

Turning health risk into value: well-being



COVID-19 has accelerated many trends that were already underway before the pandemic. It also has taught us that not only is there real value in staying well, but that looking after employees' well-being is both productive and cost-effective.

One consequence of the growing corporate focus on well-being is the need for benefit managers to work with colleagues in areas such as occupational health and safety, risk management, talent acquisition and human resource (HR) delivery. HR and benefits professionals have a unique opportunity to reinvent how health and well-being plans are designed and delivered. This will not only

help businesses better manage their people risks but also contribute to overall societal goals around prosperity.

Employers cite improved workplace safety, morale and engagement, and workforce productivity as the top global drivers of health and well-being initiatives¹. Mercer Marsh Benefits believes employers can create a future state in which:



Good quality, affordable well-being solutions, preventative services and healthcare are more broadly accessible.



Vendors are aligned to employer goals, working together and striving for continuous improvement.



Benefits, including those considered as part of corporate culture (e.g., manager support), are valued and drive engagement.



Investments are made that deliver value to the business and the workforce.

By taking action now to drive change, employers can turn this potential future into a reality.

¹Health on Demand 2020

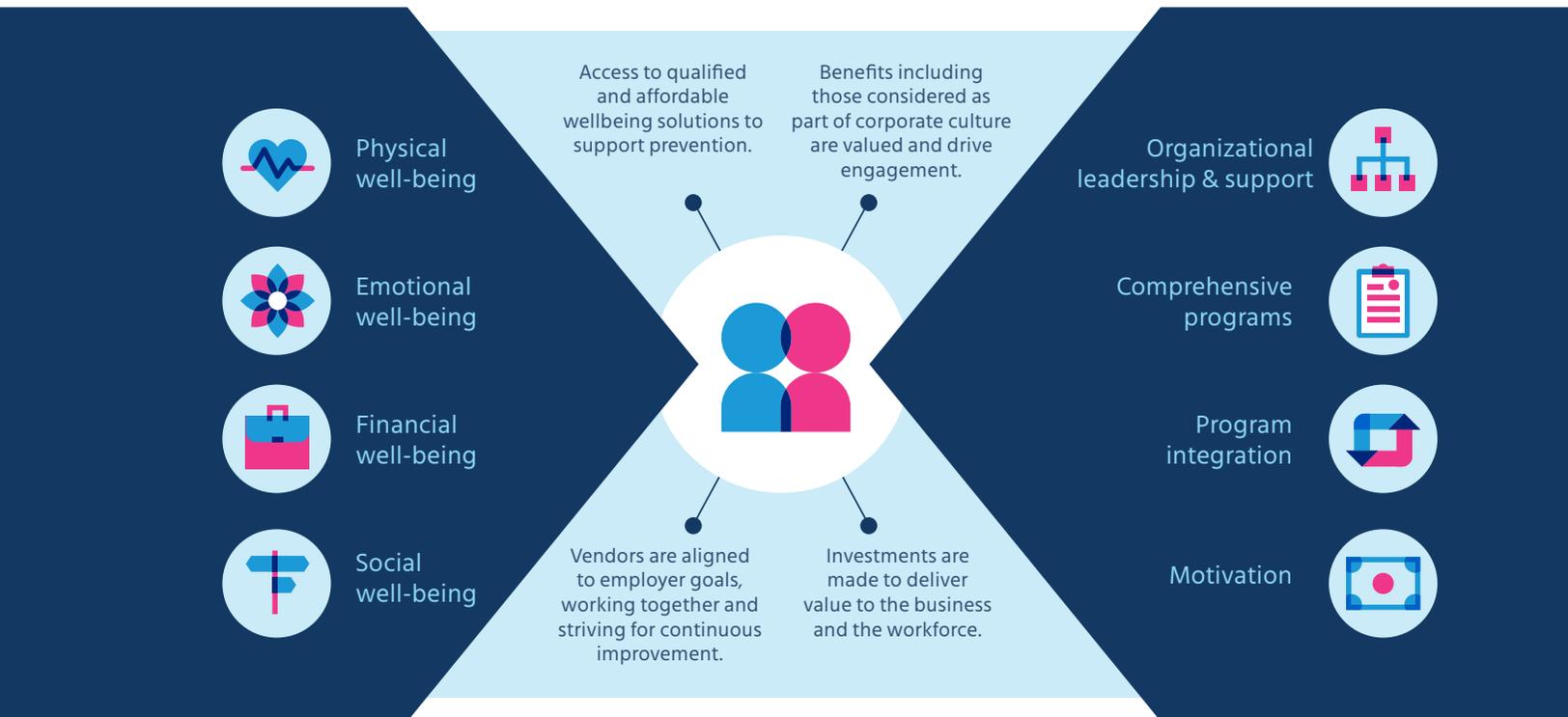
Caring is a competitive advantage

It is vital that employers embrace the many different dimensions of well-being rather than reduce it to a checklist of programs. When a company provides meaningful benefits across the aspects described below it demonstrates to its employees it cares about their health and well-being while also driving positive business outcomes.

Showing that you care through meaningful benefits is more important than ever in today's world. According to the World Health Organization (WHO), depression and anxiety disorders cost the global economy about US\$1 trillion each year in lost productivity². The cost of this in the UK alone due to absenteeism and presenteeism totals approximately US\$78 billion per year, or 7.85% of payroll³.



Figure 1. Components of a successful well-being strategy.



