


BEYOND THE USUAL BENEFITS: 2010

The power of employee education to influence workforce satisfaction

- Nudge worker satisfaction rates upward
- Use it — or lose ground in a changing economy
- Leverage an effective “3+3” communication strategy
- Increase benefits plan value at little or no cost





“When organizations might not be able to offer their employees pay raises and bonuses, benefits become one of the many tools employers use to increase loyalty, productivity and job satisfaction.”

SHRM, “2009 Job Satisfaction Survey,” June 2009.

Why benefits education is a must-have, right now

The U.S. economy is lifting itself up by the bootstraps and taking slow but hopeful steps toward recovery. In its wake there is a stirring in the workforce, a rumble from employees who have felt “stuck” in their jobs during the recession.²

Skilled workers are expected to gain confidence and start job shopping as the labor market loosens up.³ This has elevated the need for competitive benefits and — more importantly — the most effective means to communicate their value.

This is strategically significant, since employees’ perceptions of their benefits education correlate to higher levels of job satisfaction, which is a key driver of employee engagement. And Towers Watson research shows a direct correlation between higher levels of employee engagement and productivity.⁴ So it is not surprising that as companies lowered their level of benefits education due to the recession, our survey revealed a corresponding drop in employee satisfaction ratings.

Put this research to work for your business

For the past two years, Unum has studied the key components necessary for optimum benefits education effectiveness. The result is the “3+3” communication strategy detailed in this study.

Use these findings to maximize the return-on-investment of your benefits program. The impact on your workforce can be a deciding factor in retaining talent as your business moves forward through this time of economic recovery.





Benefits Communication: When “what you say” is as important as “what you do”

Unum research shows that how you communicate your company’s benefits may be just as important as the benefits themselves in promoting workplace satisfaction. In fact, employees who believe their company effectively communicates their benefits have a more positive perception of their workplace as a whole. Conversely, employees offered the same benefits without effective communication reported markedly lower levels of workplace satisfaction.

Benefits education can enhance workplace satisfaction regardless of how employees perceive the quality of their benefits

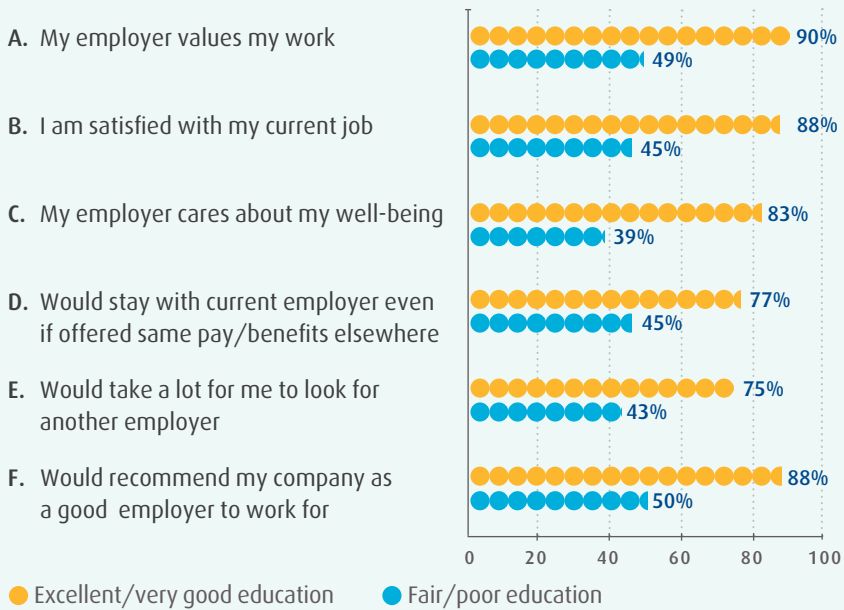
Percentage of employees rating their employer as an “excellent” or “very good” place to work

		Employee benefits education rating is	
		fair/poor	excellent/very good
Perception of benefit package quality is	excellent/very good	64%	88% 24 point increase
	fair/poor	13%	45% 32 point increase

Improved levels of employee morale and loyalty

Unum's research further explored the impact of benefits communication on employees' attitudes toward the drivers of workplace satisfaction. The data shows that employees who believe their benefits were effectively communicated are more likely to feel their employer values their work and cares about their well-being. These employees show higher levels of engagement, morale and loyalty. In fact, the majority of those surveyed said they would stay with their current employer even if offered better pay elsewhere.

Quality employee education helps drive positive workplace satisfaction



The key is to make sure employees know the value of what your company offers and that the messaging is clear enough and frequent enough to resonate with your workforce.

