



Benefits Briefing VOLUME 10

Perspectives on Current Offerings and New Choices
from a Survey of Employers & Brokers (Q4, 2009)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in late October and early November 2009, to understand its members' interest and experience regarding important employee benefits and some new approaches to the kinds of choices employers and employees may have in the near future.

The information in this report is based on an online survey taken by 126 brokers and 71 employers.

The following pages include findings from brokers and employers regarding their perspectives on

- Uses of social media, and
- A proposed absence management program.

Executive Summary

This Briefing includes insights from brokers and employers with regard to Social Media activities – both personal and professional.

- Reading customer ratings/reviews of products or services is the most common personal use of social media among *both* brokers and employers in the past month.
- Other top personal uses include: updating/maintaining a profile on a social networking site and visiting social networking sites.
- When it comes to using social media for business, the top activity among both groups is reading online forums or discussion groups, followed by reading customer ratings/reviews of products or services.
- Results suggest that both brokers and employers are currently using social media more for personal uses than they are for business purposes.

Brokers and employers also provided feedback on an Absence Management concept that would track various employee leaves.

- When presented with an Absence Management concept, brokers respond favorably to this idea, while employers tend to be less sure and more neutral in response to the idea.
- Brokers say they are more likely to recommend this program to larger clients than smaller ones.
- When we asked brokers and employers which leaves of absence are most important, FMLA was at the top of list among both groups, followed by company medical leave.
- Both brokers and employers name email as their preferred method of transmitting an employee census/eligibility file if they were to implement such a concept with a third party provider.

Social Media

We asked both brokers *and* employers about the use of social media for personal uses versus business uses.

Social Media Activities for Personal Purposes

First, we asked brokers and employers about activities they've performed online for **personal** reasons in the past month.

The **results between the two groups were almost identical**. The most common activity performed in the last month was *reading customer ratings/reviews of products or services*, named by roughly two in three brokers and employers.

Also, among both groups, about half say they have: visited social networking sites, updated/maintained a profile on a social networking site (e.g. Facebook) and/or watched a video from other users.

This seems to indicate that social media is still mainly used for gathering information –watching videos or reading reviews, for example as opposed to other activities asked about such as publishing/updating blogs and/or web pages.

The table below shows the percentage of brokers and employers using various types of social media in the past month.

Top Social Media Activities Among Brokers and Employers
For Personal Uses

Activity	Brokers	Employers
Read customer ratings/reviews of products or services	66%	65%
Update/maintain a profile on a social networking site (e.g., Facebook)	52%	54%
Visit social networking sites	52%	51%
Watch video from other users	48%	48%
Read online forums or discussion groups	42%	38%

Social Media Activities for Business Purposes

Then, we asked brokers and employers about activities they've performed online for **business** reasons in the past month.

What is social media?

Wikipedia defines social media as “online content created by people using highly accessible and scalable publishing technologies. At its most basic sense, social media is a shift in how people discover, read and share news, information and content. It’s a fusion of sociology and technology, transforming monologues (one to many) into dialogues (many to many) and is the democratization of information, transforming people from content readers into publishers. Social media has become extremely popular because it allows people to connect in the online world to form relationships for personal, political and business use.”

Basically, it’s a term used to refer to web sites, blogs, chat rooms, message boards, on-line forums where users provide content for discussion. The topics of discussion could cover personal or professional issues. Some examples of Social Media include Facebook, LinkedIn and Twitter.

Social Media Activities for Business Purposes (cont.)

When it comes to using social media for business, brokers and employers are similar in some ways and different in others.

The **top two most popular business activities are the same** for both groups - *reading online forums or discussion groups and reading customer ratings/reviews of products or services*.

Differences are seen beyond that. Not surprisingly, brokers seem to be more involved with networking sites for their business – about one-third have updated/maintained a profile on a social networking site and/or visited a social networking site in the past month, compared to about one-fifth of employers. Yet, employers are more apt to be gathering information by reading blogs than brokers are.

The table below shows the percentage of brokers and employers using various types of social media for business uses in the past month. Bolded numbers show areas of difference.

