

# A good benefits package builds loyalty and contentment

by Carlton Smith and Brian Stevens

Winning over employees, keeping morale high and building company loyalty are as important to your business's success as a healthy balance sheet. Sure, you've hired good people, but how do you keep them happy and productive?

A competitive salary is a good place to start, but that's just one element in an attractive package. Recent studies show that a key concern of employees is finding the right balance between their life at the workplace and their life at home. In addition, employees are looking towards their employers for help in managing their basic needs such as adequate health care coverage, life insurance and putting something aside for the future.

Management must respond to workers' needs while carefully containing the cost of funding these programs. In recent years, many cutting-edge companies have experimented with creative new personnel ideas. A wide range of programs, from "tele-commuting" to "voluntary payroll deduction," (VPD) have been designed to enhance employee quality of life while boosting productivity.

For some businesses, the nine-to-five grind is a thing of the past. Depending on the nature of the business, it may not be necessary for every employee to work strictly a nine-to-five schedule.

"Flextime" allows employees to select their own starting time (within a range of hours, say, 7 a.m. to 9 a.m.) and then leave work eight hours after their starting time. With two working parents as a norm, "tele-commuting" has become a way for companies to keep valuable employees who otherwise may leave their job. This work-at-home arrangement uses the technology of laptops, fax machines and e-mail to make working outside the office easier than ever.

Before implementing such innovative attendance programs, a survey is a good tool to gauge employee reaction. If it's favorable, the program can be introduced to a select group on a pilot basis, with regularly scheduled evaluations. For the most part, employee feedback on these programs has been overwhelmingly positive and management has maintained or even boosted performance standards.

In the past decade, VPD has emerged as a convenient way of enhancing the range of benefits provided to employees. It's rapidly become one of the most popular ways to buy life insurance and disability income coverage, and it's at home in businesses as diverse as Wall Street law firms and Main Street small businesses. A VPD program can be easily set up using your existing procedures for payroll deduction. A professional agent would then meet individually with each employee to explain the benefits of insurance and the ease with which it can be purchased.

All products purchased through VPD offerings are a smart way to enhance your overall benefits package without draining your budget.

Most people agree that adequate life insurance coverage is a necessity; however, many employees rely heavily on their group plan and don't purchase it on their own. A VPD program affords employees the opportunity to get the coverage they need in a painless fashion.

Because the policy is being offered to many employees, premium rates are gen-

erally quite competitive. Since employees own their policy, it's portable—they can take it with them if they leave the company. If they choose permanent life insurance, along with vital insurance protection, the policy accumulates guaranteed cash values.

As the pool of qualified employees shrinks, employers must go "beyond the nine dots" to attract and retain talented people. Companies perceived as employers of choice are successful largely due to the superiority of their personnel policies and benefits package. To remain competitive, your company may need to re-evaluate existing policy. If a VPD program sounds right for your employees and your firm, you'll want to choose a top-notch insurance company to serve as the provider.

Note: Employee participation in a payroll deduction insurance program is completely voluntary. Since this program is not intended to be subject to the Employee Retirement Income Security Act of 1974 (ERISA), employers cannot contribute to, or endorse any policy offered under this program.