

Point of View

The New Face of HR: Driving Results without Driving Employees Crazy!

HR used to have a name.

“Sue. She was great. Whenever I needed something, she took care of me.”

Then there was a number.

As centralised call centres sprouted up, replacing local HR representatives, something else grew. The call tree. “It’s fine when I need to check my account balance or reorder a prescription—but what about when I want to *talk to a person*? How many keys do I have to punch before they’ll put me through to Sue?”

And now HR has an address.

Love it. Hate it. Love it. Employees are conflicted about the corporate portal. When it’s good, it’s really good. But when it’s bad, the effects reach far beyond HR. The online experience that HR provides is a central part of the corporate culture, and it has the power to change the way employees view their work, their company, their future—all with a few clicks. “Some of the tools are great. Others, well, it’s www.imonmyown.com.”

So what’s next?

Employees and their families are being asked to take more responsibility and make more decisions about their benefits than ever before. Build your own health plan. Save in the 401(k). Plan for retirement. Research your treatment options. And don’t forget to ask for generic! It’s all in the name of good physical and financial health as well as a healthy bottom line. By and large, employees are on board. But, they’re asking for one thing in return...“Show me how.”

Here’s the good news: employers are finding that with the right combination of the right tools, they can give their people most of what they need to rise to the challenge.

Connecting With a Cross-Generational Workforce: It’s about Life Stage, *Not* Age

What’s the difference between good decision-support tools and great ones? Simple. The great ones exceed both employer and employee expectations by delivering valuable, credible information, and great results. How? They take steps to be sure the information and tools delivered are truly relevant to individuals.

This starts with understanding *who they are*. What do they like? What don't they like? What's their family situation? What choices do they need to make? When do they want advice? How do they shop? What gets them to take action?

The answers to these questions must fit an increasingly cross-generational workforce. The speed of the technology revolution, combined with people living and working longer, is creating an employee mix like no other.

The Millennial (or are they Echo Boomers? Generation Y? Generation Next?)—the twenty-somethings who are beginning to enter the workforce—never knew a world without the Internet or cell phones. They're working side-by-side with Baby Boomers born just after World War II. Growing up, Boomers were happy to have a TV in the house. And then there's Gen X, sandwiched in between. But how different are they?

Take Brad, for example. You walk into his cube at lunch. He's shopping online for some new gear, happily tapping his foot while his favourite tunes play on his iPod. Brad's 52. *What* he's buying and *what* he's listening to may be different than Chris, 26, in the cube next to him. But *how* he's doing it is the same.

Employers worry about Baby Boomers getting run over on the information superhighway. Guess what? Most of them are cruising down the road, and some are in the passing lane. According to Boomer think-tank consultancy Age Wave, this group is 71 percent as likely as their younger counterparts to try new products and services. Boomers spend more money on computer hardware, software, cell phone services, and other electronics than any other generation.

Regardless of age, people will use online tools if they make their life easier or better

Some retirees are even declaring a preference for electronic communication. When Verizon launched a campaign to connect with their retired workforce, inviting them to register their e-mail address with the company and receive benefits information electronically, the response was overwhelming. More than 10,000 retirees joined the "It's Cool to Be Connected" program initially, and thousands more joined as the effort continued.

The key to reaching across generations is to make resources widely available—and target content based on life stage, not age. Traditional assumptions no longer apply. A 50-year-old employee could still be raising her own family. Or caring for grandchildren and/or her elderly parents. Or putting everyone in some form of day care so she can work full-time and go back to school to earn a degree.

As employees' responsibilities evolve, they want benefits that adapt with their life stage as well as resources that help them make important decisions. A 2007 MetLife study found employees crave comprehensive benefits information and guidance, including support tools and financial advice customised by life stage—in fact, 59 percent of surveyed employees say they'd like their company to recommend benefits appropriate for their life stage.

Health organisations, benefit administrators, and employers are retooling to meet this need for advice and decision support. At Hewitt, we are offering more personal guidance resources, including a Web-based solution (fortunately named) People Like Me™¹. With realistic examples based on demographic profile—age, gender, family status, and medical-usage level—employees learn what plans are best for their situation. The tool has been used by 35,000 employees, and it's driving a variety of healthy behaviours. People Like Me users are 2.5 times more likely to migrate to a targeted health plan, 1.5 times more likely to start or increase their 401(k) savings, and 2.2 times more likely to start or increase their participation in a Health Savings Account.

Creating Web Tools That Work: Why Some Tools Drive Results and Others Drive You Crazy

Interactive, online tools give employees the ability to process large amounts of information, calculate benefits, model various scenarios, and make better choices—if they're good. If not, the very same technology empowers an employee to log off, send an e-mail to 25 co-workers warning them against your latest and greatest, and write a Dilbert-esque post on their blog so everyone on the Web can see the inadequacy of your efforts.

So, how do you stay in the good graces of your employees?

You give them what they want. Tools that work.

Start with the basics and test with employees

The three biggest barriers to effective use of employee tools are lack of relevant content, poor tool design, and limited consumer awareness (California Healthcare Foundation). Your Web solution doesn't stand a chance unless it offers accurate, well-organised information and tools that get the job done and don't get in the way. Navigation must be easy and intuitive, and the content must be credible.

