

Investigating Employee Understanding of Benefits

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Table of Contents

Executive Summary	3
Introduction and Background	4
<i>Problem Statement</i>	4
<i>Background</i>	4
Approach and Methodology	5
<i>Sample Selection</i>	5
<i>Data Collection Procedures</i>	5
<i>Validity and Reliability</i>	6
<i>Ethics</i>	6
Findings and Analysis	7
<i>Demographics</i>	7
<i>Qualitative Analysis - Preferred Communication Channel by Age</i>	8
<i>Quantitative Analysis – Awareness by Communication Channels</i>	9
Recommendations & Limitations	13
<i>Recommendations</i>	13
<i>Limitations</i>	14
Appendix	17
<i>Survey Instrument</i>	17

Executive Summary

Our research investigated the lack of employee awareness regarding workplace benefits, despite significant employer investments in these programs. Drawing on prior studies, we focused on how communication methods influence awareness and understanding. Using survey data from 58 employees across several organizations, we discovered that individual communication channels did not significantly impact employee awareness of benefits, but the use of multiple communication channels did enhance benefit comprehension. We also found that older employees favored online platforms like websites and intranets. Longer-tenured staff also demonstrated greater accuracy in understanding available benefits compared to newer hires.

We recommend adopting the use of multiple communication channels and mentorship programs pairing new employees with experienced colleagues. HR departments should consider adopting multiple communication methods and work to post the same information across all channels.

Despite our small sample size and potential demographic bias, our research offers actionable insights for organizations seeking to optimize the impact of their benefits programs and enhance employee satisfaction. Future research should expand the scope to include larger, more diverse populations and explore how personal health influences benefit utilization and satisfaction. Partnering directly with HR teams would make it practical to collect sensitive health data securely.

Introduction and Background

Problem Statement

Employers invest heavily in employee benefits, but many employees are unaware of the full spread of benefits available to them. Furthermore, there is often a disconnect between employees' perceived value of a given benefit and the actual amount spent by an employer on that benefit. This leads to a gap between spending and perceived value and suggests a potential misallocation of funds. Employees receive communication around benefits through a variety of channels often leading to oversaturation and confusion as to where to find specific information.

Research Objectives

Our research objectives for this project were mainly to understand what methods and channels are used to communicate benefits information to employees and what the current effectiveness of those communication strategies are. By understanding this information, organizations could strategize around effective communication of benefits related information to ensure maximum usage of the benefits provided to employees. Our specific research questions were:

1. Are there communication preferences across demographic differences?
2. Are certain communication methods more effective at accurately conveying information?

Background

A pulse survey conducted by Harvard Business Review revealed that 58% of employees are unaware of the benefits that are available to them and 63% of employees are unsure about how to access benefits related information (League, 2023).

Further, a research study conducted at the University of Oregon, named Benefit System Effects on Employees' Benefit Knowledge, Use, and Organizational Commitment (Sinclair, et al., 2005) found that

there is a positive correlation between active communication and the availability of information around benefits, and benefits use and overall satisfaction among employees. This further supports our research objectives of understanding the methods and channels that are used to communicate benefits information to employees and what the current effectiveness of those communication strategies are.

By researching this topic, organizations would be able to better allocate resources into the right communication channels to ensure full use of employee benefits and increased employee satisfaction.

Approach and Methodology

Sample Selection

We used non-random, purposive sampling, selecting employees from our workplaces. We did this because we needed to compare what benefits employees *think* they are offered versus what is *actually* offered.

For a larger scale investigation, we recommend an additional survey for the human resources teams to fill out information about the benefits *actually* offered. This survey would be matched to employees at these organizations which would allow for scalability. We also recommend tracking more in-depth demographic data to measure diversity and limit potential bias.

