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Communicating with Employees During Challenging Times

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tough **times**

can mean tough **decisions**



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increasing health care costs

no match

pension freeze

etc.



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some guiding principles

- Communicate the “why” — the business reasons
- Explain the decision process
- Employee needs were carefully assessed
- Be frank and straightforward — no gloss



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some guiding principles

- Leadership should be visible
- Respect the intelligence of your audience
- Demonstrate your commitment to them
- Offer support and resources to help



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employee concerns

- Do I still have a job?
- What can I do to keep it that way?
- Is my work still valued?
- Am I being treated with respect?



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employee concerns

- Do I still have my benefits?
- What can I do to keep my costs down?



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some of the challenges

- Rumors
- Fear
- Denial
- Anxiety
- Confusion
- Disengagement



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manage the **message**

- Seek help from key influencers and stakeholders
- Empower HR and managers
- Understand your culture and the media that has worked for you
- The grapevine is your friend ... and your foe

anticipate their questions

- Give them a forum
- Example:
 - CEO held town meetings, no question was off the table
 - Used blog to post answers to questions





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case studies



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challenge: **health care** costs

- Client: Large financial services firm
- Need: Emphasize cost challenge to complacent employees
- Solution:
 - Manager training
 - Plain talk and dramatic cost examples
 - Presentations at all major sites

An iceberg floating in the ocean. The small tip above the water is labeled 'Your co-payment', and the much larger submerged part is labeled 'The rest of the cost of health care'.

Your co-payment

The rest of the cost
of health care

What does our health care really **cost?**

primary care doctor visit: **\$225** x-ray: **\$171**

specialist visit: **\$225** prescription: **\$67**

day in the hospital: **\$2603**

ob/gyn visit: **\$406**

pregnancy and delivery: **\$8,847**

In health care
past performance
always indicates future results

Our prior costs determine the following year's health premiums



About **us**

Last year our employees and dependents had . . .

305,452 health care visits

241,746 lab tests

13,702 inpatient hospital days

73,754 X-rays

18,162 ER visits

462,375 prescriptions



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results

- Increased understanding of cost issue
- Increased enrollment in HSA option
- Increased participation in care management and wellness programs



challenge: pension reduction

- Client: Automotive parts supplier
- Need: Reduce pension formula, reduce retiree health care coverage
- Solution:
 - Honest cost dialogue
 - Robust HR training
 - Comprehensive FAQs
 - Live and prerecorded webcasts (24x7)



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message

“Our global pension and benefits are approaching \$500 million a year and represent our fastest growing expense. This year we will contribute over \$70 million to fund our pension plans and \$60 million towards retiree medical benefits.”



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results

- Some unhappiness, some vocal
- HR was ready
- Eventual acceptance

Seismic shifts

Annual enrollment



Year-round dialogue

How much the company
pays



How staying healthy
keeps my costs down

What the company
provides for retirement



How I can take
ownership of my future



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remember

- Strive for measurable results
- View communication as long-term, not “one and done”
- Monitor employee opinion

benefits of a carefully designed communication plan

- Relief
- Acceptance
- Engaged
- Moving On





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in a nutshell ...

Don't **underestimate**
your employees



Show that you **value** them



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Seek **professional**
communication support



Questions?



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Communication At Work

some of our clients



- Alta Bates Summit Medical Center
- Apple
- Bank of America
- Cisco Systems
- Cottage Health System
- Dole Food Company
- Electronic Arts
- Esterline Technologies
- Fidelity Investments
- Houghton Mifflin Harcourt
- John Muir Health
- MassMutual Financial Group
- Nordstrom
- PepsiCo
- Punahou School
- Queen's Health Systems
- Resources Global Professionals
- Self Insured Schools of California (SISC)
- Starbucks Coffee Company
- Sutter Health



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Thank you!

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