Top Social Media Activities Among Brokers and Employers For Business Uses

Activity	Brokers	Employers
Read online forums or discussion groups	51%	48%
Read customer ratings/reviews of products or services	36%	31%
Update/maintain a profile on a social networking site (e.g., Facebook)	34%	21%
Visit social networking sites	33%	18%
Listen to podcasts	26%	24%
Contribute to online forums/discussion grps	25%	24%
Read blogs	20%	28%

Comparing Personal Vs. Business Uses

In comparing both brokers' and employers' use of social media personally vs. professionally, it seems that social media is still mainly **a personal past-time**. While brokers and employers are using social media in their business practices, most activities (with the exception of reading online forums and discussion groups) have been used substantially more for personal uses than for business purposes.

Top social media sites

Last quarter, we asked employers and brokers about types of social media they use.

About three-quarters of brokers said they use social media and the top site used (by a wide margin) is LinkedIn. The next most popular site was Facebook.

Roughly seven in ten employers reported using social media. Similar to brokers, LinkedIn and Facebook are the top two most commonly used sites.

Absence Management

Concept Test: Views on an Absence Management Concept

Participants were given a description of an Absence Management program concept (see description in left panel of this page) and asked their opinion of it.

Overall, brokers have a positive reaction to the concept. When asked their agreement with various statements, **more than one-third of brokers strongly agree** with the following statements:

- If a group disability insurance carrier added this program to their benefit offering, I would likely recommend this program to my clients.
- If a group disability insurance carrier added this program to their benefit offering, it would positively impact my feelings toward this carrier.
- My clients would be interested in getting this program from a group disability carrier.

Employers tend to be neutral on the concept. When asked their agreement with various statements, **about half did not strongly agree or disagree** with the following statements:

- If a group disability insurance carrier added this program to their benefit offering, it would positively impact my feelings toward this carrier.
- My company would be interested in getting this program from a group disability carrier.

This difference in views between brokers and employers may suggest that an education gap exists. This presents an opportunity or perhaps a need for brokers to inform and educate their clients in the area of absence management.

Benefits & Obstacles of Concept

We asked participants – both brokers and employers – about the key benefits and obstacles of this absence management program concept.

Both groups most commonly cite the following as **key benefits**:

- *Ease of administration, frees up HR staff for other things*
- *Fills a need – many companies don't have anything in place to track absences*
- *Helps manage costs / could save money*
- *Helps with compliance of regulations*
- *It's additional or value-add*
- *Manages all leaves – paid and unpaid*
- *Provides consistent, unified data*
- *Tracks productivity / maximizes productivity*

An Absence Management Program Concept:

A program that helps employers maximize workforce productivity by providing a unified approach to track and manage various employee absences (planned and unplanned).

Talking about Benefits

Here are Brokers talking about benefits of the concept:

"It would provide an additional benefit to the employer without having to go to another vendor. Key benefit would be consolidation of billing, ease of administration."

"This is a difficult issue for many clients and the solutions so far have been piecemeal. Pulling it all in to one spot, getting help to keep track, will be a benefit to my clients."

Here are Employers talking about benefits of the concept:

"It would provide an organized way to track and record absences. It could possibly save time for the HR department."

"It provides assistance for ensuring that companies comply with the complex and various legal requirements regarding employee absences."

Talking about Obstacles

Here are Brokers talking about obstacles of the concept:

"I don't think employer groups are as interested in "bells and whistles" in their benefit policies right now as they are in cost. The cost of the policy would still be the buying trigger - with the absence management program as a nice perk."

"Another program to implement that if not managed properly could cast a negative light on our role as the broker."

Here are Employers talking about obstacles of the concept:

"Would the data be housed through the carrier? If so, if I leave the carrier, can I take my data with me? How reliable are their processes? Are all bugs worked out?"

"Loss of direct, personal contact with employees who will not understand the meaning of all the absence programs and the onerous, duplicative administrative burden placed on them and their doctors."

Benefits & Obstacles of Concept (cont.)

Cost was the top concern among brokers, more so than mentioned by employers. Common **concerns and obstacles** named by both groups include:

- *Additional time to manage*
- *Complications of involving another party, disconnect from employees*
- *Many employers have a program in place currently*
- *Needs differ depending on size of client/ employer*
- *Privacy concerns, 'big brother' watching*
- *Problems related to transitioning to the program, implementation*
- *Would have to be well managed*
- *Would make it difficult to change carriers*

By Size of Clients

We asked brokers how likely they would be to consider recommending this absence management program to clients of various market segments.

