



## The Importance of Building an Employment Brand

### HUMAN RESOURCES

Two of the greatest challenges employers face are recruiting and retaining top talent. This is especially true as the U.S. emerges from the recession. For the first time in several years, many organizations are now able to explore new opportunities and initiatives to enhance and grow their business. As a result, these organizations need to identify and hire employees with the skills and knowledge to fill new roles.

A 2012 study by the McKinsey Global Institute estimated that by 2020, 36 percent of all jobs in the U.S. will require a college education, as compared to 24 percent in 2012. The study also projected that employers in advanced economies could experience a shortfall of up to 18 million college educated workers. This shortfall will create even more competition in the recruitment of top candidates.

In addition, employers face new challenges in retaining top performers. Employees who have waited out the recession are beginning to look for new opportunities. Simultaneously, millennial employees (those born between 1982 and 2004) are seeking out their next challenge – whether inside or outside of the current organization – when they feel that they have learned all that they can. These retention pressures require employers to scrutinize their compensation, training and development, career tracking, and recognition programs. All of these challenges combine to create a new “war for talent.” Employers that will prevail in these challenging times are those that create and effectively communicate a meaningful and comprehensive employer value proposition through employment branding.

## What to Expect When Transitioning Providers

### RETIREMENT

The thought of moving from one service provider to another may be intimidating or overwhelming. It doesn't have to be. If you work with an experienced conversion team, the process should be seamless.

If a plan sponsor is unhappy with its current provider's services and technology, they may very likely want to switch providers. Furthermore, if the plan sponsor feels that participants are not receiving sufficient value for the fees being charged, it may explore the idea of moving to a different provider.

To ensure the transition from the current provider to the new provider happens smoothly, and with little disruption to you and your staff, it is important to keep the following in mind:

- Conversions are typically a 90-day process.
- You will most likely be working with a conversion team of members from your advisor's firm, your provider or both.
- Creating and adhering to a conversion timeline is crucial.
- Constant communication is key. Be sure to set aside time in your schedule to handle a multitude of both regularly scheduled and impromptu phone calls and emails.
- Gather important plan documents that will be requested of you: signed summary document, summary plan description (SPD), most current 5500, adoption agreement and all amendments.
- Your payroll department will play an important role in the conversion. Be

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for highly skilled candidates and need to position themselves as preferred employers. Top candidates have multiple employment opportunities and make employment decisions based partly on their perceptions of an employer's value proposition. A deliberate and well-executed talent acquisition program provides an opportunity to demonstrate an employment brand through job postings, company website, the interview process and onboarding. Employers should give consideration to the following branding strategies:

- The job posting is the first communication to potential employees and should clearly indicate not only the essential functions of the position but also the organization's mission, vision, values and culture. Benefits, perquisites, working environment, corporate philosophy and community partnerships should also be highlighted.
- Postings and communications should follow the same style guidelines as all other marketing collateral and utilize the organization's colors and logo. While wording should always be professional, formality is not required if it would be inconsistent with the organization's culture and marketing strategy.
- Regardless of whether an applicant is successful in obtaining a position with the organization, it is important that he/she comes away from the process with a positive impression of the organization as an employer. Prompt acknowledgment of his/her interest upon receipt of a resume, as well as timely status updates, will create the perception of a professional, organized and responsive organization.
- An employer's website should not only provide information on the services or products that the organization provides, but should also paint a vivid and engaging picture of what it is like to work there. This may be achieved through the inclusion of pictures of employees engaging in community activities, gatherings and celebrations, and training activities. Many organizations also include video content with employee testimonials and office tours to create a "day in the life" experience for candidates.
- Employers should create an interview experience that reflects the structure and values of the organization. For instance, if teamwork and collaboration are highly valued, consider utilizing a team structure within the interview process.
- Recruitment extends into the selected employee's first year by means of an extended onboarding process. Onboarding should be a thoughtful and intentional process through which the newly hired employee becomes acculturated and socialized into the company culture.

Employment branding remains critical after the newly hired employee has completed the onboarding process and the focus turns to retention. To retain top performers, organizations need to evaluate the organization's

compensation, benefits, rewards and recognition, training development, career tracking, work/life balance and succession plan programs, ensuring that they meet the needs of employees and that are competitive in the marketplace. Once an organization has established comprehensive, competitively benchmarked retention programs, these practices must be marketed to current employees through compelling communications. Examples of programs that promote successful internal marketing of the employment brand include:

- The use of individual total compensation statements to communicate the comprehensive value of employment with the organization
- Performance management programs that establish both short- and term individualized training and development plans for each employee and include multiple career track possibilities, fast track/leadership programs and special projects/assignments
- Promotion of work/life balance through such programs as paid time off, wellness programs, flexible schedules, job sharing and alternate workweeks

While employee retention and engagement are valuable outcomes of an effective employment brand, there is another benefit to such programs. Employees who feel that they work for an organization that values rewards talent and achievement become ambassadors of the employment brand to clients, prospective employees and the community.