During the recession, Unum research showed a noticeable drop in employees' ratings of their company's benefits education efforts. The result is not surprising: there was a trickle-down effect on benefits and workplace satisfaction scores. That can mean a costly drop in employee engagement and productivity.

This is not the time for any company to scale back its benefits education messages. Just as better benefits communication can drive worker satisfaction in a positive direction, reducing or eliminating benefits education can drag satisfaction rates downward.



Building an education strategy that pays off

A combination of tools and timing

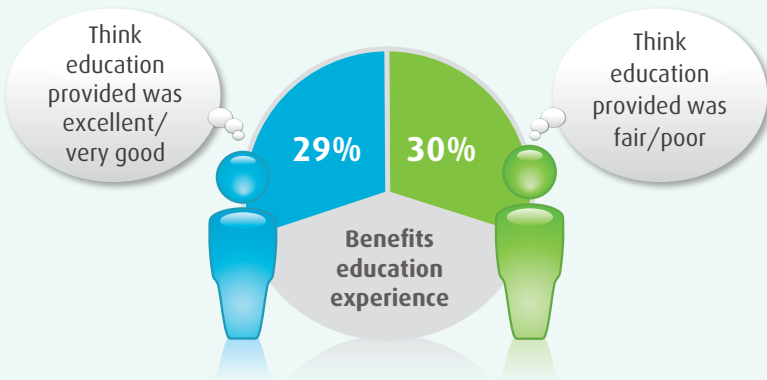
How can you use effective communications to maximize your company's investment in your existing benefits plan?

The first step is to take a hard look at your existing benefits education program, and determine whether it provides your employees with effective tools and the adequate time they need to really understand and make good choices about their benefits.

How would your employees grade your company's employee benefits education efforts?

Many of the employees in our survey indicate there is considerable room for improvement in their benefits education.

Employees' perception of their benefits education experience



Key components for education success

An effective benefits education plan requires sufficient learning time and the right tools to make sure employees have what they need to become more informed consumers. That is where the 3+3 strategy comes into play.

What timeframe works the best? Our research shows that employees who started receiving benefits communications **three weeks or more prior** to their enrollment deadline were much more likely to report they had enough time to make informed choices compared to those who had less time to become familiar with their benefits.

When employees receive educational information at least three weeks prior to the enrollment they have enough time to:

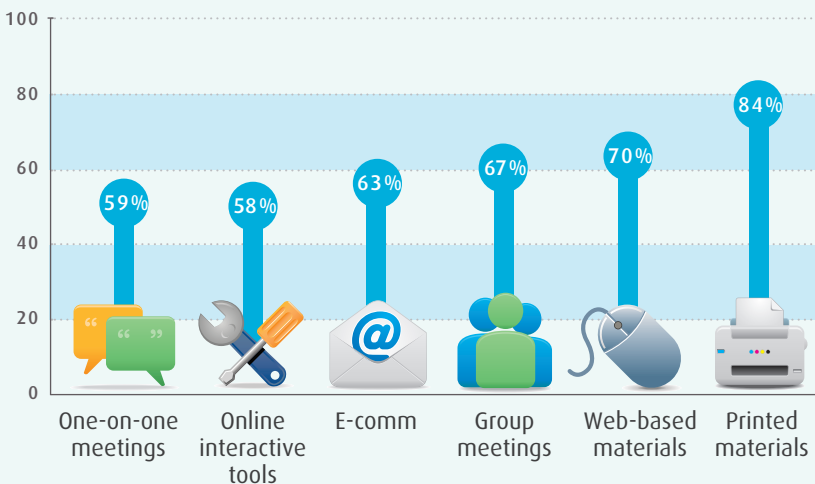
- Take materials home to share with a spouse
- Evaluate their personal situations
- Attend informational meetings, if offered
- Consult with trusted relatives or friends
- Do some additional research

The Unum survey also reveals the importance of offering at least three different methods of communication. By providing benefits education in a variety of forms, employers can better meet the various learning styles in a workforce population.⁵

- **Visual learners** may prefer videos or printed materials with images.
- **Auditory learners** usually prefer podcasts, video or spoken communications.
- **Tactile/Kinesthetic learners** are “hands-on” and may do better with online interactive tools or worksheets they can fill out.

New online methods of benefits communication, from interactive websites to web-based podcasts and videos, can make it easier to provide this information to meet these varied educational needs.

Employees use the following learning methods when available



Our research shows that when employees are offered different methods of benefits communication, they will take advantage of a variety of options. While 84% use printed materials, nearly two-thirds chose to use online and web-based materials, showing an increasing level of employee comfort with electronic tools.



