

A photograph of a woman with long, wavy, reddish-brown hair and glasses, wearing a dark blue top, hugging a young child with blonde hair. The child is wearing a green shirt and a pink bag. They are outdoors in a grassy area with trees in the background. The image is partially overlaid with a teal gradient on the right side.

# Creating a social compact with employees

EXECUTIVE TOOLKIT

# Redefine leadership, rethink success

## **Create a social compact with employees**

A successful company does more than turn a profit. It creates a culture that does right by its workforce. Where employees can see the value offered to them. And feel more committed and connected in return.

Our social compact is working for us. We hope it can inspire like-minded companies such as yours to take action.

Together, we can rebuild confidence in corporate America.



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# Consider

There is no single solution that makes sense for every company. Leaders need to evaluate their mission, business goals, the needs of their employees and their willingness to drive change.



## **Listen to your employees —**

find out what economic challenges they are facing

## **Review key internal metrics —**

employee surveys and engagement

## **Review current compensation**

and benefits programs

## **Consider different scenarios**

for wage/benefits increase

## **Analyze the impact of changes**

in terms of cost and benefits

## **Consider how changes would align**

with business goals and drive change for the organization

## **Gain internal alignment —**

human resources (HR), finance, investor relations (IR), communications

## **Develop and execute a communications plan**

to reach all key stakeholders

# Ask

Ask yourself these key questions for implementation.

## Find a solution that fits your business, as there is no one-size-fits-all solution

- **What** are the economic challenges facing your employees today and which are you able to impact in a meaningful way?
- **Who** are the employees that you may need to target, based on their unique needs and impact on your mission/strategy?
- **What** is the right combination of initiatives that will address the needs you identify?

## Review current compensation and benefits programs

- **What** is your compensation/benefits philosophy?
- **How** do you compare to competitors, based on industry and market data and your geographies?
- **Do** these programs attract the talent you need now and in the future for lower-paid positions?
- **What** is your current minimum wage? What are your current benefits costs for your lowest-paid employees?
- **Are** you willing to make an investment in wellness programs to help employees improve their health?

## Review key internal metrics

- **How** many employees are under specific wage rates and where are they located?
- **What** are engagement, turnover, productivity and absenteeism rates for the employees in these ranges?
- **What** is the cost to hire and train replacements in these groups?
- **What** is your benefits utilization rate for employees in these wage groups? What are your average premiums and out-of-pocket costs for employees in these wage groups?
- **Are** there health issues specific to your employee base?

# Ask (continued)

Ask yourself these key questions for implementation.

## Conduct scenario modeling analysis

- **How** much would it cost to raise qualifying employees' wage rates and/or offer the benefits enhancements?
- **What** other programs would a wage increase affect that should be included in your calculations? (merit increases, bonuses, overtime, benefits)
- **Will** non-U.S. employees be included?
- **Will** it apply to your vendors?
- **Will** any employee segments be excluded from the wage/benefits improvements?

## Determine offsetting program benefits

- **How** much of an improvement are you assuming for engagement, turnover and productivity?
- **Do** these improvements offset a portion of the program cost?
- **How** much value are you willing to assign to intangible benefits such as employee goodwill?

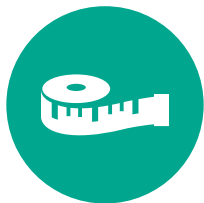
## Develop a rollout and communication plan and execute it

- **What** timeline makes sense for your organization?
- **Which** stakeholders need to be notified?
- **How** do you want to make the big announcement?

- **Do** you have buy-in and engagement from your executive team?
- **How** can you communicate these changes internally and externally?
- **How** can you educate your HR department and managers to become advocates and ambassadors for this program?
- **What** key takeaways and dates do employees need to know?
- **How** do you position these changes as part of an ongoing strategy to support all your employees?
- **Which** channels will you use to communicate your plan?
- **Do** you have a mechanism to gather employee feedback to drive program enhancements in future years?

# Measure

We've used these success metrics to monitor the effectiveness of our initiatives. And we'll continue to measure the impact.



## Our metrics for success

- Voluntary/involuntary turnover
- Candidate volume and time to fill positions
- Service metrics
- Performance improvement action plans
- Customer satisfaction scores
- Customer loyalty, via Net Promoter Score® (NPS)
- Renewals
- Employee survey results
- Manager survey results
- Medical cost trend
- Enrollment in enhanced benefits plan

# Join us

We can create a stronger workforce and a healthier world, together.