consideration when high level talent selects a job.

A one size fits all benefit package is no longer sufficient to attract a wide variety of skilled employees. Right now there are five generations of employees in the workforce at the same time. Each of these subgroups of employees has different benefit needs. This serves as further evidence that benefits must be individually focused when competing for top talent.

Benefit integration enables you to provide a comprehensive benefit package that truly meets the individual needs of your entire workforce. Through benefit integration, your organization will offer an innovative and responsive total reward package that will help you win the talent war!

ROI

Return on 'Integration'

So let's review, how will benefit integration maximize your ROI?

- Employees will be able to access ALL benefits through a single toll free phone number and a single website
 - HR Representatives will be able to promote and administer all benefits as one complete package with one simple process
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With integration, you ensure that all the benefits your company has put in place to reduce healthcare costs, improve employee productivity, reduce absenteeism, and improve employee satisfaction are being utilized appropriately. Once this occurs, ROI skyrockets as costly benefits such as health care and disability are used more efficiently. This results in healthier employees that achieve a greater work/life balance.

Establishing an Integrated Benefits Package



eni has over three decades of experience in the employee benefits industry led by CEO Gene Raymondi, who is a widely recognized thought leader on benefit integration. Gene recently published a book, *Beyond Benefits* (available on [Amazon](#)), where he thoroughly reviews Benefit Integration and the success that comes with true integration.

At eni we practice innovation through integration! We have experienced great success in helping our clients integrate employee benefits and achieve an overall greater return on their largest investment, their staff.

If you are ready to join the benefit revolution, contact [eni](#) today to learn how we can provide a comprehensive, customized integrated benefits package for your company designed to maximize ROI on all benefits!

1.800.364.4748

www.eniweb.com

marketing@eniweb.com

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