Putting benefits education to work for you

The 3+3 strategy earns a powerful payoff

When employees experience the optimum combination of educational methods and the time to absorb them, the payoff is powerful. This approach requires no added expense to your current employee education efforts.

3 plus 3: The minimum time and tools



If you use this optimal combination of methods and time, your employees also can gain an increased comfort level with their benefits decisions and a more complete understanding of the value of their benefits plan.

More learning options and more time increase comprehension

Percentage of employees comfortable with ability to make good decisions

		Time	
		1 week or less	3 weeks or more
Learning options	3 or more	79%	90%
	1 or less	50%	67%

Percentage of employees who understand the value of their benefits

		Time	
		1 week or less	3 weeks or more
Learning options	3 or more	62%	81%
	1 or less	43%	71%



Workers now place more value on benefits

Adding voluntary plans can increase satisfaction

Unum research shows that employees' perception of the value of their benefits is on the rise. Year-over-year, our research shows employees place significantly more importance on life insurance, critical illness and long term disability coverage than in our 2009 report.

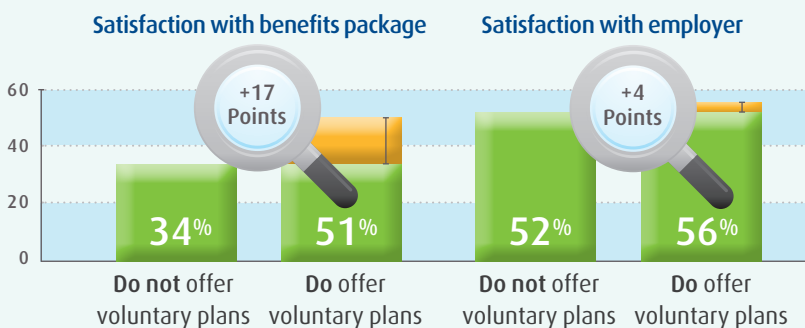
This study revealed another notable connection: employees who are offered voluntary benefits in the workplace are more satisfied with their benefits than those who are not offered voluntary benefits. And that's valuable to employers, since this 100% employee-paid coverage allows a company to offer more benefits and add perceived value to a plan without impacting the bottom line.

In today's budget-conscious times, voluntary benefits are becoming "must-haves" in a competitive benefits package. And they offer a variety of choices in coverage that appeal to today's diverse and versatile workforce.

Voluntary coverage provides an important safety net to employees who are vulnerable to rising healthcare costs. Accident and critical illness insurance can help offset the expensive out-of-pocket costs not covered by health insurance. And Unum research shows that employees place a high value on these benefits when they are effectively communicated, even though they pay the premium.

The message is clear: employees are placing more value on benefits in general — even when they have to pay for them. And today's range of funding options make it easy to add benefits at little or no cost to the company. This strategy can result in higher workplace satisfaction, reduced turnover and increased productivity.

Voluntary plans can increase satisfaction with the benefits package and employer



A strategy to improve employee satisfaction and loyalty

Unum's most recent research reaffirms the conclusion of our previous study:

A strong employee education and communication strategy can multiply the returns of your investment. It also revealed that employers who use a weak communication strategy can lose ground in worker satisfaction and loyalty.

Strong and effective communications, on the other hand, help show workers how much they are appreciated for their contributions to the company's success. And that can strengthen the employer/employee relationship, with a resulting increase in workplace satisfaction.

That has never been more important than in this time of sea-change, as skilled workers begin to re-evaluate their careers and decide whether to jump ship or stay on board at your firm.



To put these findings into action cost-effectively, it's important to work with the right benefits provider. The best partner will be able to offer both traditional group and voluntary benefits, to better meet each employee's need for choice. This partner must also provide:

- An effective education plan, with multiple communications, using a variety of learning methods
- Clear and relevant education materials
- Online educational communications
- Clear explanations of these important points:
 - How the benefits offer valuable protection
 - Why the offering shows how much your company values its workers
 - Why these benefits offer more affordable protection
 - When to sign up — so employees don't miss out on enrollment

Unless otherwise cited, all statistics in this study are from the following Unum study: "Employee Education and Enrollment Education Survey," January 2010. Results based on an online survey by Harris Interactive of 939 employed adults with benefits from a variety of providers.


1,4 Towers Watson, "2008/2009 WorkUSA Report," 2009.

2,3 The Conference Board, "I Can't Get No...Job Satisfaction, That Is." Research Report #1459-09-RR, Jan. 5, 2010.

5 Manage Smarter, "Learning Your Way," by Suki Reed, July 02, 2007.

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