

A Hierarchical Model for Employee Benefits Communication Based on Media Richness Theory

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This report summarizes data stemming from a major research project concerning employee benefits communication and considers whether findings extend to other areas of employee communication. Previous reports addressed in detail an HR managers' survey and an employee survey. This paper addresses six focus groups, comparing results to salient findings from the two surveys and inquiring whether media richness theory, coupled with a hierarchical view of sequential benefits communication needs, offers a suitable approach to this aspect of employee communication. This report also provides quantitative analysis of benefits communication material for readability and comprehensibility. Focus group results reveal an employee preference for a mixed-media approach to benefits communication, leading to a proposed hierarchical model of channel choice based on category of information conveyed. Employees initially express confidence in their medical benefit option choices, but probing reveals underlying confusion regarding option features. Although employees actively seek information through formal channels to aid in option choice, they frequently fall back upon the informal "grapevine" for information not available through other channels. Tests of printed matter show a range of levels from fairly difficult to extremely difficult.

Introduction

This paper summarizes data stemming from a major research project concerning employee benefits communication (Picherit-Duthler & Freitag, 2005; Freitag & Picherit-Duthler, 2004a, 2004b). Previous reports established the importance of this line of inquiry, building the case that increased attention to this component of internal communication is essential to the success and prosperity of the organization. Factors driving the need for this research include the expansion and commensurate complexity of benefit choices for employees, the addition of new media channels permitting more comprehensive communication programs, and increasing diversity of the work force.

Additionally, cited literature and results from this research project clearly

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establish that benefits – and the clarity of attendant communication materials and other communication tools – are extremely important in the recruitment, retention and motivation of quality employees. Earlier reports also cited the profound lack of public relations involvement in the development and conduct of employee benefit communication programs at the organizational level, suggesting that a collaborative approach combining human resources and public relations divisions would better serve the organization. The hope is that this research on one dimension of employee communication will yield insight into other dimensions as well as to the general field of employee communication.

The entire project involved a mail survey of HR directors, six segmented focus groups with employees of one major financial institution, and an on-line survey of all employees of that institution. This paper summarizes the focus groups within the context of salient survey data and provides quantitative analysis of benefits communication material used by the subject institution, employing the Flesch Formula readability test and the Cloze Procedure for determining comprehension of printed material.

Literature Review

A literature search for benefits communication research will produce limited results beyond professional tips, advice and case studies (e.g., Ackley, 1992; Black, 2001; Breuer, 2001; Bruner, 2000; Burzawa, 1999; Gellas, 1995; Vernarec, 1997). That's surprising, because Argenti (1998) reported results from a study of 200 companies concerning key goals for effective employee communication, noting that improved benefits communication was among the top three goals cited. This would suggest there is a genuine need for more rigorous research into theoretical underpinnings that could inform approaches to benefits communication and that effective benefits communication needs to be foundational to any employee communication program. Some scholars have, in fact, argued that public relations, corporate communication, and organizational scholars could effectively move the discipline forward by coordinating and focusing their efforts (Cheney & Christiansen, 2001; Wright, 1995). The authors of this paper bring together management approaches from both organizational communication and public relations perspectives.

Analysis of data for this report is grounded in a theoretical approach based on studies in media richness¹, an approach to analyzing various channels of communication managers might use to communicate with employees. When Daft and Lengel (1984) introduced the idea, they focused on traditional print media and interpersonal channels, but subsequent efforts have expanded the conceptual framework to new media conduits such as the Internet. This line of inquiry attempts to gauge communication channels on a richness-leanness continuum, with face-to-face

¹ Because the original theorists used the term media to refer to channels or conduits of communication, this paper employs the term in the same general sense.

encounters assessed as richer than lean channels, which are characterized by greater distance between sender and receiver and diminished capacity for two-way symmetric communication. Rice (1992) maintained that message complexity should be matched to appropriate communication channel based on richness, noting that the more equivocal the message, the richer the channel required for conveying it. This means that media choice by the sender is likely to affect the manner in which the receiver processes the message, a concept of considerable importance in all dimensions of employee communication, and especially in the area of benefits communication.