The best way to make sure you're hitting the mark is to test your tools with employees early and often. You'll find out what works, what doesn't, and what's missing. When a large global entertainment company decided to move pre-enrolment communication online, they tested receptivity with employees and asked representatives from their theme parks and resorts to get involved in the planning process. This proactive, inclusive approach resulted in an 11 percent increase in active enrolment as well as a 2 percent increase in online enrolment (up to 84 percent overall). The majority of employees who switched to online enrolment were hourly employees in the parks and resorts—typically the most difficult population to reach.

Spread the word

As you put more information and tools online, it's important to create a strategy for getting the word out. "Build it and they will come" doesn't work here. You need to sell it! There's a direct correlation between how often employers promote available tools and how frequently the tools are used. BP created a three-minute flash presentation promoting open enrolment resources, and they saw a 99 percent increase in usage of their Medical Expense Estimator that had been online for years.

¹ People Like Me™ is a trademark of Hewitt Associates, LLC.

What Makes a Good Online Tool?

Employers are often surprised when fewer employees than expected actually use online tools intended to help them make better decisions. Although poor utilization is often a consequence of minimal promotion or a hard-to-find location, many times it's because of poor tool design. So...what does good design look like?

- It uses plain language that's easy for non-experts to understand.
- It focuses on helping employees take action, make decisions, or get answers to questions.
- It follows the principle that "less is more," emphasizing quality over quantity and readability over cramming.
- It provides resources that are directly relevant to the actions employees want to take or the decisions they need to make at that specific point in time.
- It respects the employees' time and need to be productive—minimizing clicks, steps, and text to make it easier and faster to take action with less reading.

Other desirable traits include minimizing the amount of information employees must enter, asking employees only for information they can easily provide from memory, and presenting results visually and simply—using charts, layouts and/or tables that are concise, easy to read, and easy to understand.

Bottom line: good online design helps employees make decisions easily, confidently, and quickly.

Focus on your people not the agenda

Remember when online self-service was going to save the world? Go paperless. Reduce staff. Lower call volume. Cut costs. But when employers first rolled it out, employees didn't embrace their new buddy, HR-3PO. Why? Because it was designed to serve the Corporation, not the Jedi.

To generate and sustain positive results, Web solutions must meet employee needs. Coca-Cola's employee portal "All About Me" sends the message loud and clear. They're responding to the demand for custom benefits, custom resources, and easy access to everything. Another smart move: Coca-Cola posts their cafeteria menu online. It may seem trivial, but it's one more reason for employees to log on. As overall site traffic increases, so does the usage of individual tools. Post the weather, local news updates, or the company directory—anything that interests employees and changes frequently—to encourage regular visits and increase exposure to new features.

Here's one more way to maximise utilisation—reach out to the friends and family network. Employees look to their loved ones for advice, and family members have a large impact on plan costs. They need and want to be part of the benefit decision process. When New York Life offered employees' families centralised, unrestricted access to benefit information and decision-support tools, usage skyrocketed and the results far exceeded their goals...57 percent usage of People Like Me (goal 30 percent), 26 percent usage of HSA Value Estimator (goal 5 percent), and 97.6 percent active enrolment (goal 90 percent).

As it all turns out, what's good for the employee is also good for the bottom line. When companies deliver employee-entered resources, their people use them. Again and again. They make smarter choices. They demonstrate healthy behaviours. They take action to manage costs. Everyone wins.

Create an experience that cements the bond with employees

As you develop new tools and resources for employees, ask yourself “What will help us attract and motivate our future workforce?”

Consider Kim. She’s in college now, but one day she’ll be heading up product development at your organisation. Kim loves her mint-green iPod. She can play her favourite songs in any order she chooses, or kick it into “Mix on the Move” mode for one happy surprise after another. Her Levi’s Redwire DLX Remixed Capri pants have an iPod docking cradle built into a side pocket, making it easy to adjust the volume and other settings anytime, anywhere.

The bar is high.

It’s up to you to create an experience. More options. More flexibility. More extras. More control. In less time, and with less hassle. If I can get it from my iPod, why settle for less from my employer?

In the beginning, the corporate intranet site was filled with static content. Too many still are. Although tools were added to support HR transactions, no one was paying much attention to the fact that as more “stuff” was added, employees were finding that the “good stuff” was becoming harder to find and more difficult to use. The poor employee experience was creating a real disconnect.

By organising portals around the “things people need to do” rather than the “things people need to know” many employers have improved the efficiency of these resources as well as the experience they provide. But other employers are starting to advance the value proposition beyond efficiency, building Web solutions to improve employee productivity, performance, and retention (Forrester Research). Think about it. Your employee portal is the ambassador of the employment brand—attracting new employees, integrating them into the

organisation, and enabling them to succeed. There are amazing opportunities to differentiate your offer and motivate people to jump on the bandwagon. Unfortunately, there are also countless ways to drive the wagon into a ditch.

