

Case Study: FBL Financial Group Takes a Balanced Approach to Total Rewards

Imagine a lush, green bed of grass with flowering crab trees and evergreens. This idyllic 55-acre setting isn't a local park or a city garden. This is the campus for FBL Financial Group, a West Des Moines, Iowa-based holding company whose primary operating subsidiaries, Farm Bureau Life Insurance Co. and EquiTrust Life Insurance Co., market and distribute life insurance,

QUICK LOOK

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- ➔ FBL is one of a decreasing number of companies that offers a DB plan for employees.
- ➔ The fitness center houses an overhead, suspended track and various other exercise equipment.

By Jean Christofferson, WorldatWork

annuities and mutual funds to individuals and small businesses. The holding company also manages all aspects of three Farm Bureau-affiliated property-casualty insurance companies.

Perhaps the best way to describe FBL Financial Group from a total rewards perspective is "balanced." While some companies may try to attract and retain through outrageous media attention or differentiating themselves with one reward that outshines all others, this quiet company instead chooses to offer its employees a consistent, high-quality, well-rounded total rewards package that includes an in-house fitness center, a suburban setting (away from the traffic and congestion of the city), on-site child care,

a restaurant-quality cafeteria, a defined benefit (DB) plan, a 401(k) plan and competitive pay, among other benefits.

Lori Strottman, employment services vice president at FBL, said the HR department is trying to educate employees about the concept of "total rewards," but still has more work to do. "For many employees it's still, 'What's my take-home pay?'" she said.

Rewards at a Glance Work Environment

Strottman counts the work environment for FBL's 1,900 employees among the pluses for attracting and retaining employees. "We have a suburban campus environment," she said. "We're not downtown; you don't have to worry about

traffic and parking. You enter our campus via a long, winding driveway, with grass and trees as far as the eye can see. So just coming into the facility, it's astounding. Then when you come inside, the atrium creates a very welcoming, inviting entrance. And this is where we get to work."

Strottman said the insurance industry is typically very conservative, but in terms of the "feel" of the FBL workplace, she believes it's more relaxed than more traditional insurance companies. While FBL has gone through a number of mergers and acquisitions in the past that have slightly disrupted the retention rate, she said average employee tenure is currently at 10 years. FBL has several employees who have been with the company as long as 30 years.





FBL employees enjoy the on-site fitness center.

Retirement

FBL is one of a decreasing number of companies that offers a DB plan for employees. Strottman said the FBL plan continues to be reviewed regularly. Employees are eligible for the plan after one year of service, and early retirement can be taken as early as age 55 with at least 10 years of service, with a scaled-back benefit.

The company also has a 401(k) plan, with a 100-percent company match of the first 2 percent, and a 50-percent match of the next 2 percent contributed by the employee. FBL currently has an impressive 81-percent participation rate, but continually strives to increase the number of participants in the plan.

“We know who is and who is not participating,” Strottman said. “Every year we send out a ‘Did you know?’ letter that shows how much employees would have set aside if they were contributing X percent to their accounts. We try to put information out there so they can make an educated decision regarding their participation.” According to Strottman, FBL is currently considering the implementation of automatic enrollment for new hires and for those not already participating in the 401(k) plan.

Health Care

In addition to traditional health and dental plans, the company also has a wellness initiative in place that includes two on-staff registered nurses. In fact, FBL was one of the first employers in the West Des Moines area to have defibrillators in the building.

“The first nurse was hired about 16 years ago—mostly for ergonomic training,” Strottman said. “Her focus was on being more proactive—making sure that work stations were set up appropriately, handling worker’s compensation and the company physical program.” Two staff nurses now handle the company’s programs because the number of employees continues to grow. Today, nurses can dispense over-the-counter medications and check blood pressure, etc.

A major part of the wellness initiative is the on-site fitness center. The fitness center houses an overhead, suspended track and various other state-of-the-art exercise equipment. The center is free for employees, spouses and children over age 13. Employees can bring one guest, and company retirees and their spouses are welcome, as well. The center is currently staffed by two full-time employees and student interns.

Strottman estimates approximately 10 percent of the building population uses the fitness center on a regular basis. Plus there is a regular group of retirees that uses the facility daily.

Child Care

Perhaps one of the most popular benefits for employees is onsite child care. In the late 1980s, when the company added another wing to the main building, it opened the child-care center, as well as added the fitness center and expanded the dining center.

The child-care program is outsourced to a privately owned organization and can currently handle 138 children.

However, the center typically maintains enrollment of 100-110 children. The program is one of only three or four in the Des Moines area that is accredited by the National Association for the Education of Young Children (NAEYC). FBL employees have priority, but the program does open its doors to parents in the area who are not employees of FBL when there is capacity. As with many onsite child-care centers, there is a waiting list for employees to get their children enrolled.

The child-care center also uses the fitness center for organized games and other activities for the children.

Telecommuting and Alternative Scheduling

Strottman readily admits the company doesn’t have many telecommuters. That’s primarily due to the fact that there are few employee requests, she said. But “when a telecommuting request is made, we consider the requirements of the position and determine if this kind of arrangement can work for everyone involved,” Strottman said. “We’re very team-oriented, and we want to ensure that employees have easy access to critical resources and multiple points of view,” she adds.

FBL has had approximately 425 workers apply for alternative work schedules since they became available in January 2000. Ninety-seven percent of those requests have been granted. Options include compressed or extended work schedules, partial days and even high time (still working five days, but for shorter time periods).

Compensation

FBL uses the Hay Group job-evaluation methodology to rate its jobs on a point-factor basis. In terms of compensation, Strottman said the company benchmarks jobs using 30 to 40 different salary surveys a year. FBL uses local, regional and national survey data to establish salary ranges after analyzing the survey data and market trends. Salary administration recommendations are then provided to senior management and the

compensation committee of the board of directors for approval.


During yearly merit reviews, employee performance and comparisons are tied together and merit increases are given.

Internal classes on FBL's salary administration program are available for employees and supervisors at all levels.

A Balanced Perspective

Strottman and the rest of the FBL HR team continues to place a high priority on communicating with employees about the broad scope of benefits available to them through FBL. "It's almost like a second family here," she said. "And that, in combination with our benefits and compensation programs, has a huge impact on our ability to recruit and retain quality people."

Strottman acknowledges that challenges like replacing baby boomers who are nearing retirement will continue. But

with a well-rounded program of compensation and benefits that helps employees achieve a healthy work-life balance, Strottman is certain that FBL's reputation as an employer of choice will only grow stronger in the years ahead. 

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