Subsequent research extended the theory beyond message complexity to factors of uncertainty and ambiguity, symbolic cues, and determinants such as time pressures and distance (Daft & Lengel, 1986; Trevino, Lengel & Daft, 1990). Fundamentally, the media richness concept identifies face-to-face communication as the richest channel, followed by the telephone, then personal written media such as letters and memos, formal written media such as brochures and fliers, and finally computer-generated messages as the leanest of channels. Much of this research preceded e-mail and the Web, but Markus (1994) suggested e-mail might best be placed between face-to-face and telephone communication. The Web, less capable of feedback than e-mail, would likely be more closely aligned with formal written media and computer-generated messages – fairly lean. This is of concern to benefits managers because organizations are increasingly turning to the Web as the channel of choice, driven by the considerable cost savings generated when shifting from expensive printed materials to Web sites that basically replicate printed matter (Elswick, 2001).

It would be tempting to say simply that benefits constitute a complex issue and managers should strive for maximum channel richness in all communication efforts, eschewing the Web and even printed material in favor of one-on-one, face-to-face encounters. However, practical exigencies preclude such an approach, so a deeper, more realistic approach is appropriate. A mitigating framework is provided by Tane (1987) in his stratification of benefits communication into three distinct levels. He maintains that the initial level involves broadly explaining options in a benefit category, the second level educates the employee on factors affecting his/her benefit choices, and the third level involves assisting the individual employee in assessing his/her situation and making the right choice. For example in the case of medical benefits, the employer would initially explain plan options, stressing the differences among them, using a minimum of legal and medical jargon. At the second level, the employee would need to know what factors might drive the decision to choose one plan over another, such as savings realized as a result of pre-admission testing. Finally, at the third level, the employee needs to be able to assess his/her own situation and match it to the most appropriate plan. Similar hierarchies might conceivably be identified for other employee communication categories such as safety, organizational goals, and policies.

Conceptually, if a matrix of benefit communication channel selections can be diagrammed based on the complexity of the message, a similar matrix might be developed for other components of an employee communication program.

Tane's hierarchical framework, combined with media richness theory, suggests a model of benefits communication that would incorporate increasingly rich media choices as the communication goal moves from basic awareness through factor assessment and ultimately to personal situation analysis. To test such a model in an existing organizational setting, the following research questions were posed:

RQ1: What categories of information regarding benefits are employees seeking, and what channels are they using to acquire that information?

RQ2: What channels of communication used by management to convey benefits communication, at each of the three levels, do employees find most effective?

RQ3: Are employees satisfied with the current approach to benefits communication, confident in the correctness of their benefit option choices, and able to demonstrate their level of knowledge?

A final area of inquiry for this report concerned the comprehensibility of printed benefits materials. This was included to potentially help illuminate employee responses in regard to their self-reported and actual knowledge of benefits-related information.

RQ4: What do standardized assessment metrics reveal about the readability and comprehensibility of benefits communication materials?

Method

The first part of the project was a survey of 572 HR directors of large organizations in a major southeastern U.S. metropolitan area. The mail survey resulted in 155 usable surveys – a response rate of 27%. The 4-page instrument asked HR directors close-ended questions regarding assigned responsibility for benefits communication, media and methods used, assessment of employees' decision making comfort in regard to benefit options, and perceived value of benefit packages to the well-being of the organization. Following the HR survey, and to inform construction of the employee survey instrument, as well as to provide narrative richness in explication of survey data, six employee focus groups were conducted. All employees represented a Fortune 100 financial management institution, and all participants were computer literate to varying degrees, but likely at a higher level of technical sophistication than average organizations. Panels were stratified by several demographic categories: Focus group one included only top-level managers; group two featured mid-level managers; groups three and four were a mix of rank-and-file employees; group five included women only and combined mid-level management and

rank-and-file employees; group six was limited to employees for whom English was a second language.

Focus groups were held during the noon hour on normal work days on the campus of the financial institution over a two-week period. Participants numbered from 6-12 for each group. An experienced narrator moderated the groups using a prepared guideline, while a note taker recorded key points. Additionally, sessions were audio recorded and later transcribed. Participants received lunch and a gift (a coffee-table art book) as incentives. Each signed a consent form and was assured anonymity.