Data Collection Procedures

We designed a survey to gather data on which communication channels employees rely on to learn about their available benefits and explore whether different communication channels are associated with different levels of employee awareness of benefits. The survey was created in Google Forms and distributed to participants with an anonymous link, either through email, intranet posting, or QR code. The survey instrument is available in the Appendix. Participants were informed that their answers would be anonymized and that no identifying information would be released to their employers. Questions were

broken into four sections: demographic questions and communication channels, participants' perceptions of the benefits available to them, the benefits participants believe are offered by their organization, and open-ended questions about difficulties with benefits.

Validity and Reliability

To ensure reliability, we took steps such as sharing our survey questions with a volunteer group to get feedback on the quality of questions and ease of understanding. We also used clear and consistent wording of questions to ensure accurate translation of what was being asked. Finally, we standardized the mode of delivery, questions asked, the process by which survey data was collected into a spreadsheet and ultimately analyzed.

To ensure validity, we took steps such as only including survey content that is relevant to our research, surveying a diverse sample to accurately reflect the general population, and utilizing a common survey generator (Google Forms), as well as multiple question types, to encourage ease of use and honest responses.

The main limitation with respect to validity and reliability of our research, was the lack of time to test and retest the same focus group to ensure consistency and validity of responses. As we were collecting responses from several employees at multiple organizations, time was a constraint, and it was not feasible to request the same employees to take the survey multiple times.

Ethics

We provided detailed information about the anonymity of our voluntary survey when we sent it out. The demographic questions were optional. We did not collect information about respondents including their names, workplaces, and contact information. We ensured the survey responses were stored on a secure server and only research members had access.

Findings and Analysis

Demographics

In total, we had 58 responses to the survey. Roughly half were female, and half were male. Their average age was 39 years; median age was 37 years.

Figure 1.

Gender Demographics Among Survey Respondents.

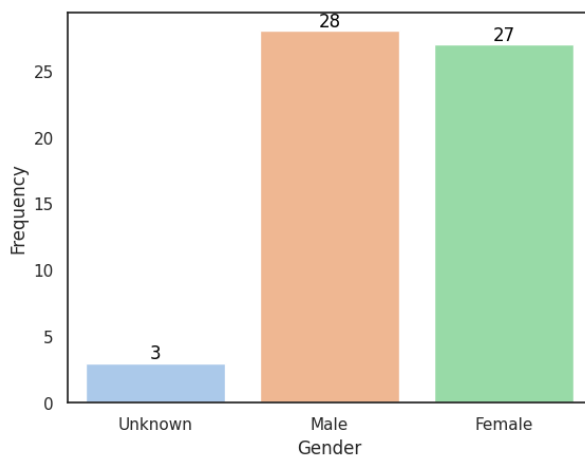
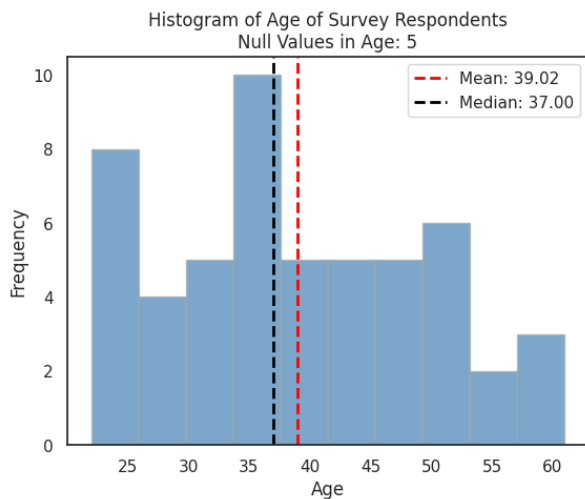


Figure 2.

Histogram of Age of Survey Respondents. Mean and Median Ages are Indicated.



Qualitative Analysis - Preferred Communication Channel by Age

To address Research Question 1, in an open-ended question, we asked about respondents' preferred communication channels from human resources when learning about their benefits. We conducted a thematic analysis on the responses, creating codes for emerging themes using an inductive (bottom-up) approach. Codes that were identified included, "speaking with a human resources representative," "in-person communications," "through paper packets," and more. These codes were linked back to the original survey data so that we could test whether demographic data about respondents could explain variation in responses.

