How To Drive Employee Engagement Without a Budget

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AGENDA

- Introduction
- Employee Engagement & Communications
- Voluntary Benefits
- Next Steps
Who is Gallagher?

Our Footprint

The Gallagher Higher Education Practice includes the following employer groups:
- Private & Public Colleges
- Private & Public Universities
- Community Colleges
- Technical Schools

Over 1,200 Clients Nationwide

Client Service Platforms

Your Higher Education needs are our focus:
- Benefits & HR Consulting: Employee benefits, human resources, and compensation consulting
- Property & Casualty: Retail & wholesale property & casualty risk mgmt. services
- Claims Administration: Third party property & casualty claims administration & risk Mgmt.

Industry Associations/Conferences

Involvement in local & national associations
- ICCCFO
- CACUBO
- CUPA-HR
- AACC
- CCBO
- NACUBO
- GFOA
- PRIMA
- URMIA

Trends We've Seen

- Tracking the important challenges
  - Shrinking resources i.e. educational appropriations down approximately 20% FTE
  - Increased focus on adopting new technologies
  - Maintain balances between managing costs and raising tuition while facing limited federal and state funding
  - Enhance the “college experience” through ambitious capital projects
  - Demand for enrollment/market share

680+
Sales/Service Offices
33 Countries

24,000+
Employee

$4.6B
Total Revenues

AJG
NYSE
BENEFITS & HR CONSULTING

CACUBO

- Executive Benefits
- Institutional Investments & Fiduciary
- Retirement
- Benefit Advocate Center
- Underwriting
- Multinational Benefits & HR
- Compliance
- Benefit Administration
- Marketplace
- Communication
- National Benchmarking Survey
- Workforce Evaluation
- Compensation & Benefits Sustainability
- Employee Engagement
- Wellbeing & Engagement
- HR & Compensation Consulting
- Pharmacy Benefit Practice
- Health Rating Model
- Voluntary Benefits
- Human Capital Insights & Strategies
Employee Engagement

Better employee engagement = lower turnover and cost savings

71% of employees are not fully engaged.  

Organizations with engaged employees outperform those without them by up to 202%.  

For every unit increase in employee engagement the level of voluntary turnover decreased by nearly two-thirds.  

1 Dale Carnegie Training, “The Importance of Employee Engagement” infographic, 2012  
2 Gallagher’s U.S. National Employee Benchmarking Database – 2010 study
EMPLOYEE ENGAGEMENT

The Engagement Effect

Engagement predicts outcomes…

- Market penetration
- Revenue & profit margin
- Shrinkage (esp., waste/spoilage/theft)
- Community image & reputation
- Awards & rankings
- Union participation
- Productivity & efficiency
- Absenteeism & turnover
- On-the-job injuries
- On-time work/delivery
- Customer satisfaction
- Customer loyalty
- Customer safety
- Brand awareness
- Social media tone
- Social media penetration
EMPLOYEE COMMUNICATIONS

How will the information be shared?

What are your obstacles?

Identify objectives

Define your message

Identify desired employee actions

STRATEGY
Our goal is to help employees become better consumers and fully appreciate the value of all of their benefits. A robust and educational communication strategy will help employees understand their full benefit package.

The Employee Benefits world has become:

- **Increasingly complex** and hard for employees to understand.
- More expensive for everyone **requiring higher employee contributions**.

Higher costs and more difficult to understand benefit plans lead to poor perceptions…unless effective education is provided.

**Communication & Education is the solution**

- Develop and implement an enhanced multi-channel communication campaign
- Deliver professionally designed benefits education curriculum
- Communications designed to reach all demographics
- Counselor assistance services to create educated consumers
- Multiple communication touch points that clearly explain how the coverage works
**Client Example**

**Challenge**
- Delivering a consistent benefits message across multiple companies and locations to a demographically diverse employee population
- Paper enrollment and communication limiting employee engagement, understanding and participation in open enrollment

**Solution**
- Implement enrollment services provider at no cost based on “active” enrollment and offering 2 voluntary products
- Provide Onsite & Call Center enrollment counselors for annual enrollment
- Develop and implement an enhanced multi-channel communication campaign
- Deliver professionally designed benefits education curriculum

**Results**
- Employees felt engaged and education during their open enrollment experience
- Went from 20% of employees actively enrolled to 84.9% (a 425% change)
- Total medical plan participation increased by 4.5%
- 93.6% of employees found the annual enrollment materials easy to understand
NATIONAL BENCHMARKING SURVEY

- Provides information and insights that make your work easier and support confident decision-making
- Beyond traditional benchmarking - strategy and innovative solutions
- 3,100+ respondents in 2016 (Results for 2017 being compiled)
- 300+ comprehensive questions
- Data cuts by geography, ownership structure, workforce size and industry
TOTAL REWARDS STATEMENTS

To help employees understand the value of their benefits, Total Reward Statements are one of the most powerful tools an employer can provide. Total Reward Statements represent:

- A tangible, written document that visually illustrate the full value of an employee’s compensation and benefit package.
- A reassuring picture to employees of a company’s financial commitment to them.