The employee survey was Web based, using the intranet site of the regional headquarters of a major financial management institution. The 880 employees received e-mail instructions along with a link to the survey site. This approach led to 226 usable responses – a 26% rate. The survey asked employees to report the channels of communication they employed when selecting a health/medical benefit option, what channels they would most likely use when re-evaluating benefit options, and their overall satisfaction with the programs offered. The survey also asked what key factors influenced their decision making with regard to healthcare benefits.

A detailed description of readability and comprehensibility measures is provided in the appropriate subsection under Results.

Results

To place focus group results in context, we begin with a summary of survey data. Survey data suggest that print materials continue to dominate benefits communication efforts with at least 85% or more of responding HR managers reporting use of print materials for all major benefit areas: health/medical, retirement, dental, vision, investment and insurance categories. Group and one-on-one training, as well as on-line communication delivery, are next but far behind, each employed by roughly 50% of HR managers in all benefit areas, with related data reflecting the likelihood of on-line approaches ascending in importance. Though on-line benefits communication is increasing, use is largely limited to offering basic information on benefit options and providing downloadable forms. Fewer than half of HR managers say employees may access personal files on line, and roughly a third say employees may select benefit options on line. Fewer than 20% of responding organizations offer interactive choice aids on line, and the ability to file a claim on line remains rare.

In the 1960s, consumers said they'd be more likely to purchase color televisions (then far more expensive than black and white sets) when producers offered more programs in color. Producers said they'd offer more color programs (requiring more expensive production and transmission equipment) when consumers started buying more color sets. It took many years to work through that stalemate. A similar dynamic seems to be at work in on-line benefits communication. On-line materials remain limited, but so is employee access to or interest in on-line benefits material. Only

about 40% of responding HR managers said three-fourths or more of their employees have access to on-line materials at work. A similar percentage of HR managers said fewer than half their employees have job-site access. This is in a metropolitan area dominated by white collar financial and management jobs. Intuitively, manufacturing and service job dominated settings would reflect even less job-site access. Similarly, 56% of employees (again, of a financial management company) say they access on-line benefits material at home. It is not possible with these data to determine overlap, but lower-income, service and manufacturing employees, less likely to have on-line access on the job, are logically less apt to have or use on-line access at home. Interestingly, 86% of responding employees reported having home access, but apparently nearly half choose not to review benefits material via that channel. As with the color television dilemma, it may be that managers are reluctant to provide more benefits-related services on line until employees access it more, and employees often avoid accessing benefits sites because they say information is limited or difficult to retrieve.

Regarding this and other channels, HR managers reserved their highest value assessment for one-on-one training, awarding a mean of 4.48 on a 5-point favorability scale. Group training and printed material followed at 4.06 and 3.99, with on-line material fourth at 3.68. Though managers ascribe less value to the on-line approach, they report, and literature supports, the increased use of the on-line channel, driven largely by the considerable cost savings over expensive printed materials. An important additional note is that HR managers reported little to no involvement by public relations professionals in the benefits communication process. In fact, more than 60% of managers said their public relations counterparts were “not at all” or “minimally” involved. Another 18% reported moderate involvement, 17% said public relations professionals were “mostly” involved and 4% conducted the benefits communication effort “exclusively.”

Employees with the surveyed institution differed somewhat from HR managers in regard to ranking the usefulness of benefits communication channels. They ranked printed material as the most useful, with vendor Web sites second. Group training with vendors (as opposed to HR managers) was the third preferred method. The institution’s intranet Web site, which HR managers ranked fairly high, was eighth in value in the assessment of employees, behind such channels as a telephone hotline and a benefits fair. This lack of endorsement of the on-line approach by the employees may be explained by their judgment of the site’s navigation challenges. Though they agreed that on-line material was informative, they also reported difficulty in finding the material they needed: half were noncommittal or disagreed that the site was easy to navigate, despite the fact that this was an educated and technically-savvy workforce.