² World Health Organization. "Mental Health in the Workplace," available at <https://www.who.int/teams/mental-health-and-substance-use/mental-health-in-the-workplace>.

³ Britain's Healthiest Workplace 2020. <https://www.vitality.co.uk/business/healthiest-workplace/>

Employers who effectively manage health risk and proactively create a culture of caring that appreciates and enhances employee's emotional, physical, financial, and social health are giving themselves a formidable competitive advantage. Understanding your population's needs through data analysis to understand your organizational health profile, coupled with employee-listening techniques such as digital surveys and stakeholder interviews, can ensure you are delivering programs that are relevant to your employees and provide experiences they desire.

This approach can help maximize your strategy's potential and encourage action by meeting your employees wherever they are on their health journey. Potential health issues and risk are identified early and mitigated early on, reducing the effects of presenteeism. Improved employee well-being drives significant gains in performance and engagement, estimated to increase productivity among employees who address their well-being by 31%, lower healthcare costs by 41%, and decrease turnover among thriving employees by 35%.⁴

What is well-being?

We view well-being as a complete strategy that encompasses benefits, workforce engagement, and company culture, rather than a checklist of initiatives. Strong well-being strategies mitigate health risks, optimize health, and enable a well-being-centric culture and brand, contributing to healthy, equitable societies and positive business outcomes. These strategies often rest on four pillars that influence sense of purpose, which has been shown to increase happiness and health.

Following are examples of programs that employers implement strategically to address the multiple dimensions of well-being. Not all may be relevant for your business, however, so think carefully about your specific needs.

⁴ Gallup Business Journal. Unhealthy, Stressed Employees Are Hurting Your Business, May 22, 2012

Strong well-being strategies mitigate health risks, optimize health and enable a well-being-centric culture and brand, contributing to healthy, equitable societies, and positive business outcomes.



Programs that strategically address the multiple dimensions of well-being.

