What Are the Top Drivers for Using Benefits Technology?

Benefits technology is a type of HR software that helps companies manage their employee benefits. If your company is still managing benefits on paper or with spreadsheets, you may be curious about using these platforms.

There are many factors that drive businesses to adopt this HR technology. Here are the top drivers for using benefits technology.

Reducing Costs

Reducing costs is the top driver for benefits technology use, according to new research. Thirty-six percent of companies report that cost reduction was a top factor in adopting this technology. This is an eye-opening HR statistic. Technology can help companies reduce costs in many ways.

Benefits administration is a core function for your HR department, but managing it on paper isn't very efficient. HR employees need to spend a lot of time handling benefits. You may need to pay them overtime or even hire more employees to handle the workload. Since technology makes benefits administration more efficient, your employees can get more work done in less time. This means you can enjoy labour savings in the HR department.

Better Management of Benefits Data

Managing benefits data on paper or with spreadsheets is a challenge, especially for companies with many employees. Your HR employees need to manually update every spreadsheet, and they may have multiple spreadsheets for each employee. It's easy for errors to be introduced in the process, no matter how conscientious your HR employees are.

With benefits technology, all the benefits information is stored in one convenient location. HR employees only need to enter information once. It's harder for errors to be introduced or for information to get lost.

Have your HR employees ever forgotten to send information to your insurance carrier? That's an easy oversight to make when everything is managed manually. It's also a source of liability for businesses. Benefits that are income-based, like life insurance, can be paid improperly if insurance carriers don't' have the right information. Your company could end up on the hook for the difference.

When you use benefits technology with connectivity, changes are automatically sent to your insurance carrier. This connectivity leads to better management of your benefits data. You can be sure your insurance carrier has the up-to-date information from your system.

Improving Benefits Communication

It's not enough to just have great benefits. You also need to communicate the details of those benefits with your employees. If benefits are poorly communicated, employees may be dissatisfied with their compensation. They may even look for work elsewhere. For companies to get their money's worth on their benefits spending, they need to communicate well with employees.

Improving communication is one of the main drivers of turning to benefits technology. This technology makes it easier for you to show your employees the details of their benefits. Total compensation statements are one of the ways you can do this. These statements give employees a breakdown of the value of all their benefits. They may discover they have access to benefits they didn't know about before. They may realize their benefits are worth a lot more than they expected.

Providing a Better Employee Experience

Do your employees need to go to HR every time they have questions about their benefits? That's inconvenient for everyone involved. Your employees need to stop what they're doing to learn about their benefits. HR needs to deal with minor questions that don't really need their expertise.

Benefits technology offers a self-serve portal for employees. When employees need to make changes to their benefits or update their information, they can do it themselves. This is faster and easier for your employees. It also lets your HR employees focus on their more complicated tasks.