Public relations managers may be disappointed to hear that employees reserved their assessment of “least effective” for one of the pillars of the PR arsenal – the newsletter. Of course, this organization, like most, does not involve its public relations

department in benefits communication to any significant level. Consequently, the organizational newsletter is not likely to address employee benefits in depth.

Nearly three-fourths of HR managers believe they're doing an excellent job in explaining benefits to their employees and that benefits materials are easy to understand. A similar percentage say employees are satisfied with benefit materials and are making informed choices from among benefit options. Employees were generally supportive of HR managers' assessments. Most reported at least an "average" level of understanding, and more than four in five said they had made informed decisions regarding benefit options. Overall, employees in this financial organization gave high marks to benefit materials.

Though employees reported confidence in their benefit option choices, the survey could not assess whether those employees truly were making the right choices or merely thought they were. Informal interviews with HR managers suggest they believe employees conduct a logical cost-benefit analysis of their options, arriving at a quantifiably supportable decision. The employee survey suggests other factors are in play. Employees' highest rating for deciding factors went to the ability to select one's own physician – 87% of employees say it is of above average or great importance. Second is the ability to compare plans (in terms of coverage), third is vendor/provider reputation, and cost – believed by HR managers to be paramount – is fourth. Interestingly, nearly half of employees say "coworker" recommendation is of above average or great importance, suggesting that the grapevine, viewed as relatively unreliable in another survey question to employees, is still in the mix when it comes to selecting a benefit plan.

Unmistakable in survey data is the criticality of benefits to several dimensions of job satisfaction. More than half of employees somewhat or strongly agree that quality of the benefit component was or is important in accepting their current position and remaining with the organization. Nearly half also said benefits were important in keeping them motivated. These are data that directly affect organizational efficiency, productivity, and prosperity.

In summary, survey data indicate that printed materials dominate benefits communication, with on-line approaches emerging in popularity in terms of use by HR managers. Still, employees withhold high marks when assessing on-line material. Web access is far from universal for employees at the job-site, and those with access at home are only modestly prone to use that channel to view benefits materials. Group and one-on-one training remain prevalent. Finally, employees view benefits as an extremely important component of their compensation package, affecting their employment decisions as well as providing productivity incentives.

Focus Group Analysis

Within the focus groups, participants were generally satisfied with benefits communication within this organization, though common concerns surfaced as well. Higher-level employees voiced fewer concerns regarding clarity of benefits information, but still expressed frustration at the complexity and amount of information. Mid- and lower-level employees were more outspoken, frequently noting the “overwhelming” information and the “short time to select a plan” upon joining the organization.

Channel preferences were consistent through the groups, with nearly all citing a mixed-media approach as the most desirable. A combination of print material and on-line information appears to be the universal preference for the first level of benefits communication – explaining plans and options, as well as for the second level – explaining factors that could affect benefits decisions. For the third level – individual analysis – participants leaned toward HR counselors (beyond the traditional HR managers), hotlines, and benefits fairs. Consensus supported a mixed media approach. “I like the different mediums they use,” one participant summarized. “They use the Internet, they have meetings, focus groups, personal communication, there’s people you can talk to. I think they get the word across.” Panelists agreed with one participant’s recommendation that there be e-mail alerts, monitors in the cafeteria with videos regarding benefit options, fliers, and internal mail to ensure that all aspects of benefit options were adequately explained. One participant said he likes receiving a physical package of materials each fall at renewal time, but prefers to make any changes in benefit choices on line.

Content of benefits materials was judged to be generally appropriate by most participants, but a fair number raised concerns. Many said they had difficulty understanding material concerning options when first hired, but reviewing material annually during the enrollment period over the years had resulted in a higher level of comfort. Others cited particular benefits such as flexible spending accounts to be incomprehensible, one calling it “a nightmare.” Those for whom English is a second language were especially perplexed, describing materials as “extensive and confusing.” They said the technical terminology and complex terms were frustrating.