Our null hypothesis was that there is no relationship between age and preference for online communications (websites, intranets).

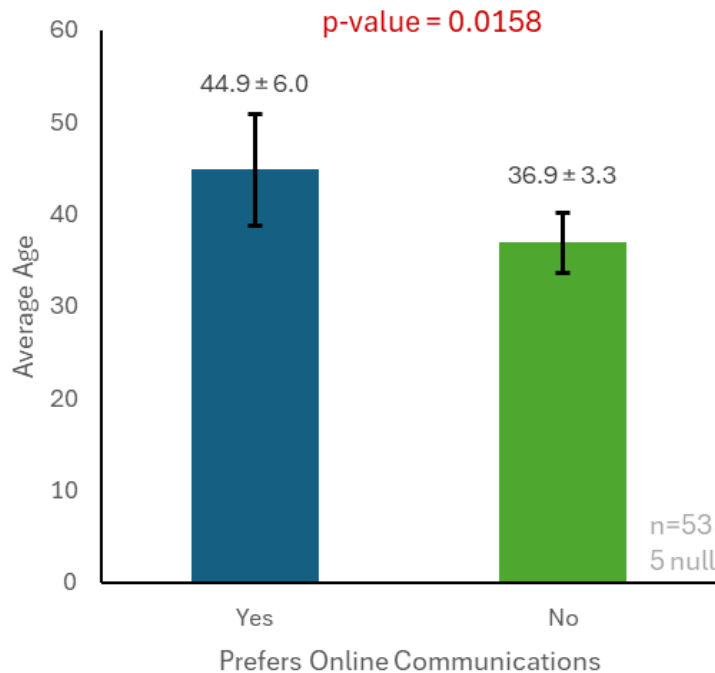
We conducted an independent two-tail t-test using the 95% confidence level. The t-statistic was 2.496 with 51 degrees of freedom. The degrees of freedom were calculated by adding the sample sizes in both categories and subtracting two. The two-tailed p-value was 0.0158 which is less than our alpha value of 0.05. The results are therefore statistically significant and we rejected the null hypothesis. The results are shown in Figure 3. Our finding is that **respondents who preferred online communication about benefits (websites and intranets) were older on average.**

We repeated this hypothesis testing on age and every theme identified, including email, speaking with an HR representative, in-person, messaging apps (Teams, Slack), paper packets, and video. There were no statistically significant differences.

Overall, our answer to Research Question 1, "Are there communication preferences across demographic differences?" is that yes, there are differences. We found that older age was associated with preference for online communications.

Figure 3.

Preference for Online Communications About Employee Benefits by Average Age of Respondents.
Independent Two Tailed T-Test p-Value Displayed. 95% Confidence Intervals Displayed.



Quantitative Analysis – Awareness by Communication Channels

To address Research Question 2, we measured respondent awareness of benefits (accuracy) and compared it to the communication channels they indicated their organizations used. We had 39 respondents from the same organization, making it possible to evaluate their accuracy by comparing their responses to the benefits actually offered. Respondents were asked to select from a total of seven communication channels commonly used by human resources departments. They could select from options like email, word-of-mouth, paper packets, and messaging applications like Teams or Slack. Respondents were also asked to select only the benefits offered by their organization. We gathered information about benefits offered at this organization from the human resources department, then scored

every respondent at this organization for accuracy. The perfect score was 80 because there were 80 possible benefits to select from. The highest score was 68.