	Examples	Illustrative health impacts due to COVID-19
 <p>Physical well-being</p>	<ul style="list-style-type: none"> • Physical activity • Not using tobacco • Desirable Body Mass Index (BMI) • Healthy nutrition • Adequate sleep • Personalized, comprehensive clinical care and care management 	<ul style="list-style-type: none"> • Increase in unintended pregnancies • Cancellation of programmed surgeries • Chronic condition care delays • Reduction to preventative care • Ergonomic issues due to poor conditions working remotely • Lack of physical activity and a more sedentary lifestyle
 <p>Emotional well-being</p>	<ul style="list-style-type: none"> • Purpose (personal, organizational, community) • Clinical support for mental health conditions • Presence and mindfulness • Optimism and happiness 	<ul style="list-style-type: none"> • Increased feelings of loneliness and isolation • Increase in depression and stress • Increase in suicides • Likelihood of anxiety disorders in social and public settings • Increased domestic violence • Increased substance abuse
 <p>Financial well-being</p>	<ul style="list-style-type: none"> • Managing expenses to income • Preparedness for emergencies • Long-term financial readiness • Planning for financial freedom 	<ul style="list-style-type: none"> • Increased financial stress • Expansion of gender pay gap • Increase in online gambling • Reduction to household total revenue • Unexpected expenses related to caregivers' role, such as education and care of children, older parents and vulnerable relatives • End of policies and government subsidies/unemployment protection • Exhaustion, despair, and loneliness
 <p>Social well-being</p>	<ul style="list-style-type: none"> • Social influences and support • Environment – workplace and community • Education • Economic stability • Family • Loneliness – connectedness • Healthcare – literacy, availability, affordability 	<ul style="list-style-type: none"> • Reduced ability to engage with colleagues • Restricted access to green space, which has benefits for physical and behavioral health • Work-life balance deteriorating due to remote work, lack of policies, flexibility, and challenges adapting to the new normal • Reduced access to grocery stores which impacts consumption of fresh produce • Reduced utilization of the healthcare system, including urgent and preventative care services, which will lead to longer-term care needs

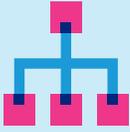


Best practices for a successful well-being strategy

When setting up or reviewing your well-being strategy it is important to keep the following framework in mind:

- Establish a mission, objectives, and guiding principles.
- Take a people-first, individual-centric view. It is critical to understand people's health needs, how they are being met, and uncover any gaps.
- Understand employee perceptions of and receptivity to new types of support, including digital health innovations, and how these may provide easier access to the tools and resources to meet people where they are.
- Identify anxieties, skepticism, and barriers to adoption and the role of employers in addressing healthcare needs.

The goal is to have a strategy that leads to better health and business outcomes, including productivity, engagement, retention, and trust.



Organizational and leadership support

- Demonstrate organizational commitment to and accountability for health and well-being, including the role of leaders and a budget to create needed infrastructure.
- Engage employees at all levels of the organization.
- Develop a strategic plan and reporting for multiple stakeholders.
- Target communications to diverse groups.



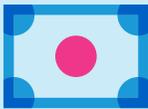
Comprehensive programs

- Use a human-centered design approach to developing well-being programs rather than a checklist of initiatives.
- Examine all the offerings necessary for your diverse workforce's needs.
- Establish programs that address health conditions across the continuum of health issues – from keeping employees healthy to supporting those with chronic conditions and disabilities.
- Provide virtual and digital comprehensive programs.
- Ensure equitable access to health care.



Program integration

- Integrate programs, branding, communications, data, and strategy.
- Ensure appropriate referrals from one program to another.
- Integrate well-being programs with other HR, risk management, employee benefits, and diversity, equity, and inclusion efforts.
- Integrate the approach toward health with workers, compensation programs and work-related conditions.



Motivation

- Offer intrinsic and extrinsic incentives for specific behaviors and activities.
- Ensure programs allow employees to monitor their personal progress.
- Consider using social platforms with linkages to community and team/peer activities.
- Allow family to participate and engage where possible.



Caregiving

As a term, caregiving encompasses a variety of different social and personal relationships. Employees are finding themselves acting as caregivers for various loved ones. If employers do not address the additional responsibilities and concerns arising from this shift, they run the risk of incurring costs related to retraining, reskilling, and recruiting those who have been pushed out of the workforce and into caregiving roles. Employers looking to support caregivers in the wake of COVID-19 can address in three primary ways:

- 1 Flexibility at work:**
Flexing when and how work gets done.
- 2 Flexibility from work:**
Leave and time off.
- 3 Caregiving benefits:**
Support, resources, or subsidized care.

