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Improving Employee Productivity And Loyalty Through Group Legal Plans

Optimal employee productivity is likely a key objective for many clients. This often means addressing distractions both inside and outside of the office environment, since employees' personal issues can bleed into company time.

Ordinary personal legal matters—such as real estate transactions, adoption, divorce, traffic violations, debt collections issues or will preparation—may be common occurrences; however, even when the circumstances are positive (such as buying a first home), they can have a negative impact on employee productivity.

"The Impact of Legal Matters on Today's Work Force," a recent study by Hyatt Legal Plans, found that workers with legal issues are spending an average of nearly three hours a week at work dealing with their situations, which average five to six weeks in duration. Legal matters can cause stress, which not only can erode an employee's health, but also his work performance. According to the study, 37 percent of men and 47 percent of women said dealing with their legal issue negatively impacted their physical or emotional health. One respondent who reported that his productivity was cut in half said, "All I could think about were my issues and getting away from work."

Stress from handling legal matters can also strain a worker's personal support system, which may also contribute to health problems. Almost one-third (30 percent) of respondents said that their legal issue had a negative impact on their relationships with

family and friends. The most commonly reported problems among those workers included depression, stress, sleep problems and weight issues.

Physical and emotional problems may contribute to absenteeism, but easy access to legal advice through a group legal plan may help reduce employee stress and the number of missed work days—benefiting both the employee and employer. Specifically, 70 percent of group legal plan enrollees did not take any paid time off to resolve their legal issue, compared to half of those who hired their own attorney. The duration of a legal matter was also shorter for those employees with access to legal plans. The study found that employees who used a group legal plan resolved their issue in about four weeks on average, compared to about six weeks for those who did not.

The Confidence Factor

Employees turn to a number of sources, trying to resolve their legal issue on their own. Not surprisingly, 43 percent looked for information on the Internet and 32 percent sought help from family and friends. It's not unreasonable to assume that many are searching websites or having these discussions at work.

In addition to the time surfing the web, the advice found may be general, leaving one wondering if certain circumstances apply in their situation. Therefore, it may not be a surprise to learn that having an attorney's advice provides reassurances. For example, seven in ten individuals

surveyed who engaged an attorney said that having legal counsel made them feel more confident, and the issue was easier to resolve. About two-thirds of individuals using a lawyer said it gave them peace of mind.

Now consider the convenience to employees of having a benefit available through the workplace of unlimited, nationwide access to pre-qualified attorneys, along with representation for many key issues. This benefit—a group legal plan—can be cost-effective for both employers and their employees. It can be offered as a voluntary benefit where employees pay 100 percent of the premium, which helps employers expand their benefits portfolio without expanding their costs. Employees, on the other hand, can also find it an affordable option, as a typical cost may be about \$20 a month—which can also be conveniently payroll deducted. Employees get access to someone they can turn to as a trusted advisor without worrying about the clock ticking on billable hours.

Enrollment in a group legal plan through an employee benefits program may positively influence someone's experience further; those who were enrolled in a group plan and used a network attorney felt more positively about their overall experience than those hiring an independent attorney or those going it alone. Among services most typically in demand: estate planning documents, including wills, trusts and powers of attorney; real estate matters involving the purchase, sale and refinancing of homes; financial matters such as debt collection defense; and everyday issues such as traffic offenses. The value proposition of group legal plans is the availability of multiple services at no additional cost. Repeat business is the best testimonial.

The study found that 87 percent of employees who have a group legal plan use it more than once a year. Further, nine out of ten employees who used the legal plan said that they would use it again in the future. Interestingly, even 42 percent of people who were satisfied serving as their own attorney said they would be interested

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in enrolling in a group legal plan if given the option.

Voluntary Benefits as Loyalty Drivers

In a recovering economy, being able to expand employees' benefits options can help with employee retention objectives. The economy has increased the value employees place on workplace benefits and has sharpened their interest in making sure they understand the opportunities that these benefits provide. MetLife's Ninth Annual Employee Benefits Trends Study found that, based on the events of the past 12 months, 41 percent of employees say they place an even greater value on the benefits they receive from their employer and the same percentage says they have taken an even greater interest in understanding their employee benefits.

Furthermore, 61 percent of employees reported that they value voluntary benefits as a way to obtain benefits that meet their personal needs, and more than half (52 percent) said they were interested in seeing a wider array of voluntary benefit options from their employer.

Despite these statistics, many employers are not making the most out of voluntary benefits. Almost half (43 percent) of employers surveyed in the MetLife trends study underestimated the level of employee interest and appreciation for products such as group legal plans.

These statistics underscore an opportunity to engage clients in conversations about their use of voluntary benefits. Improving employees' benefits satisfaction

can help contribute to improved employee loyalty. The trends study found that 71 percent of employees who are highly satisfied with their benefits feel a strong sense of loyalty toward their employer, contrasted with 25 percent of employees who are very dissatisfied with their benefits. This is important to note, given that worker loyalty has been slowly ebbing over the last several years.

The trends study found that 47 percent of employees currently report feeling very strong loyalty to their employer, down from 59 percent just three years ago. In addition, employees who report they are very satisfied with benefits they receive through work are more than three times as likely to indicate they are highly satisfied with their current job. Since more than one-third (36 percent) of employees in the study said that they hope to work for a different employer in the next 12 months, this can be important to keep in mind.

The conversations you have with clients may be an eye-opener, since many employers may be caught unaware by this downward trend in employee loyalty—many believe their employees feel the same loyalty toward them today as they did several years ago. About half (51 percent) of surveyed employers today believe that their employees have very strong loyalty to them, and half believed the same in 2008.

Helping clients understand the ease of implementing voluntary benefits can be win-win, because offerings like group legal plans can meet the needs of employees while meeting the objectives of employers. 🌐