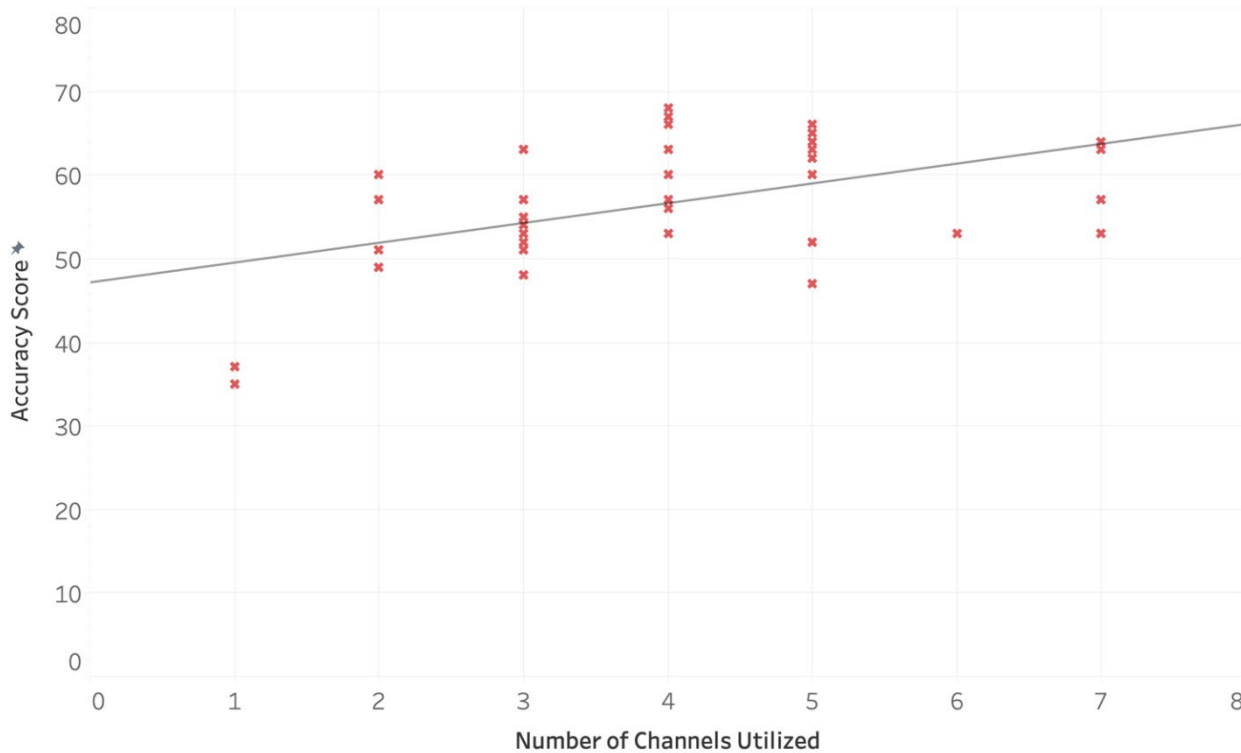
Our null hypothesis was that there was no relationship between the number of communication channels respondents thought their organization used and their awareness (accuracy) of benefits available.

We conducted a linear regression using the 95% confidence level and the results are shown in Figure 4. The trend line has a coefficient of 0.244 and a p-value of 0.002. The p-value is less than the alpha value of 0.05, therefore we reject the null hypothesis. Our finding is **the more communication channels a respondent indicated their organization used, the more accurate or aware they were of the benefits offered at their organization.**

For Research Question 2, “Are certain communication methods more effective at accurately conveying information?” our answer is “yes.” While we did not find that one single communication channel increased accuracy, we did find that more communication channels (regardless of which ones they were) increased accuracy. While the model's explanatory power is low (the coefficient is 0.244), meaning the number of communication channels used doesn't highly describe the variation in accuracy, the relationship between the variables is still statistically meaningful.

Figure 4.

Accuracy of Regional Bank Respondents by Number of Communication Channels Utilized



Based on the low explanatory power of the model, we investigated other quantitative factors that may play a role in respondent accuracy.