Participants had the most to say about the on-line materials addressing benefits, offering blunt critique along with constructive recommendations. Navigation of the organization’s benefit Web site is particularly problematic; one participant said it was “easy to get lost in the drop-down menus.” On-line handbooks need to be “more user-friendly” said another. A mid-level manager recommended the use of electronic “bookmarks” to permit easier return to salient pages. Many noted that not all employees are comfortable using the Internet, not everyone has access at home (including a number of focus group participants), and if an employee accesses on-line benefits sites at work, “the superintendent doesn’t think you’re doing your job.” A number of participants agreed they use the Web site merely to find information, then print it and read it rather than review it on line.

Some said on-line material was no less confusing than print material. One cited the existence of four different and confusing explanations of the dental plan on the organization's intranet site. Another said there simply was "not much on the intranet," and one member thought the site needed to be faster and to link to vendors' sites. Participants said the site needs to be more user-friendly, more intuitive. Several panelists cited the need for more interactivity incorporated into the on-line material. They wanted to be able to ask questions and receive responses electronically to help make these decisions. Others said it was important, if transitioning from printed material to on-line approaches, that the on-line material "have the same look" as the printed material. They said this was important to provide a level of comfort and familiarity. Other focus groups cited the time-consuming process of wading through on-line material at home with a dial-up modem. Several members agreed providing the same material on a CD-ROM would dramatically speed the search process in those cases. The difficulty then, of course, would be keeping the material on the disc updated.

Still, a majority of panel members seemed to retain a high degree of preference for printed material, even over electronic sources. One said she preferred printed matter because, "You can see the overall picture without scrolling up and down. I can't seem to concentrate doing that on the computer. I'd rather read it." A colleague added, "You have more time to look at it, too." In light of Media Richness Theory (recall the theory's origins predate the Web), this suggests Web based communication may be more "lean" than formal printed materials. If confirmed by further research, this would have considerable impact on evolving approaches to employee communication.

The HR manager and employee surveys indicated that the "grapevine" was heavily used, but viewed as less reliable than print, on-line and other formal communication channels. The focus groups reinforced the heavy use of grapevine communication, but anecdotally elevated the source in terms of its usefulness, at least in the absence of alternative sources for particular categories of information. Most prevalent among those categories was the selection of a regular physician – the primary deciding factor according to the employee survey. Many participants said they sought more information on quality and availability of physicians through formal channels, but finding none, turned frequently to their peers for advice. In fact, this issue emerged in the focus groups and was subsequently introduced in the employee survey instrument, resulting in confirmation of this concern. "A lot of choices are based on word-of-mouth," volunteered one focus group participant. She said employees often resort to simply asking, "Hey, who do you have? What's been your experience?"

Although the employee survey suggested employees were at least moderately confident they had made appropriate, informed choices in selecting medical coverage plans from those available, discussion in the focus groups often revealed considerable confusion, and the more participants discussed the issue, the more concerned they seemed to become. Prodded to describe the depth of their comfort and

understanding, participants reluctantly acknowledged considerable doubt. Specifically asked if they understood the benefits information provided, responses varied:

- “Yes, I find it clear.”
- “No, not all the time.”
- “No, not always.”
- “Yes, I do.”

Even though many panelists said they were comfortable with their levels of understanding, there was clearly considerable confusion. Members often displayed conflicting interpretations of basic medical insurance plan features. One focus group, for example, featured a spirited discussion regarding co-pays and deductibles. Some said a particular plan required a \$500 co-pay, but others said it was a 20% co-pay. Still others said the plan featured a co-pay plus 20%, but only after a \$500 deductible was satisfied. Another volunteered that it depended on whether the physician was network or out-of-network, but others didn't know what that meant. It was clear that even on this basic point, mid-level managers (in this case) were quite confused.

Another panel engaged in a similar discussion regarding the nature of a flexible medical spending plan; some had never heard of it, while others had varying explanations of its structure and purpose. One top manager, reviewing a brochure on this important benefit available to all employees, said, “I'm looking at this right now – ‘medical expenses reimbursement program’ – I haven't the foggiest idea what that is.... I'm going to guess that it has nothing to do with me.” Another participant quickly advised that it was, indeed, an important component of the health/medical benefit package, though only about half the other participants (top managers, in this case) in the focus group expressed knowledge of the component. Another participant confessed confusion about the financial impact of “pre-tax” vs. “post-tax” expenses and reimbursements. These latter expressions of confusion come from the managers to whom subordinates are apt to come for clarification on just such issues.

