

Benefit Insights

Upgrading Your Employee Talent Levels

Financially healthy organizations interested in upgrading their talent are finding themselves in “prime time” during the first quarter of 2010. Across the globe, employers are cautiously optimistic about hiring. This optimism coincides with the entrance of top performers into job market, many of whom are victims of the economic downturn that began in 2008. Some are unemployed but very employable. Others are working while seeking new positions that will allow them to learn and grow. So what will your organization’s hiring strategy look like? While every situation is different, a good general plan for hiring top performers should include some or all of these considerations:

Hire workers who will become key to your success in the near-term, and who can grow to contribute to that success in the future.

- Hire workers with skills that are hard to find.
- Hire workers who fit your culture.

A good first step in finding skilled jobseekers who match your needs is to use the Total Person Assessment, also known as the ProfileXT®. This assessment helps you hire in the short term while focusing on long-term needs.

The PXT is called the Total Person Assessment because it evaluates thinking and reasoning skills, occupational interests and behavioral traits, and JobFit™ technology gives clarity to its measurements. This helps in selecting employees as well as managing them. When team leaders are assured of job fit, they can train, coach, manage and promote the right people from within when positions open up.

Just as importantly, PXT helps predict job suitability, and it accurately matches people with the work they do. This helps leaders understand future talent demands and assess current talent inventory.

Organizational leaders often tell Profiles about their successes in using PXT for initial job placement, evaluating the best person to promote, succession planning, coaching and self-improvement. Its variety of reports helps employers solve the challenges of high turnover, poor training, organizational identity confusion, conflict and profitability issues.

If you are a leader ready to capitalize on the talent available, you should first envision success, then devise a plan that will help you achieve it.

1. According to the Department of Labor, there were nearly 6.4 available workers for each available job at the end of November 2009; up from 4.8 in May 2009.
2. External hires cost about 20-30% more than internal hires
3. Nearly 1/3 of all resumes contain false or exaggerated information
4. One-third of employers plan to add technology jobs, while 28 percent said they would add customer service jobs and 23 percent said they planned to increase their sales force.
5. Fifty-seven percent of employers expect to see higher salaries for existing employees in 2010, down from 65 percent in 2009. Also, 29 percent plan to increase salaries in offers to new employees, down from 33 percent in 2009.
6. Many employers -- 37 percent -- said they plan to take advantage of the large labor pool and replace low-performing employees in 2010.

Did You Know?

The survey below was conducted online for CareerBuilder.com by Harris Interactive from November 5 to November 23. The overall results had a margin of error of plus or minus 1.88 percentage points.

continued on page 2

The Elan Group, Inc. is pleased to present you with the next edition of our corporate newsletter. We hope the articles in this and future editions will provide insight into an array of financial matters, and we urge you to contact us with questions and comments. Our firm works in the areas of insurance, investment, benefit planning for individuals and corporations and permanent employee placement. Our goal is to provide excellent service, competitive pricing, and products tailored to meet the special needs of each client.



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Use Voluntary Benefits to Offset Negative Reaction to Benefits Cutbacks

All successful companies face the challenge of attracting and retaining the best employees. Even in an economy with widespread workforce reductions and a job market that favors employers, salary freezes, bonus eliminations and benefits cutbacks make it more difficult to motivate employees and maintain their loyalty. Though disgruntled employees may stay on board for as long as tough economic times persist, when conditions improve they'll begin to get their resumes in order and explore other opportunities. That's one reason why it's important to maintain a competitive benefits package, even during times when employees aren't actively looking for new employment.

However, with employers feeling the economic pinch as much as employees, funding a comprehensive benefits program might not be within all companies' budgets. When the economy forces benefits cutbacks, voluntary benefits can play an important role in filling gaps and helping a company maintain competitive benefits offerings.

Suppose, for example, rising health plan costs force you to choose between allocating limited benefits budget dollars to the health and dental plans along with a significant cost increase to employees, or directing all of these dollars to the health plan and eliminating the dental plan. A voluntary benefits program gives you another option: Continuing to offer employees access to a dental plan, but on a voluntary basis. Employees will pay the full premium, but at a discounted rate since the plan is offered on a group basis. They also have the convenience of payroll deduction, and the option to pay premiums pre-tax, a money-saving measure that would not be available to them if they'd had to purchase the coverage

on their own. The group pricing and tax-savings potential give employees access to benefits coverage that they otherwise may not have been able to afford.

Whether the pre-tax savings opportunity is available will depend on the type of voluntary benefit—for example, while dental, vision and supplemental medical premiums can be paid for with pre-tax dollars, certain types of life insurance and products like group auto insurance, group homeowners insurance and group legal cannot. But even when pre-tax payment is not available, employees will likely gain substantial savings from the discounts of group purchasing.

Along with the types of benefits mentioned above—dental, vision and supplemental medical, and group auto insurance, group homeowner's insurance and group legal—common voluntary benefits offerings include supplemental life insurance, disability insurance, and financial planning.

In addition to filling gaps in coverage, voluntary benefits also are a great way to be responsive to the varying needs of today's diverse workforce, and enable your company to offer employees access to an array of benefits that few employers would be able to finance on their own.

Since it's important to offer voluntary benefits that are most likely to be well-received by employees, look both at what coverage gaps exist in your company's core benefits program, and at employee demographics to determine which voluntary benefits offerings are most appropriate. Employee focus groups and employee surveys also can be useful information-gathering tools in selecting the voluntary benefits that would be the best fit for your workplace.

continued from page 1...Upgrading Your Employee Talent Levels

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Contact The Elan Group today to find out how PXT can help build a stronger organization.