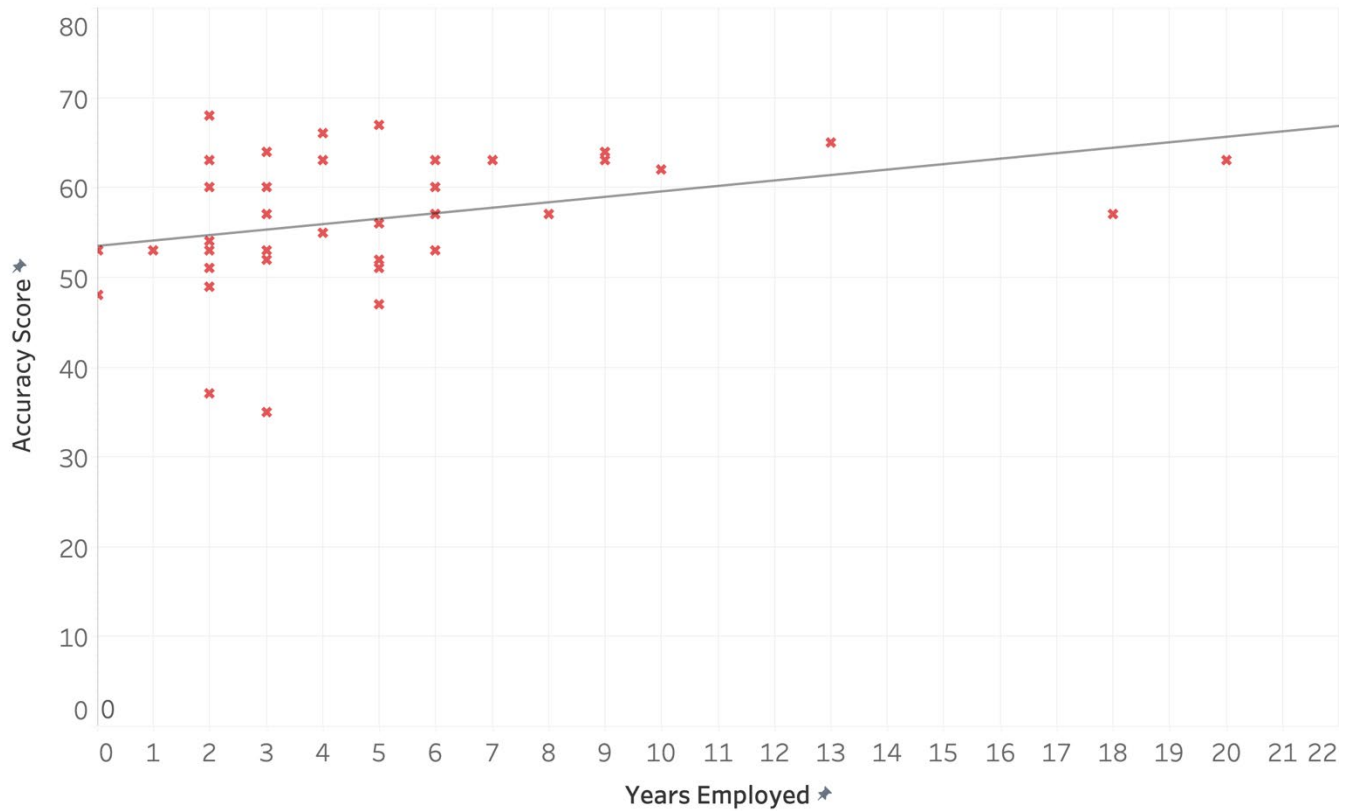
Our null hypothesis was that there was no relationship between the number of years worked at current employer and their awareness (accuracy) of benefits available.

We conducted a linear regression using the 95% confidence level and the results are shown in Figure 5. The trend line has a coefficient of 0.124 and a p-value of 0.032. The p-value is less than the alpha value of 0.05, therefore we reject the null hypothesis. Our finding is the longer an employee works at the regional bank, the more accurate or aware they were of the benefits offered at their organization.

This model's explanatory power is also low because the coefficient is 0.124. Overall, we hypothesize that there are many factors that affect the awareness of benefits.

Figure 5.

Accuracy of Regional Bank Respondents by Number of Years Employed at the Bank



Recommendations & Limitations

Recommendations

Through our analysis, we found that there is a significant difference in preferred communication methods around benefits. While the older population of employees (average age of 45 years) prefer online communication, we found that the younger population does not. This is an opportunity that we would recommend be researched further. Organizations could use these findings to personalize communication methods, not only around benefits but any important information, to ensure maximum efficiency.