Participants agreed that the period immediately following initial employment was the most challenging, with time and experience contributing to gradually diminished stress and increased comfort regarding medical benefit choices. “When I first started, I was completely overwhelmed with the amount of information,” an employee observed. “I took home stacks of papers and books and all kinds of stuff to muddle through.” He said it took a long time simply to determine what applied to him and what didn't. What helped him most in those early years were the benefit fairs, he said. A colleague added, “If you're right out of college or high school, you need more guidance and assistance to get through that.” One participant described her anxiety over potentially making the “wrong” decision and not choosing the medical program best for her situation. “I was terrified,” she admitted.

The benefits hotline established in this organization was a popular idea, but didn't always provide the level of service employees sought. They liked the idea, but

said it was poorly staffed. “You wind up most of the time leaving messages,” said one. Several employees suggested a mini call center, staffed more consistently with people able to address problems directly, rather than administrative personnel equipped only to convey a question to the appropriate office, then relay the response.

Similarly, several panelists cited the lack of interactivity in general. “I’m not really aware of the channels for feedback here,” said one. Another offered, “I’ve never really given any feedback on the coverage here, and I’m not aware of how you would actually do it.” Some panelists had unsatisfactory experiences resolving coverage questions. “You basically have to get on the phone, and you’re going through multiple layers of people, and you know they’re just passing you from one person to another. It’s extremely frustrating.” Another added, “The insurance companies – they put up so many roadblocks.” The participants agreed that individually they seemed to exert little influence over the process and would like to see ways to channel that frustration collectively through their employer. “The weight of a large corporation” would help sway the insurance companies, one pointed out. Others, though, had favorable experiences with the hotline. One member had encountered a dispute with the insurance carrier, but the hotline provided her with a mediator who helped resolve the issue satisfactorily.

Cost, gender, family situation and other demographic factors were less an influence in benefit option choice than might be anticipated, according to focus group members. One said, “I went out and got the best plan I could find, regardless of cost.” Several acknowledged, though, that as they aged and became “empty nesters,” they needed to reconsider their needs. Too, upon reflection, they said younger, single employees would likely opt for the least expensive program, as might those at lower pay levels.

All panelists agreed on the impact of benefits as part of the value of their total compensation package influencing their acceptance of employment and their motivation to remain with the company. “It’s huge,” many said. This company rates among the top in the Fortune 500 for quality of the benefits package, and employees were extremely proud of that. “A lot of people working here say that’s one of the reasons they’re still here,” said one. “It’s big.” Panelists pointed to the remarkably low employee turnover rate as evidence of the high importance placed on the benefits component.

The final focus group gathered employees for whom English was a second language. They represented a variety of backgrounds and cultures, and though they voiced many of the same concerns and issues as previous focus groups, they added unique perspectives on some and introduced several additional wrinkles. For example, this group appeared to be more concerned about pensions and retirement planning as opposed to health insurance and medical plans. That concern for financial security appeared to be related to the concept of extended family. One panelist, for instance, expressed concerns related to having aging parents. “If something happens to them, I

have to chip in,” he observed. These panelists also expected to be assisting their children financially even after they had begun their own families.

A common thread among these panelists was the incomprehensible language of some elements of benefits communication products. One called it “confusing, very confusing.” They said technical and legal jargon was especially challenging. She said, “We just pick the doctor where we want to go and that’s it.” Most said the group sessions during orientation helped and the benefits fair was gauged to be useful, but they still relied on informal channels. “You learn from experience – word-to-word from the people,” one observed. Like other focus group members, these participants seemed to prefer a mix of print and Internet material along with other interpersonal communication approaches. However, most lacked Internet access at home. Also like other focus group members, these panelists revealed some misperceptions about medical plan coverage. One was upset that she received bills for treatment in an emergency room – she presumed such treatment to be without cost. Panelists appeared reluctant to go to HR officials with questions or problems, and those who have done so reported unsatisfactory experiences. “It is not counseling,” one said. “HR persons are not counselors.” A counselor is what panel members said they needed. “I would like to have a counselor with me, and I would tell them my situation,” one volunteered, but added, “The decision is mine, it is not from them.”