Top performers want to work for organizations that not only support employee success but that also understand the importance of partnership with the communities in which they operate. This is particularly important for millennial employees, who have demonstrated a strong concern for creating a positive social impact and working with organizations that provide them with a sense of purpose. Community programs may include individual and/or group volunteer opportunities during the business day, local food drives or charitable events, sponsorship of education and training programs, and corporate sponsorship of community service organizations. Community partnership may also serve the dual purpose of providing resources to the community and filling the candidate pipeline. Through participation in activities that positively impact the community, the organization enhances its reputation as a desired employer, a responsible corporate citizen and a strong community partner.

To increase visibility and promote the organization as a preferred employer, many employers participate in organizational surveys such as the annual "Best Places to Work" contest. In addition, candidates and employees can provide their written feedback and perceptions of an organization through websites such as Glassdoor. While it is impossible to ensure that all candidates and employees provide only true and positive feedback regarding the organization, employers should track and consider trends that emerge on websites.

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How does an organization assess its employment brand? As with any other initiative, it is critical to gain the support of top executives. Without this executive sponsorship, any survey of current employees may result in loss of confidence if the results of the survey and a corresponding action plan are not communicated to employees.

The following are suggested steps to assess an organization's employment brand:

1. Evaluate the organization's market position relative to competitors, utilizing feedback from exit interviews, benchmarking studies and websites such as Glassdoor.
2. Survey employee perceptions about the workplace, culture, management and leadership practices, training and development, compensation and benefits programs. However, organizations should exercise caution in choosing to initiate a survey and in developing the questions. For example, inquiring about programs and policies the organization is not able, or does not intend, to change only creates frustration and resentment on the part of employees who participate in the survey. Instead, organizations should ask questions that have meaning to employees and that the employer is prepared to address.

3. Survey community perceptions of the organization as an employer as a community partner.

The process of creating an effective and powerful employment brand begins with buy-in at the most senior levels of the organization. The organization assumes that the company has a clearly defined mission, vision and values. The organization must then determine its preferred identity by asking the same questions utilized in deriving the mission, vision and values: "Who are we?" "What do we believe?" "Why do we come to work each day?" The employment brand should be clear, concise and easy to articulate. The brand should align with the organization's strategic plan. Once established, the brand should be strategically communicated internally to employees and externally to potential employees and the community.

Each organization faces challenges associated with identifying, recruiting and retaining top-flight talent. Companies that include employment branding as an important component of their overall talent acquisition philosophy and organizational strategy will reduce recruiting costs, decrease turnover, increase employee engagement and productivity and have a significant competitive advantage in the new war for talent.



## When is our group health plan required to obtain a health plan identifier?

New rules under the Patient Protection and Affordable Care Act (PPACA) require health plans to obtain a health plan identifier (commonly referred to as an HPID) and to certify that they are conducting certain transactions in compliance with HIPAA's standard transaction rules. Generally, group health plans look to their insurers or business associates to handle these responsibilities. In light of these requirements, employers will need to review their plan obligations and work with insurers and business associates to ensure compliance under the new rules.

The HPID requirement applies to "covered entities" as defined under HIPAA. This means there is no exception for private or public employers (both are subject to HIPAA). The key is typically whether the employer-sponsored health plan is the covered entity or if the covered entity is the insurer (in the case of an insured plan).

For self-insured plans, the employer is generally going to be the party responsible for obtaining the HPID on behalf of the plan. However, many self-insured plans contract with third-party administrators (TPAs) to perform administrative functions on behalf of the plan, including HIPAA compliance obligations, which may include HPID and standard transaction requirements while there is no statutory requirement for the TPA to obtain an HPID on behalf of the plan. Some business associate or service agreements may require the TPA to do so. Employers who sponsor self-insured plans should review the TPA and other service agreements to determine if a TPA or other service provider has contractually agreed to obtain the HPID. Regardless, employers should work with TPAs and other service providers to ensure that the plan promptly and timely obtains an HPID and complies with the standard transaction certifications.

For fully insured plans, the insurer often handles the HIPAA compliance for the plan (unless the plan-sponsoring employer has sufficient hands-on involvement with protected health information, in which case the employer may become responsible for HIPAA compliance). Nevertheless, employers that sponsor fully insured plans should check in with the insurer to make sure the plan is in compliance.

The deadlines for obtaining an HPID are described in the table below:

Type of Plan	Obtain HPID by
Large Health Plan	Nov. 5, 2014
Small Health Plan	Nov. 5, 2015

The deadline to obtain an HPID depends on large versus small health plan status, which is determined by a plan's annual receipts. A large health plan is one with annual receipts of more than \$5 million, whereas a small health plan is one with annual receipts of \$5 million or less. Specifically, the process of determining "receipts" is different for fully versus self-insured (or mixed) plans, as follows:

- Fully insured plans use the total amount premium the plan paid for health insurance benefits during the plan's last full fiscal year.
- Self-insured plans use the total amount paid for health care claims by the employer, sponsor or benefit fund on behalf of the plan during the plan's last full fiscal year.
- Mix of fully and self-insured plans use combined proxy measures to determine the annual receipts.

There are additional requirements relating to the certification of compliance for the plan, along with associated due dates. NFP has a white paper further discussing the HPID requirements. Ask your advisor for a copy.



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