We recommend that employers consider utilizing multiple communication channels when distributing benefits information. Our research indicates that employees more accurately understand their benefits when an organization uses more communication channels. HR departments should consider duplicating their information across all available channels to increase access and understanding. Since we found that older employees prefer using a website or intranet to access benefit information, we recommend that employers make sure to include such a channel when communicating with employees. Finally, employees who have been employed for longer more accurately understand their benefits than newer employees. We recommend that new employees be partnered with veteran employees during open enrollment to help facilitate learning and retention.

A solution around personalizing communication methods would entail system changes to enable this action. By creating a benefits portal which is tied into employees' different modes of communication, employees could pick and choose what information updates they would like to receive where. Further, by hosting town halls and in-person events to touch on important topics and any organizational changes around benefits, organizations could ensure that employees are getting this information. This action would also create space for any questions or concerns that employees might have.

Limitations

Limitations with our research include inability to collect sensitive information, lack of time to re-test responses, lack of in-depth demographic analysis, sampling method, and size.

Due to ethical considerations, we decided to not collect sensitive or identifying information. This limited our ability to address any demographic bias. It also limited our ability to collect health information about respondents. We were unable to understand the impact of specific health issues on satisfaction of benefits offered. This is a topic that we find is worth researching in future research as well.

Due to time constraints, we were unable to re-test survey respondents. This limited our ability to measure validity and reliability. We recommend that in future research time to test and re-test respondents is available.

We did not collect in-depth demographic data which limited our ability to understand potential bias in data collection. It also limits our ability to generalize our findings to wider populations (Barratt et al., 2015). We recommend collecting more demographic data to understand if respondents are representative of larger populations.

We had a relatively small sample size of 58. This limited our ability to generalize our findings to wider populations (Barratt et al., 2015). We recommend increasing the sample size in a follow-up study.

We compared our results to existing literature in an effort to check the quality of our sampling. We discovered differences between the responses of our sample population and the general population. Most notably, a study by KFF found that 81% of insured adults give their insurance an overall rating of "excellent" or "good" (Pollitz et al., 2023), but only 69% of our participants are happy with their benefits. KFF noted that the personal health of respondents had a strong impact on their satisfaction, but we did not

collect any information on respondents' health. In that same KFF study, 58% of respondents reported problems using their health coverage, but only 34.5% of our respondents reported problems with any of their benefits, healthcare or otherwise. This suggests there are biases in our collection methodology that should be addressed in future research.

Figure 6.

Frequency of Respondents Happy with Benefits (Likert Scale 1 – 5).



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Appendix

Survey Instrument

This was the survey instrument administered to the respondents. There was also a Canadian version with slight differences in the names of benefits for Canadian respondents (e.g. RRSP matching versus 401k

Employee Benefit Awareness

A short survey of your understanding of the benefits offered by your employer

General Questions

1. Your age (optional): [short answer]
2. Your gender (optional): [short answer]
3. How many years have you been employed by this organization? If less than one year, put down 0: [short answer]
4. How does HR currently communicate about benefits? [multi-select checklist with “Other” option]
 - a. Email
 - b. Messaging application (Teams, Slack, etc.)
 - c. Paper packet
 - d. Word of mouth
 - e. In-person meeting
 - f. Webinar
 - g. Lunch and learn
 - h. eCourse
 - i. Intranet posts
 - j. Other...

Personal Perception

Rank how much you agree with each statement.