Readability and comprehensibility

The question of comprehensibility introduces the final part of this section: objective tests of benefits communication materials to gauge their clarity. We used two approaches for this task. The first was application of the Flesch Formula, which indicates reading difficulty and approximate educational level required to read tested material. The formula uses average sentence length and average syllables per word to derive a score corresponding to an estimated education level required for comprehension. Using a series of 100-word passages from a variety of benefits communication products, we calculated readability and found basic materials to be fairly accessible according to the Flesch formula. Passages ranged from 59.2 to 64.4 – a rather consistent result. Flesch scores can range from 0-100, with the highest scores indicating the least reading difficulty. The scores we found are considered “Plain English” to “Fairly Difficult,” requiring from an 8th to 12th grade education.

The Cloze Procedure provides a more direct gauge of comprehensibility, however. It requires participants to actually read a passage and demonstrate their understanding. This is accomplished by systematically removing words from the passage, then having subjects attempt to fill in the blanks where the words have been removed. Scoring can either accept exact words only or permit synonyms, with the scoring procedure based on which option is chosen. If exact words are required, a score of 40% or less indicates the reader is unable to comprehend the passage effectively. If synonyms are permitted, a score of 70% or below indicates lack of comprehension. Interestingly, in initial trials we found subjects were unable to even

approach those scores for the benefits material passages – it was simply too difficult for them.

As a result, we modified the Cloze Procedure by removing the words as prescribed, but then providing readers with a scrambled list of the words that had been removed. For the test we selected two passages. The first was from a general brochure describing fundamental elements of the medical benefit program, and the second was from a booklet describing how to file an appeal if a claim has been denied. Using the modified Cloze Procedure, rank-and-file workers achieved a 92.6% average score on the general passage – indicating considerable ease, though the 70% criterion for ease of comprehension would not necessarily hold, given the modified procedure employed in this case. The non-native English speakers scored fairly high as well using this approach, achieving 78.4% when provided with the scrambled list of words. Again, though, without that list, pretest scores were abysmal.

Even with the provision of the scrambled list, though, scores dropped precipitously for the passage describing denied claim appeal procedures. Rank-and-file employees managed only 47.7% on average, and non-native English speakers fell to 18.1%. Clearly, nearly any employee would be bewildered by such difficult content, adding to the stress he or she is already experiencing due to the denied claim.

Discussion

RQ1 asked what types of information employees were seeking in regard to their benefits and what channels they were using. Contrary to HR predictions, option cost and extent of coverage don't appear to be the leading categories of information sought. Employees, it seems, are less concerned with cost than with quality of coverage, though this may be correlated with age and rank – younger and/or lower rank employees place more decision-driving emphasis on cost. Included in the quality factor, and apparently paramount, is the quality and availability of the physician. Employees report that they would seek information of this type through Web-based materials if it were available, but in the absence of that possibility, they are turning to informal, less reliable and less controlled channels – principally the grapevine.

Although the grapevine may be reliable in terms of individual descriptions of personal experiences, it is not necessarily fact accurate regarding details of benefit programs. In fact, focus group results suggest the grapevine may be more correctly characterized by inaccuracies. Beyond that, employees appear to be availing themselves of all communication channels provided by HR, though it seems there remains a degree of frustration that some information needs are still unmet. That frustration escalates as the employee progresses through the three levels of benefits communication, peaking when he/she reaches the personal option decision point.

RQ2 asked for employee assessment of channel effectiveness, and focus group dialogue reinforces the mixed-media approach as the preferred approach. Employees

appreciated the efforts by HR to convey information through a variety of channels including both traditional media products and interpersonal tactics. In support of Tane’s (1987) hierarchical model, it appears employees are moderately satisfied tapping printed and on-line material for fundamental background information, but appreciate group activities such as the benefits fair at that level as well. As employees move toward the decision point, they clearly value increased one-on-one communication. That may come in the form of a telephone hotline (though in this case employees thought that needed to be more responsive) or in one-on-one counseling.

