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Keeping Valued Employees in Today's Tight Labor Market

by Kevin Hassey

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Once a year, Ron Saia, human resources manager of Hayes Lemmertz International's Berea operations (which has 150 employees and over 15,000 worldwide), conducts a survey of some 20 companies in the general area of the Berea, Kentucky, facility. This information primarily covers wages and benefits and is shared with the participating companies. “It's a way for us to keep our finger on the pulse of the community in terms of what workers are being offered,” Mr. Saia explained. “Knowing what comparable companies are doing is very helpful to us as it enables us treat employees fairly and to be competitive on the human resources side.”

The company is always looking for ways to make its benefit package more attractive, more complete, as if each new addition were a piece of a puzzle that when put together presents a picture of a satisfied employee. “We have many of the standard benefits, plus dental and vision,” Mr. Saia said. “Our goal is to provide our employees with competitive salaries and benefits in order to make this a good organization to work for. The vision care program that we recently added is at no cost to employees.” Adding vision, he noted, was a logical extension of taking care of our people's needs. “We felt it was missing from our package and that it would make a nice addition. We knew employees would appreciate it. It's a given that if you don't give employees a competitive salary or provide them with meaningful benefits, you're going to have turnover.”

Republic Builders Products Company in McKenzie, TN, also believes in the importance of a good benefits package. HR benefits manager Kay Wood periodically surveys workers to determine what their needs are. “There are a fair number of companies in the area that are in line with us in terms of compensation, so the more we can bolster benefits, the better off we are,” Ms. Wood said. A couple of years ago a generous dental plan was added, and vision care was introduced earlier this year. “What's good about these two benefits is that they are fairly cost effective. Costs are pretty much fixed so, to a certain extent, we know what to expect and they don't impact our bottom line that much.”

The vision care plan is fully funded by the company and came about as a result of one of the surveys. Previously, eye care had been part of the company's medical, but there was a deductible involved. "Too many times employees had not met the deductible so it was coming out of their pocket. We felt there had to be a better way to provide the same benefit without it costing the employee anything." New employees tend to take the vision benefit for granted until they start to use it, Ms. Wood observed. "For instance, most people would put off an eye exam, but now they take advantage of that feature. At a certain age everybody should have their eyes checked regularly. And now that the exams are covered, it's simply good prevention."

A recent study by the Kaiser Family Foundation, a Menlo Park, CA-based charitable organization, indicated that as the cost of health insurance continues to rise, "employers are absorbing a greater portion of the bill" than they did 15 or 20 years ago. Experts suggest a booming economy and tight labor market may be responsible for this trend.

Today, companies of all sizes are hard-pressed to find new ways to stay competitive. The dilemma, of course, is trying to contain costs while at the same time trying to satisfy employees. Just some of the programs underway or under consideration are on-site day care, flex time, telecommuting, counseling services and tuition reimbursement. Studies have shown that employees want these benefits, and those companies that provide some of these services have been successful in retaining employees. For some companies, however, these programs can be difficult to implement, are too impractical for their operations, or are too expensive.

Vision Care: A Viable Option

The types of benefits a company offers quite often have to do with its size. Some surveys point out that only larger firms generally look to add vision care, for example. Any size company, however, can make it affordable if it's structured correctly and at the same time provides the employee with something extra.

What makes a vision care program particularly attractive is the disproportionate cost/value relationship involved. Vision represents, perhaps, one percent of a company's total benefit expenditure, but it can feel like a lot more than that to an employee, especially if a family is involved. It's a fixed cost, but its perceived value far exceeds the actual cost. It's a viable way for a company looking for a relatively cost-

effective way to strengthen its benefits platform to both retain employees and recruit new ones.

Introducing a vision care program is also a way for companies to demonstrate concern for an employee's wellbeing. Since the rise of computers in the workplace, eyes have been under enormous strain. Headaches and blurred vision are not uncommon. According to the American Optometric Association, some 54 million Americans will be getting new eyeglasses or prescription changes each year. It's been well-documented that people who spend an inordinate amount of time in front of a VDT are particularly vulnerable to eye and musculoskeletal problems.

People experiencing vision problems at work for the first time tend to put off doing anything about it for as long as possible, which can lead to a host of eye-related problems that can affect work performance. Access to a vision care program can actually make employees proactive. A plan that covers eye exams, glasses and offers access to a range of professionals helps to overcome this reluctance and certainly positions the company favorably once an employee realizes the extent of their options within a program.

Research shows that consumers prefer a provider network that offers both an optical retailer and independent providers. A good vision plan should be able to provide both, thereby giving the employee the choice. HR professionals note that the ideal situation is for employees to be able to take care of their vision requirements during off-work hours -- evenings, weekends, even some holidays. People have so much to do today between working, running errands, shuttling the kids around, that the program must be flexible enough for them to work around it. It would be counterproductive to lock them into something that wasn't convenient for them to use.

Laser surgery should also be considered as part of a company's overall vision care program. This procedure, called LASIK, has lately been a hot topic of discussion and it's expected that there will be a greater demand for it in the near future. Employees therefore will want to know that there's an option in their plan to have this procedure done at a good value. Industry estimates currently put the number of LASIK procedures at 700,000 per year. Between word of mouth from people who have had the procedure and favorable media coverage, more and more employees will be requesting this benefit, especially as the procedure drops in cost.

Based on experience, once employees have access to a vision care program, they come to realize not just

how valuable a benefit it is, but how important it is as a preventive measure. The American Optometric Association recommends that adults between the ages of 18 and 60 have their eyes examined at least every two years. Just as the annual physical has become a mainstay of medical coverage, a complete eye exam, whether or not correction is needed, will become a much appreciated and integral part of a person's healthcare routine. A number of diseases in their early stages can be detected through an eye exam.

Pressure to Add Benefits

A recent American Management Association survey of HR professionals indicated that retention of existing employees is a very serious issue. In this highly competitive marketplace where the economy is booming and unemployment is low, companies must constantly expand their benefits to both retain and attract sought-after professionals.

Except in those cases where a top-earning executive is swayed with a substantial bonus or stock options, the majority of employees are concerned about benefits. "Employees are much more knowledgeable today than ever before," noted one HR manager. "They want to know all the details of a medical package. Is there vision? Co-pays? Dental? What future benefits are planned? They're smart and they're in the driver's seat. They know what's out there, what companies are offering, and that puts them in an excellent bargaining position."

The bottom line is this: employees no longer see their jobs in terms of salary. An overall compensation package that includes benefits -- and those benefits can represent thousands of dollars -- is what separates one company from another in today's marketplace.

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