We believe that employers that act and demonstrate empathy during today's caregiver crisis will benefit in the short- and long-term.

Mental health

Now more than ever, coping with pressure and behavioral health concerns are at the very top of employers' agendas. With new technologies, changes in the provider landscape, new forms of network access and enhanced tools there are multiple new opportunities to deliver the right support at the right time to your employees.

Comprehensive strategies to support mental health concerns

- **Understand employees' needs:**
Understand your unique population's mental health needs, analyze data trends and insights, and evaluate existing programs and resources.
- **Offer value to employees:**
Tailor programs that address the specific needs of your organization across the spectrum of mental health and substance-use disorder concerns.
- **Reduce stigma:**
Equip peers, managers, and supervisors with the tools to identify mental health needs and involve leadership initiatives to advance the conversation and company culture.



Figure 2. Potential mental health benefit offerings

Key well-being strategies for the year ahead

Employers have an opportunity to support a diverse, equitable, and inclusive workforce by recognizing there is not a one-size-fits-all approach to value. Employers looking to ensure a comprehensive well-being strategy should strive for inclusive benefits for diverse populations. Employers should avoid inherent biases in design and coverage. Society is paying more attention to employers' efforts to promote equity internally and in their communities.

Figure 3. Elements of an inclusive workforce



Implement inclusive benefits to support a broader corporate diversity, equity and inclusion strategy

1 Assess gaps in current benefits.

Employers can start by assessing gaps in current benefits and identifying priority segments, themes, and geographies. The combination of current market practice employer-sponsored benefit plans and government provision may not be enough.

2 Define and uphold minimum standards.

Employers should set a clear internal bar across the company based on employee needs, diversity and inclusion philosophy, legal risk tolerance, and clinical best practices.

3 Design a universal strategy.

Employers can then develop a plan for deploying their global minimum standards across and in different geographies, business units, and employee groups.

4 Challenge the status quo.

In order to promptly tackle the areas most in need of intervention, employers will need to encourage internal decision-makers as well as advisors, vendors, and insurers externally to implement new solutions the organizations can leverage.

Our approach

We firmly believe that the health and resilience of your business is tied to the health and resilience of your people. Mercer Marsh Benefits expertise helps you define your strategy, create a culture of health, and deliver a range of supportive solutions for your diverse workforce.

Contact your MMB consultant to learn more about the appropriate well-being, mental health, or inclusive benefits and solutions for your organization.

How do your well-being initiatives compare with best practices?

An important step to creating value from your well-being program is to **identify the needs within your organization and the gaps in your employee well-being offerings**. In collaboration with Mercer, the Health Enhancement Research Organization (HERO) has developed a tool to assess employers' well-being programs based on best practice standards. Complete [the HERO Health and Well-being Best Practices Scorecard](#) to measure how your efforts align with industry best practices and then contact your MMB consultant to review your results.





For further information, please contact your local Mercer Marsh Benefits office.

Mercer Marsh Benefits provides a range of solutions to help you manage people risk, including:

- Brokerage of core employee benefits as well as expatriate and special risks like business travel accident.
- Advice and support for health and well-being, plan member communications, and benefit plan financing.
- Digital solutions to engage plan members in their health and benefits.

ABOUT MERCER MARSH BENEFITS™

Mercer Marsh Benefits™ provides clients with a single source for managing the costs, people risks, and complexities of employee benefits. The network is a combination of Mercer and Marsh local offices around the world, plus country correspondents who have been selected based on specific criteria. Our benefits professionals located in 135 countries and servicing clients in more than 150 countries, are deeply knowledgeable about their local markets. Through our locally established businesses, we have a unique common platform which allows us to serve clients with global consistency and locally unique solutions.

Copyright 2021 Mercer LLC. All rights reserved.