Too, employees distinguished between advising and counseling, suggesting that not all one-on-one tactics were of equal value. Opportunity for two-way communication is less than most employees would seem to wish. Overall, results seem to recommend continuing a mixed media approach, but gradually diminishing leaner channels in favor of richer channels as the process moves from basic comparison levels to individual decision levels. Combining Tane’s hierarchy with channel preferences revealed in this research, a channel selection matrix would look like this:

<i>Employee Benefits Communication Category</i>	Broadly examining options	Factors affecting benefit choices	Individual assessment and making choice
<i>Preferred Communication Channel</i>	Printed and on- line material	Benefits fair; group training	One-on-one counseling

HR managers, working with their public relations counterparts, would be able to use such a table to schedule appropriate activities along a timeline allowing employees ample time to derive sound choices in which they have a high level of confidence and satisfaction.

RQ3 asked about employee levels of satisfaction, decision comfort, and demonstrated knowledge. There is a breakdown here between what employees self-report and what they can demonstrate. Initially, employees express confidence in their understanding of benefit intricacies, but are generally unable to support that claim when pressed to explain even basic tenets of the benefit. Because earlier research addressed only employees’ self-reported levels of confidence and satisfaction, further research gauging actual knowledge of benefits would seem to be essential to clarify this potential problem area.

Answers to RQ4 concerning readability and comprehensibility may help explain the dichotomy in RQ3’s results. The most basic benefits material seems to be readable and digestible, but materials describing more complex but vitally important dimensions of benefits are beyond comprehension by even high-ranking and seasoned employees. This may reflect what initial survey data revealed – that there is little or no PR involvement in the development of these materials. If materials become cluttered with

legal and technical jargon, it is not likely the typical employee will be able to derive clear meaning. The result may be the need for additional HR efforts spent reducing confusion, or employees who become frustrated, less motivated and less productive.

An unanticipated result of the focus group discussions was the suggestion that cultural differences may add to the need to carefully examine benefit communication programs. For example, the concern by non-native U.S. Americans for extended family members reflects a cultural difference unaccounted for in benefits materials or programs. Similarly, the confusion expressed concerning costs incurred in the event of a medical emergency should be a consideration in crafting benefits materials.

Worth exploring is the possibility that a similar channel selection matrix might be developed for other dimensions of employee communication programs. For example, a program addressing safety for employees being trained in a new procedure could be built upon a three stage plan involving progressively “richer” media. Of course, public relations professionals are well schooled in such an approach – shifting from mass media to interpersonal communication as campaign messages progress from those addressing knowledge, to interest, to opinion, to behavior. The suggestion here is that this public relations approach could migrate into other areas of organizational communication – not just employee benefits, but beyond, to the benefit of the organization. Doing so would require proactive efforts by public relations professionals to persuade other divisions of the efficacy of the approach.

Limitations of this project include the restriction of the HR survey to managers in just one major metropolitan area, and of the employee focus groups and survey to just one institution. Additionally, as discussed, employee satisfaction with benefits material was largely self-reported. Finally, the Cloze procedure had to be modified to accommodate the extremely difficult nature of printed material studied. As a result, no meaningful, established metric is available to provide suitable nomenclature to describe results. Still, it is clear from the results that some material scores very low in comprehensibility.

Future research should continue to explore any disparity between HR predictions of benefits communication effectiveness and employee impressions of the same. The media richness line of inquiry appears appropriate to help develop a model for benefits communication through the graduated levels of employee information needs, and related research could lead to models for other areas of employee communication. Additionally, more data needs to be generated gauging employees’ actual level of knowledge of their benefits and benefit options, which will aid in addressing shortcomings in benefits materials. Study of those few organizations where PR is heavily involved in benefits communication would reveal whether engaging that component contributes to effectiveness. Finally, researchers should explore the impact of cultural differences on understanding of employee benefits and on the resulting need to communicate with increasing clarity across cultural lines.

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