



Leveraging HR Communications Technology to Execute on Strategic HR Business Initiatives

By Barbara Levin, Enwisen

In summarizing several recent surveys by HR professional organizations, it has become clear that to not only survive – but also *thrive* – in today's volatile business environment, companies must successfully execute on four key HR business initiatives:

- Reduce the cost of healthcare for employers and employees.
- Retain high-performing and high-potential employees.
- Do more with less across all levels of the workforce.
- Push responsibility for day-to-day work/life events out to employees and managers while mitigating compliance-related risk.

We've found that customers who provide personalized, Web-based HR, benefits, and total compensation communications solutions across the workforce – and deploy these solutions both tactically *and* strategically – achieve high levels of success in executing on these initiatives.

The Strategic Deployment of HR Communications Solutions

In the past, many companies viewed HR communication tools as “strictly tactical” – providing access to SPDs and policy handbooks via the intranet. While this was a good first step towards succeeding on the four key initiatives, it covered only a small percent of the key benefits – and ROI – that are truly possible. It also often lacked any

connection to other self-service initiatives, with most communication tools delivered separately and “out of context” to the transaction.

When companies deploy HR communications solutions *strategically*, it means that every member of the workforce – employees, managers, HR professionals, executives – has “on demand,” 24/7 access to “in context,” personalized information and decision tools to support a wide variety of work/life events, and help them make more informed, and smarter choices.

It also means that HR communications are tied to critical self-service transactions by making personalized, role-based content available on a seamless, “just-in-time” basis *during* the transaction.

Let's look now at how the tactical and *strategic* implementation of Web-based HR communications solutions gives companies a powerful tool to execute on the four key HR business initiatives.

Reduce the cost of healthcare for employers and employees

From a tactical level, Web-based HR communications tools reduce the cost of healthcare via elimination of print-

ing, open enrollment tours that decrease calls to HR, and the like.

From a strategic point of view, however, consider this: The number one concern today of both employers and employees is the rising cost of providing health benefits. Healthcare industry thought leaders agree that consumer-driven health plans, such as HSAs, can lower the cost of providing/receiving health benefits.

These same experts also agree, however, that for CDHPs to achieve cost-reduction goals, companies must facilitate adoption by educating and engaging employees – providing information and tools to reduce concerns, increase understanding and drive smart decisions.

We help companies with a Web-based CDHP module that provides employees with *personalized* plan summaries, educational tours, cost calculators and HSA contribution modeling tools. Studies show that by using these types of tools, initial adoption can increase from three to four percent to as high as 10 percent, with rates as high as 30 percent in the second year. And it is at the 25-30 percent adoption rate that real cost savings can be achieved.

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Retain high-performing and high-potential employees

A recent survey indicated that 64 percent of employees say that their non-cash benefits are more important in determining overall job satisfaction than cash salary. And yet, the same survey indicated that only 32 percent of employees fully understand the value of their benefits.

To promote understanding, awareness and satisfaction with total rewards – several vendors offer online total compensation statements that provide every member of the workforce with an “on-demand,” personalized view of their total compensation package. Some solutions, for example, can be used annually, quarterly, or most strategically – every payroll period, and can include real-time stock option valuation and retirement calculators.

One globally known Internet company, achieved the following after launching total compensation:

- Hundreds of e-mails from employees expressing a first time, “true understanding” of their benefits and increased appreciation for all that the company did for them;
- A measurable reduction in turnover; and
- A large spike in 401(k) participation.

And, when the company made the decision to charge employees for benefits co-pays for the first time, there were “very minimal” complaints, which the VP of global rewards attributes to, in part, a greater understanding of the cost and value of benefits provided by the company.

Do more with less across all levels of the workforce.

One of the original goals of employee self-service (ESS) applications was to help companies “do more with less” – allowing employees to complete many day-to-day work/life event transactions on their own. Unfortunately, the true benefits of ESS have not been fully realized. This is because there is

too often a lack of content to support the completion of transactions.

But online HR communications tools, when deployed strategically – in this case, with seamless, “just-in-time” ESS integration – can help companies finally realize an increased usage and ROI on their ESS investments. Human Resources communication knowledge centers contain a broad range of up-to-date, accurate and personalized information, such as:

- detailed answers on all benefit plans and company policies;
- decision support and modeling tools, such as calculators and plan comparisons;
- tours for work events, such as enrollment and onboarding; and
- step-by-step guides through life events, such as having a baby or getting married.

Monica Barron, former HCM research director for AMR research, in a report on ESS, said, “... with basic ESS, employees may have questions that prevent them from completing transactions ... HR and benefits content, delivered via a personalized, dynamically generated knowledge base, can increase usage levels and effectiveness of ESS systems ... ”

A well known national Timber producer, realized a first-year savings of almost US\$400,000 *just* from eliminating printing, calls to HR, site visits and other resource-intensive steps in annual onboarding costs. And another customer, a global manufacturer of skin-care and beauty products, was able to redeploy their already short-staffed HR staff to more strategic work when employees started to find answers to their own questions online.

Push responsibility for day-to-day work/life events out to employees and managers while mitigating compliance-related risk.

To maximize productivity, companies today realize that they *must* push the responsibility – and accountability – for day-to-day activity out to employees and managers. Indeed, most employees view their manager as the first point of access for HR information.

Additionally, for companies to achieve maximum employee performance, previously annual events – such as performance reviews – need to happen “dynamically” year-round.

With these benefits, however, come the risks associated with line managers – who often do not understand corporate policies nor the full range of employee-related compliance issues – taking on more roles in “self-service” mode, such as recruiting, conducting performance reviews, approving/denying leaves or giving raises and bonuses.

And the risk is not small. According to The Chubb 2004 Private Company Risk Survey, 26 percent of executives at privately held companies reported that an employee or former employee had sued their company, and 22 percent reported having an employee file discrimination or harassment complaint with the U.S. Equal Employment Opportunity Commission or state agency during the past few years.

But by strategically deploying HR communications tools for employees and managers – with personalized content on compliance, policies, managing people and more, integrated “in context” – the full benefits of self-service can be achieved while mitigating the risk.

Conclusion

When “old generation” HR knowledgebases were first introduced, they were widely perceived as a “nice to have” – not mission critical and far too expensive to deploy and maintain for

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the majority of companies.

But the role of HR communications has become significantly more strategic, and mission critical to the successful execution of key business initiatives. And with the new generation of Web-based HR communication solutions – which are affordable for companies of any size – those companies who deploy these tools both tactically and strategically cannot only survive, but also thrive.

About the Author



Barbara Levin is the vice president of marketing for Enwisen, and has 20 years experience in HCM software marketing and product strategy. Enwisen

is a leading provider of Web-based HR, benefits and total compensation communications solutions for employees, managers, HR professionals and HR service centers. Enwisen was the first vendor to provide HR communications tools in a Web-based, “software as service” model – making these strategic solutions affordable for companies of all sizes and across all industries. Prior to joining Enwisen, she was the president of Barbara Levin Marketing Associates, where she contributed to the start-up marketing success of industry leaders such as PeopleSoft, Ramos & Associates, which became the ERP branch of CTP and SuccessFactors. For more information, visit Enwisen on the Web at www.enwisen.com.

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