HSA-Linked Consumer Driven Health Plans Are Hotter than Ever

If you're not already offering HSA-linked consumer driven health plans, it may be time to jump on the bandwagon. These health plans continue to skyrocket in popularity and still remain the number one CDHP of choice, according to a November 2009 survey by Aon Consulting and the International Society of Certified Employee Benefit Specialists.

According to the Aon Corp. survey, which included 370 respondents, 44 percent of employers now offer CDHPs to their employees. That's up a whopping 16 percent from 2006. Of those employers that offer CDHPs, 54 percent offer HSA-linked plans, 35 percent link to health reimbursement plans and 9 percent use both methods.

However, there's no question that the HSA model is winning the popularity contest in the CDHP arena. The survey shows the number of employers offering HSA-linked CDHPs has mushroomed to 56 percent, up from 48 percent in 2006.

What's all the fuss about?

As demand continues to soar, it's clear that employers and employees alike adore these HSA-linked consumer driven health plans. But why? It's probably because these innovative health plans provide a smart, cost-effective solution for employees seeking top-notch health insurance.

HSA-linked CDHPs offer countless advantages to your employees, including:

- Consistently lower premiums than HMOs, PPOs and other plans

- Lower renewal rates
- The ability to fund an HSA with premium savings (At the end of the year, any money remaining in an employee's HSA is theirs to keep!)
- Valuable tax benefits (Money deposited into an HSA is tax-free and tax deductible, and funds in an HSA earn tax deferred interest.)
- It gives consumers more control over their health care

All the rage

Considering all these benefits, it's no wonder why CDHPs coupled with HSAs are hotter than ever. An incredible 63 percent of employers say that more than 10 percent of their workforce is currently enrolled in a CDHP, according to the Aon Corp. survey.

The survey also shows that 66 percent of employers contribute money for CDHPs linked with HSAs-that's up from 60 percent in 2007. Of those employers that contribute, about 15 percent contribute less than \$500 per employee, 45 percent contribute \$500 or more and only 6 percent match their employee's contribution.

As a matter of fact, these consumer driven health plans are so fashionable that many employers are completely replacing their health care plans with CDHPs. About 17 percent of surveyed employers have already made the switch, and experts say that number will increase in the coming year.

continued from page 4...Employees Value Workplace Benefits More Than Employers Realize

employee-paid. More than one in four (41%) said their workplace benefits were the "foundation" of their personal safety net, and a majority (51%) reported that they obtain most of their financial products through the workplace. Additionally, 56% said recent economic events have caused them to have a greater appreciation of their workplace benefits, and 46% said economic conditions have caused them to take a greater interest in understanding the employee benefits available through their employer-statistics that may indicate employees are more open than in the past to company efforts to engage them in benefits consumerism and personal responsibility.

More than company culture or advancement opportunities, employees cited benefits as an important factor in their loyalty to their employer. According to the survey, 75% of the employees said health benefits were an important factor in their loyalty to the company, while 72% said this about retirement benefits and 69% said this about other insurance benefits. Smaller percentages cited advancement opportunities (57%) or company culture (50%) as reasons to be loyal to their current employer. Interestingly, employ-

ers severely underestimated the influence of benefits on employee loyalty:

	% Employees Agreeing	% Employers Agreeing
Health benefits influence	75%	59%
Retirement benefits influence loyalty	72%	40%
Other insurance benefits influence loyalty	69%	41%

The message in these two surveys is clear: Benefits are an essential strategic investment for employers. Though most employers spend generously on providing an employee benefits program, this "investment" doesn't always have to involve a large capital outlay. As noted above, employees place great value even on those benefits that they pay for in full, meaning that voluntary benefits-as well as traditional plans-can garner the kind of positive employee response that results in a more loyal, motivated workforce.

Employees Value Workplace Benefits More Than Employers Realize

Employee benefits long have served as a recruitment, retention and loyalty-building tool for the companies that offer them. However, even as employers make benefits programs available to employees, research indicates that they underestimate how very valuable these programs can be, both for employees' well-being and as a means to solidify the company-employee bond during tough economic times.

Just how much do employees value their benefits? According to a study from Sun Life Financial, employees value their total benefits offerings more than cash, even in a tough economic environment. The nationwide study asked employees to assume they had access to adequate medical insurance, and then to rate the value of certain other benefits, along with cash. Specifically, the survey respondents were to allocate a total of 100 points across seven benefits areas-401(k)/retirement plans, dental insurance, vision insurance, long-term disability, short-term disability, life insurance and long-term care insurance-and cash, based on how much they valued the

specific benefit, or the cash. Only 33% of the survey respondents assigned a value greater than zero to cash; in contrast, more than 70% allocated a value greater than zero to each of the other six benefits.



Of the types of supplemental benefits evaluated in the study, those garnering the most points were dental insurance, 401(k)/retirement plans, vision insurance and group life insurance. However, nearly half of the respondents allocated at least some of their points to six or more benefits, indicating that they value a broad combination of benefits.

Similar findings appear in MetLife's most recent annual Study of Employee Benefits Trends.

According to this survey, faced with tough economic challenges, employees place more value than ever on their benefits, and increasingly look to the workplace for help in controlling their finances and their personal and financial risks-even if the workplace benefits that help them achieve this are fully

continued on page 3



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