

It's a Benefits Bonanza at Principal Financial's 10 Best List

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Competitive salaries with specialty perks translate into low turnover rates, according to Principal Financial Group's 10 Best Companies for Employee Financial Security.

For several years, Capital District Physicians' Health Plan Inc. has earned top rankings from various nationally known organizations for the commercial plans it offers companies in New York state. This year, the company has been lauded for the benefits it offers employees, too.

Benefits comprise 30 percent of employees' total compensation package at the Albany, New York-based health insurance plan company. Compare that to the national average of benefits comprising 11.8 percent of total compensation, according to a June U.S. Bureau of Labor Statistics report.

Nearly all of the 1,000 workers take advantage of the company 401(k) plan, have access to individual financial advisers each month, can take unlimited free fitness classes and can eat for free at work. Other benefits include concierge services, telecommuting and flex time.

"We are always rated highly on our customer service," said Scott Klenk, Capital District's senior vice president. "We know we wouldn't have that level of customer service if we didn't have that for our employees as well."

Capital District is one of a handful of companies nationwide to receive Principal Financial Group's [10 Best Companies for Employee Financial Security](#) award for 2013. The winners, all small- to midsize companies with 1,000 or fewer workers, are from diverse industries but have a common belief about the value benefits, said Luke Vandermillen, a vice president at Principal Financial.

"The winners all believe that benefits are an investment in their employees' security, and that investment is great for the company," Vandermillen said.

Competitive salaries with specialty perks translate into low turnover rates. The average rate for Principal's winners is less than 5 percent compared with the 21.1 percent national average. Capital District Physicians' turnover is about 11 percent, but, for a company with multiple call centers, it is well below the 30 percent industry average, Klenk said.

"The cost of recruiting alone saves us significant dollars," Klenk said. "This shows that we have employees who like to work here."

Effective communication, but also listening to employee needs, is another common theme among the winners. Some of Principal's 10 Best have had to make significant changes in their benefits

lineup. Consulting firm Integrated Project Management in Burr Ridge, Illinois, dropped its long-term-care insurance and expanded training and development programs. The Starr Conspiracy, an advertising agency in Fort Worth, Texas, decided its money would be better spent in allowing workers unlimited paid time off.

“Employees value it greatly when you listen to them and tailor a package that meets their needs,” said Kevin Lynch, leadership executive-in-residence at Benedictine University’s Center for Values-Driven Leadership, and one of Principal’s judges for the 10 Best Companies list.

When times aren’t good and certain benefits need to be eliminated, a track record of solid, two-way communication is key, Lynch said. In January 2014, for instance, Capital District Physicians will change up its health care package, where workers will pay 15 percent of their premiums or 5 percent if they see a doctor, sign a nonsmoker agreement and fill out a health assessment form. The company will no longer fully fund employee health reimbursement accounts as well. Previously, Capital District paid 100 percent of premiums.

The company surveyed employees and got input on what was important to them, Klenk said. Because most workers were using the company’s high-deductible plan, Capital District eliminated its exclusive provider organization plan.

“This was a big change, but we didn’t see it as risky,” Klenk said. “We’re pretty attuned to where the market is going. As an insurance organization, this is where we are moving our customer base.”

Capital District’s pullback on benefits is a great example of getting employee input to make the decision that is right for the worker and the company, Lynch said.

“There’s no reason why you can’t talk to your employees about limited resources available and ask them to help you prioritize a benefits package,” Lynch said. “The more employees know what is going on, the better off the company will be when the hard decisions come.