Brokers are most likely to recommend this program to **larger clients**. The likelihood of recommending this program increases with client size, ranging from a low of 18% being very likely to recommend to clients with less than 100 lives to a high of more than half (59%) being very likely to recommend to clients with 1000+ lives.

The table below shows the percentage of brokers who say they are very likely to recommend this concept to their clients in certain size markets.

Likelihood of Recommending

Those saying 'very likely'

Market	% of Brokers
Clients with less than 100 lives	18%
Clients with 100 – 299 lives	31%
Clients with 300 – 499 lives	37%
Clients with 500 – 1000 lives	50%
Clients with more than 1,000 lives	59%

Most Critical Leaves of Absence

We provided brokers and employers with a list of fourteen types of employee absences and asked them to rank the top five in importance. We asked brokers to answer based on importance to clients with less than 500 lives.

Most Critical Leaves of Absence (cont.)

Both brokers and employers think **FMLA (Federal and State)** is the most critical type of leave, with 71% of brokers and 52% of employers ranking FMLA as #1 in order of importance.

The table below shows the top types of leave based on cumulative totals. Again, the vast majority of brokers and employers rank FMLA in the top five most important types of leaves. They both also rank company medical leave as high in importance.

Beyond that, some differences are apparent between the two groups (shown in bold in the table below). Brokers tend to rank paid time off and personal leave in the top five, while employers are more likely to rank vacation and incidental sick days as most critical.

Top Types of Leaves

Percentage of Brokers and Employers Ranking Item in the Top 5

Type of Leave	Brokers	Employers
FMLA/Federal and State	91%	79%
Company Medical Leave	62%	58%
Paid Time off	59%	35%
Personal Leave	59%	44%
Vacation	46%	59%
Incidental Sick Days	44%	52%

The differences in the chart above may indicate a need for increased communications between brokers and employers on the topic of employee leaves.

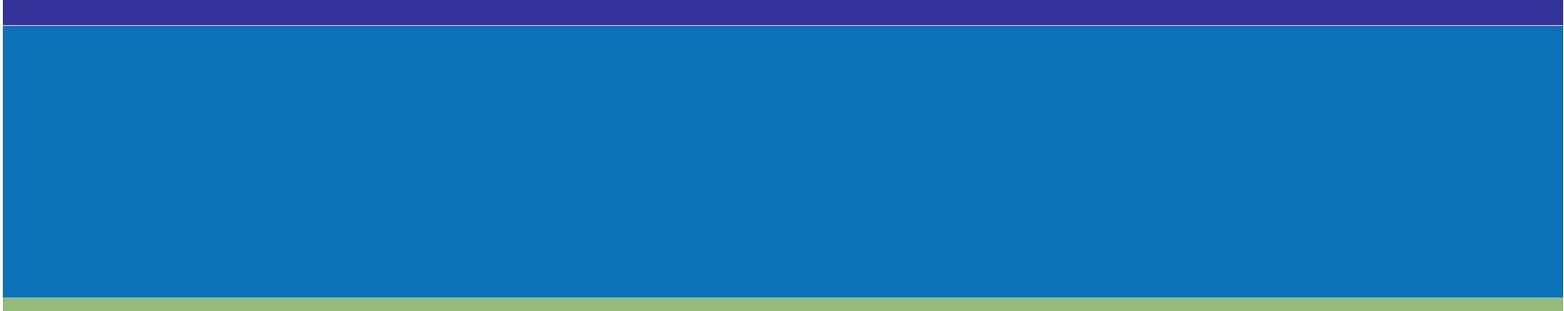
Eligibility File Transmission Methods

As part of a program like this Absence Management concept, employers must provide a complete employee census/eligibility file to the disability benefits carrier.

When we asked both brokers (of clients with 500 or less lives in mind) and employers about their preferred method for transmitting such a file, **the top choice was via email** – named by 70% of brokers and 58% of employers. Interestingly, roughly one-third of employers favor a website as their preferred transmission method, while 17% of brokers say website.

Did you know...

Most employers (73%) think that their company's current documentation of leave policies and procedures is excellent or good. Only 27% say fair or poor.



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