The Best Practices of The Principal 10 Best Companies for Employee Financial Security

Hypertherm, Inc.

EMPLOYEE EDUCATION AND COMMUNICATION

Employee education and communication can be a powerful tool in controlling costs, boosting participation and increasing appreciation of benefits. Parr Instrument Company, for example, relies heavily on education of employees to reduce medical insurance costs. “We’re trying to provide better education to people so they can make better decisions,” says Rich McMurray, treasurer, Parr Instrument Company. McMurray is confident that this approach will help reduce the company’s growing medical insurance expenses.

- **Distribute a total compensation statement annually to each employee.** This summary would show each employee’s annual compensation, as well as the cost to the company of each benefit that the employee receives. Farmers Mutual Hail Insurance Company of Iowa began distributing total compensation statements to employees in 2000. “That was a real eye-opener,” explains Steve Fischer, the company’s vice president of human resources. “Employees knew we had a very generous program, but they never knew what the cost of that was to the company. It’s the best education tool.”
- **Arrange small-group meetings instead of whole-company gatherings whenever possible.** People will be less intimidated and more likely to ask questions and share their opinions. At Hypertherm, Inc., for example, representatives from the company’s human resources department go on “road trips” within the company. “We pop into team meetings and talk about a specific topic. It makes it more informal and easier for associates to ask questions,” says Esther Allen, payroll and benefits team leader at Hypertherm.
- **Use benefits-savvy employees to help educate other employees on benefits.** This idea worked well for Strata Environmental Services, Inc., a consulting firm with just 20 employees. Many of the firm’s employees were confused about a new medical insurance program. “A few employees had figured it out, so they became the instructors to get everyone else on board,” says Charles Ferst, the firm’s president.

- **Create a benefits committee – made up of employees – to gain input and suggestions on benefits.** At Strata Environmental Services, employees on the firm's benefits committee give recommendations based on their personal experiences with the benefits.
- **If finding time for benefits education is a challenge, hold "lunch and learn" gatherings.** As the name suggests, these sessions are held during the lunch hour. The company can provide lunch, or employees can bring their own lunches. The CEO and vice president of human resources at Hypertherm, Inc. host breakfast, lunch and dinner meetings to accommodate employees on the second and third shifts.
- **Distribute meeting highlights – via paper, email or intranet – to each employee after benefits meetings.** Employees who have questions later will appreciate having the information at their fingertips. MSU Federal Credit Union emails PowerPoint presentations used during benefits meetings to employees.
- **If Internet access isn't feasible for each employee, consider providing Internet kiosks that employees can use to learn more about healthcare, retirement, financial planning and more.** Employees at Lancet Software Development, Inc. use a web kiosk for access to personalized benefit information, as well as for benefit elections.
- **Bring in benefits providers on a regular basis to educate employees on specific issues.** "I always arrange for annual benefits meetings in which I bring in our brokers and consultant," says Fischer of Farmers Mutual Hail Insurance Company of Iowa. "They explain our programs and how to use them. Our consultant also meets one-on-one with employees."
- **Maintain open, honest communication with employees on the costs, challenges and opportunities associated with the company's benefits program.** When it's time to make a difficult decision, employees will have a better understanding of the reasons behind it. As Donn Hutchins, CEO of Delta Dental Plan of Iowa, asserts, "Open communication with the employees makes a difference. They're part of the successes and the challenges, and we need to be straightforward and honest with them."
- **Recruit a fun-loving employee to help communicate benefits information in a unique and entertaining way.** "It brings a sense of lightheartedness and enthusiasm to some of the things we have to communicate," says Hypertherm's Esther Allen.

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EE 9424 11/2003