According to Payscale’s Compensation Best Practices Report1, employee recruitment and retention are two of the biggest challenges employers face. According to the report:

- 59%: worry about losing their best employees to competitors.
- 67%: are concerned about the difficulty of finding skilled labor.

If employers want to recruit better employees, retain their valuable workforce, and improve morale, providing Total Reward Statements to them should be a top priority.

1 Payscale’s Compensation Best Practices Report
TOTAL REWARDS STATEMENTS

Your Total Rewards Statements should include a broad array of benefit and incentives for employees. We recommend starting with traditional benefits like medical, dental, vision, and life and then work towards supplemental benefit options that are low cost, but have a significant impact on employee well-being.

You may also consider including your unique perks, such as company wellness incentives, above average merit raises, and special discounts or programs geared towards retaining employees and supporting work life balance.

And the delivery is very important so employees fully understand the statements and information they provide.
**CLIENT EXAMPLE**

### Background
- Client’s HDHP Benefits Strategy
- Overall cost impact of - 14.6%.
- Savings by component:
  - Per Employee Per Year = ($1,459).
  - Projected increase prior to Gallagher = +12.3%.
  - Projected increase with Gallagher strategy = -2.6%.
  - Moved 64% of employees to higher deductible (HDHP)

### Solution & 1st Year Accomplishments
- Introduced defined contribution strategy with Gallagher Marketplace
- Bargaining group education sessions for approval of changes
- Employees both Bargaining and non-bargaining excited about enhanced options!
- Colleges moving to more sustainable options to deliver benefits

### Flexibility and Customization
- Tailored benefit options for each employee
- Improved plan choices
- Additional employee savings opportunities
- More affordable dependent options
- Additional benefits offered to employees
HDHP BENCHMARKS

Top factors that motivated your organization to adopt a consumer-directed health plan:

- **74%** Motivate employees to make behavioral changes
- **57%** Combat increasing healthcare cost trends
- **57%** Share financial responsibilities of healthcare
- **39%** Educate employees about the actual cost of healthcare
- **26%** Offer employees meaningful choice in benefit plan selection
- **17%** Provide employees a tax effective option for retiree health savings
What does this mean for my employees?

Proper Education & Engagement
- We can identify to each employee their needs, preferences, risk tolerance and suggest the appropriate benefit election.
- They will then understand what is offered and have a better understanding during the enrollment process.

No Education
- Many employers make the mistake of launching an HDHP or other benefit changes and hope employees will figure it out and elect those plans.
- What we see time and time again, is that nobody elects the new plan because they don’t understand it.
- The result is low enrollment, poor employee perceptions and no savings.
PROTECTING EMPLOYEES OUT-OF-POCKET COSTS

Benefits are paid directly to the employee, in addition to any other coverage they have. The Voluntary Plans listed below provide meaningful financial security for employees and an expanded benefits menu for greater employee choice.

- **Hospital Indemnity**
  - Helps pay for unexpected healthcare expenses due to hospitalization.
  - Lump sum benefits to help cover the cost of first day hospitalization, intensive care, and daily confinement benefits.

- **Critical Illness**
  - Critical Illness insurance offers a lifetime of benefits.
  - Provides lump sum payments for screenings, preventive treatments, and continues with varying levels of benefits to match the different stages of diagnosis for covered illnesses.

- **Accident**
  - Accident insurance helps pay for unexpected healthcare expenses due to accidents that occur every day – from the soccer field to the ski slope and the highway in-between.
  - Accident insurance provides benefits due to covered accidents for initial care, injuries and follow-up care.

Other Considerations:
- Permanent Life with Long Term Care
- Lifestyle Benefits
  - Auto & Home
  - Pet Insurance
  - Identity Theft
  - Legal Services
THANK YOU!

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Charts & Tables
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