5. Benefits change frequently at this organization. [Likert]
 - a. 1-Strongly Disagree
 - b. 2-Disagree
 - c. 3-Neutral
 - d. 4-Agree
 - e. 5-Strongly Agree
6. I spend a lot of time reviewing benefits each year. [Likert]
 - a. 1-Strongly Disagree
 - b. 2-Disagree
 - c. 3-Neutral
 - d. 4-Agree
 - e. 5-Strongly Agree
7. I am happy with the benefits available to me. [Likert]
 - a. 1-Strongly Disagree
 - b. 2-Disagree
 - c. 3-Neutral
 - d. 4-Agree
 - e. 5-Strongly Agree
8. The benefits offered by this organization are valuable. [Likert]
 - a. 1-Strongly Disagree
 - b. 2-Disagree

- c. 3-Neutral
- d. 4-Agree
- e. 5-Strongly Agree

9. The benefits offered by this organization are relevant to me. [Likert]

- a. 1-Strongly Disagree
- b. 2-Disagree
- c. 3-Neutral
- d. 4-Agree
- e. 5-Strongly Agree

Awareness of Benefits

What specific benefits does your organization offer?

10. What health benefits does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Health Insurance - Medical & Practitioner Services
- b. Dental insurance
- c. Vision insurance
- d. Life insurance
- e. Disability insurance (short or long term)
- f. Mental health support
- g. Health savings account (HSA)
- h. Flexible spending account (FSA)
- i. Wellness programs
- j. Gym membership

- k. Fitness reimbursement
- l. On-site fitness facilities
- m. Employee assistance program (EAP)
- n. Other...

11. What retirement and financial benefits does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. 401(k) or 403(b) retirement plans
- b. Pension plans
- c. Stock options or equity
- d. Profit sharing
- e. Financial planning services
- f. Student loan repayment assistance
- g. Tuition reimbursement
- h. Payroll bonuses
- i. Commuter benefits
- j. Identity theft protection
- k. Other...

12. What well-being benefits does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Mindfulness programs
- b. On-site medical services
- c. Employee resource groups

- d. Child adoption assistance
- e. Diversity and inclusion initiatives
- f. Pet-friendly workplace
- g. Company retreats
- h. Parking allowance
- i. Free or subsidized meals
- j. Snacks and beverages
- k. Company car or transportation allowance
- l. Mobile phone or internet stipend
- m. Employee discounts
- n. Pet insurance
- o. Legal assistance
- p. Travel reimbursements
- q. Other...

13. What paid time off does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Vacation days
- b. Sick leave
- c. Personal days
- d. Paid holidays
- e. Bereavement leave
- f. Parental leave
- g. Sabbatical leave

- h. Volunteer time off
- i. Jury duty leave
- j. Religious or cultural holiday accommodation
- k. Other...

14. What perks does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Company swag
- b. In-office recreation areas (game rooms, nap rooms, relaxation areas, etc.)
- c. Access to industry networks or associations
- d. Subscription services (streaming, newspapers, learning platforms, etc.)
- e. Referral programs (rewards for hiring referrals)
- f. Other...

15. What work life balance benefits does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Flexible work hours
- b. Remote work options
- c. Hybrid work schedules
- d. Compressed workweeks
- e. Job sharing
- f. Part-time opportunities
- g. Paid family leave
- h. Childcare support or discounts

- i. Elder care assistance
- j. Home office setup stipend
- k. Other...

16. What professional development does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Career coaching
- b. Mentorship programs
- c. Professional development stipends
- d. Conferences and workshops
- e. Skill development or certification courses
- f. Cross-training opportunities
- g. Educational webinars and online courses
- h. Leadership development programs
- i. Other...

17. What recognition and incentive benefits does your organization offer? Check all benefits you believe are available whether you personally use them or not. [multi-select checklist with “Other” option]

- a. Employee recognition programs/awards
- b. Performance based bonuses
- c. Sales incentives
- d. Years of service awards
- e. Gifts or gift cards
- f. Employee of the month/year programs

- g. Team building events
- h. Company sponsored social events
- i. Other...

Open-Ended Questions

Please do not provide any personally identifying information. Please do not provide any sensitive medical information. You do not need to answer these questions if you are uncomfortable with them.

18. How would you personally prefer to learn about the benefits available to you through your employer? [Long answer text]
19. Have you had any difficulty finding out what benefits are available to you or struggled to sign up for a particular benefit? What do you think caused that difficulty? [Long answer text]