
HR as a profit center?

Human Resources as a driver of profit? Traditionally, this was not the case. Let's consider a future where HR is an important piece of the puzzle for an organization's bottom-line success.

The way it's traditionally structured, HR is a cost center, not a revenue driver. It's viewed as a necessary part of the business that is equipped to handle difficult personnel tasks including employee benefits, compliance, recruiting and policy enforcement. While these tasks are vital to an organization's operation, there is a way to shift the perception. HR can transform from a cost center to a department that actually drives a financial return for the organization. Of course, that can only happen by streamlining processes and creating more efficiencies. Enter employee benefits information systems.

An employee benefits information system is a tool that pushes efficiencies throughout the organization. It streamlines open enrollment, eligibility and ongoing life event transactions. It can also increase accuracy and reduce the time it takes to reconcile carrier bills and premium invoices. A study by HR Management magazine revealed that automating these administrative tasks and empowering employees to make their elections and changes can potentially save 1-8 percent on an organization's annual healthcare premium.

Your organization will realize hard dollar savings with benefits administration technology and you will have more time to focus on supporting your organization more effectively with recruiting and workforce development. A good benefits information system will supplement your benefits communication strategy and guide employees at the point of enrollment. These trigger event messages result in employees making smarter and more cost-effective benefit elections. The technology keeps your organization in compliance while delivering robust communications to employees. With the support of technology, your HR department can be transformed into an indispensable asset for reducing costs and increasing productivity.

Where should you begin? Take the initiative and do the research. The more you know about employee benefits information systems and the options available, the

larger your contribution will be to the bottom line. By leveraging this type of automation technology, your efforts can be repurposed from tactical to strategic.

Here are three ways HR can leverage benefits administration technology and emerge as a profit center:

1. **Communicate.** Employers need to do a better job of engaging their workforce. They need to create understanding and talk with employees, not at them. A recent Quick Poll showed that 84 percent of HR managers don't think their employees understand the impact their lifestyle decisions have on their healthcare cost. By using automated employee benefits information systems to better connect and communicate with employees, HR can guide the workforce to fulfill the organization's mission more effectively. This could be for a wellness program or just being better stewards of the organization's expense policy. By including your employees in the conversation, they will be more motivated and likely to embrace the desired behavior you want.
2. **Elevate.** The employee experience, that is. By helping to shape and promote a vibrant workplace, HR can reduce turnover. As we all know, the cost of finding and training replacement employees is much higher than keeping your current talent in place. A smart program addressing the employee experience begins with employee surveys. You can use a benefits administration system to quickly survey your employees. Find out what they really think about your organization. Is it a good place to work? Do they feel valued? What do they think about your leadership team? Do they understand the important role they play in making your organization successful? Do they need different types of benefits, such as voluntary plans to fill gaps in your core program? Be sure to report your findings to your employees and more importantly, use this information to take action to make things better. You can be a catalyst for positive and meaningful change in your organization.
3. **Invigorate.** One of the biggest trends in health insurance today is employee wellness and disease management initiatives. Use the communication platform embedded in many benefits administration platforms to deliver information about your wellness programs. It makes financial sense to engage and invigorate your workforce with a robust wellness campaign. When done well, these programs can have a dramatic impact on your organization. Employees will be healthier, contribute more to your organization, lower your costs, and drive more revenue.

Employers who automate their employee benefits administration will be better able to manage their plan's complex details, deliver value to employees and reduce the demands on their HR staffs. Human Resource professionals who drive this initiative emerge as heroes in their organizations and clear contributors to bottom-line success.