Enabling the Ideal Decision-Making Process: Personal Guidance Changes the Game

As the employee portal becomes the hub of the work experience, there’s an opportunity to maximise its effectiveness *and* reach the broadest group of employees and families by providing support from other communication channels—including customer service call centers, print materials, and in-person contact. Why? Employees are being asked to make complex decisions about their pay, benefits, and career, and each resource serves a different purpose in the decision process.

To accomplish any given task, consumers usually accumulate information over time and make a series of decisions. The most efficient and effective decisions are made when people have access to the right information and tools and use them in the right ways. With the growing complexity of many decisions—especially benefits enrolment decisions—employers often encourage employees to “take extra time” to plan and make informed decisions. But the reality is that many employees are pressed for time and want to use it for things other than making benefits decisions.

On average, employees spent about 45 minutes a year deciding which benefit options to enrol for. In contrast, they’ll spend two hours trying to decide which pair of shoes to buy!

That doesn’t mean the answer lies in finding a way to get people to spend more time planning benefits decisions. (Hint: They won’t!)

Hewitt and CVS Caremark took a different path. Instead of asking people to spend time they don't have doing something they don't like, they created a tool that made it possible for employees with almost no knowledge of benefits to decide which medical, dental, vision, and FSA options to pick in *less than a minute*.

Sound too good to be true? It's not!

With an online personal enrolment guidance tool developed by Hewitt (called *eZChoice* at CVS), employees answered a few simple questions about how they use benefits along with some of their preferences. When they submitted their answers, a results page appeared with specific benefits recommendations that told them which options to enrol in. The ROI for employees? Instead of hours, the tool made it possible for them to make good decisions in minutes.

New rule: As benefits become more complex, employers no longer need to think that asking people to take more time to plan and decide is their only option. With personalised guidance tools, employers can help employees make a good decision in *whatever time they're willing to devote to the process*. Benefits may be getting more complex, but choosing (and using) them is getting much easier.

Employers are maximising results with multiple channels and ongoing support

But the best choices are also *informed* choices. To successfully launch a new initiative, give employees the opportunity to read about it, hear about it, talk about it, and test it out. When Northwestern University introduced a new health care strategy in 2007, they helped faculty and staff navigate the changes with educational print materials, employee meetings, online decision-support tools (Hewitt's Health Care Decision Toolkit, Personalised Enrolment Guidance, and People Like Me solutions), training for HR, and a health fair. Not only did they exceed their first year

goal for participation in the new consumer-driven health plan (11 percent enrolled), they also received positive feedback from faculty for "making health care plans understandable for the first time."

Employees who make new choices, like switching health plans, need ongoing support so the choices work for them. Otherwise, they'll just go back to what they were doing before. PetSmart's long-term health care strategy focuses on teaching employees to be smart consumers. In 2007, they launched Hewitt's Health Care Hub to combine all their corporate and vendor health care resources in one Web site. Employees and their families have easy access at work and home. Nearly half of employees have already used the site to better manage their health care. As one employee said, "I feel secure knowing that if I need help making medical decisions, I have a web site designed just for me. I truly enjoy being part of the PetSmart team for six years and counting!"

From employees' perspective, the resources do indeed make the company.

Each communication channel has strengths and weaknesses in providing information, guidance, and timeliness. Whether you're helping someone buy a pair of shoes or choose a health plan, the Web allows us to use other resources effectively—not replace them completely.

Giving customers a variety of resources to help them "buy" wisely is a powerful way to build brand loyalty. Wells Fargo did marketing research and found that customers who used multiple channels to choose products and manage services were less likely to leave their bank. So, they put links to customer service and branch locations at the top of the page on wells Fargo.com.

Businesses that make it easy to find a phone number on their Web site get it. The ones that make you play "Where's Waldo" don't.

The New Face of HR

Employees won't hold it against you if you introduce self-service options for managing day-to-day activities—as long as they have access to “high-touch” options when needed. By giving employees comprehensive resources and showing them how to use their tools effectively, you can maximise your total rewards and increase employee commitment. MetLife benefit studies have shown that 80 percent of employees who are satisfied with their benefits are also satisfied with their job, and 72 percent of employees who are satisfied with their benefits also feel strong loyalty to their employer.

Providing the right tools at the right time for your entire employee population isn't easy. It's downright hard. And doing it in a way that doesn't get in the way of productivity is even harder! It takes vision, leadership support, strong technical capabilities, and ongoing development and measurement. Vigilance is required to ensure every point of contact is true to your mission, values, and culture.

You know you're getting it right when your employee experience is more than a name, number, or address. Your organisation has a face—the face of a best employer. And for the employee, it's like looking in the mirror.

About Hewitt Associates

For more than 65 years, Hewitt Associates (NYSE: HEW) has provided clients with best-in-class human resources consulting and outsourcing services. Hewitt consults with more than 3,000 large and midsize companies around the globe to develop and implement HR business strategies covering retirement, financial, and health management; compensation and total rewards; and performance, talent, and change management. As a market leader in benefits administration, Hewitt delivers health care and retirement programs to millions of participants and retirees on behalf of more than 300 organisations worldwide. Located in 33 countries, Hewitt employs approximately 23,000 associates. For more information, please visit www.hewitt.com.au.