



eBook

The Employees are Not Alright:

Insights on Why Health &
Wellbeing Strategies Matter





The pandemic has made it clear that the health and wellbeing of people are **linked to the bottom line**. And research suggests that there is a dramatic increase in how many organizations say they're focused on health and wellbeing in their workforce strategy, a shift due to many factors that have been percolating for a while.

We are still in an unprecedented moment in work and workforce culture. The COVID-19 pandemic continues to change the **work landscape** from the move to a remote workforce, highlighting health disparities and creating **more focus on diversity**, equity, and inclusion. Tumultuous labor markets, the global economic downturn, and the energy crisis because of the war in Ukraine create a volatile environment for organizations.

However, doing nothing **will spell** peril for business leaders. People expect their organization to support them at work and in life and are much clearer about what they want including **robust health and wellness benefits**. And people are still **leaving jobs in large numbers**, including some for jobs with **better work-life balance**. Organizations can take this moment to respond by building proactive health and benefits strategies for their workforce that are proven to increase wellbeing through behavior change.



Prioritizing Wellbeing & Health

Building a workforce strategy can no longer view wellbeing and health as separate. The pandemic has proven that organizations must think holistically about an person's whole self-showing up for work, including how they got there and in what community they live. While the impact of the pandemic has been disruptive for organizations and people, creating enormous burdens, there are also tremendous opportunities to innovate.

The workers are not alright, and we are in a “wellbeing crisis.” The World Health Organization reports that the stress of the pandemic and all that has come as a result translates into enormous [mental health burdens](#). Naturally, it can be hard to focus on work when caregivers are dealing with disruptions to childcare or worry over their own and family member's health.

Where organizations health, wellbeing, and performance connect is how what is happening outside the office impacts the kind of attention people bring to their work. When people are stressed naturally, [it shows up in their work](#) performance. The impact of unaddressed mental health issues is estimated to cause [200 million lost workdays each year](#) at a cost to organizations of \$17 to \$44 billion.



Employee Experience Matters

While a person's wellbeing is a spectrum, 38% of organizations consider "[employee experience](#)" to a "great extent". Every company has an "employee experience" or an a persons journey while working in an organization. Now, from recruitment to exit, people expect a more mindful approach to their [experience at a workplace](#). So, while hybrid-work schedules or on-site health screenings create positive experiences, an person-driven culture can build a healthier workplace and [happier people](#). An [analysis of over 250 global organizations](#) found that companies that scored highest on employee experience benchmarks have four times higher average profits, two times higher average revenues, and 40% lower turnover than those that did not.

People are eight times more likely to want to stay at a company with a positive employee experience.



Perspectives & Opportunities

1

Health & wellness integral to leader's workforce strategies

Fortunately, 42% to 65% of organizations say they are prioritizing health and wellbeing as a part of their workforce strategy. Organizations report they are increasingly prioritizing putting resources into these kinds of benefits as the fallout from COVID-19 continues to impact the workplace.

Rising expectations

Whether it's "quiet" or "[quick quitting](#)," there's a lot of talk of how people aren't happy with the status quo at work and how they're voting with their feet. After years of the pandemic and the shifts to work-life, peoples' priorities are different. So when organizations can [find a suitable candidate](#) for a position, what's their next challenge? [Keeping them](#). [Retention is another challenge](#) for organizations; however, finding and keeping high-value workers can come down to the kinds of benefits they offer. People expect more from their organizations today, [evidenced by the increasing number](#) of benefits [they consider](#) to be [must-haves](#). But in addition to traditional benefits, people are looking for places to work that [value their overall wellness](#) and mental health. Savvy organizations who want to stay ahead of the curve need to offer benefits that speak to people and [find innovative](#) ways [to connect](#) people while getting them on the path to wellbeing.



65%

of employers say they are prioritizing health and wellbeing as part of their workforce strategy, up from 42% in 2022.

HR needs support

It's no surprise that after the rollercoaster of the past few years, Human Resources leaders are burned out. Those responsible for team members' health and wellbeing initiatives also report an impact because of the focus via an increased workload. The pandemic meant these overwhelmed teams were forced nearly overnight to become virtual work and public health experts and implement systems to keep their co-workers working. The length of the pandemic and ongoing economic uncertainty means many HR leaders must do more with less and take care of people amid the "great resignation." According to the Society for Human Resource Management burnout and exhaustion are widespread in HR, with 42% of teams struggling under the weight of too many projects and responsibilities, according to a survey of 726 HR practitioners in seven countries in 2021.

Supporting the needs of HR specialists will be crucial for organizations as they build strategies. Establishing basic health and wellbeing principles like creating boundaries for work-life balance is a start, but business leaders looking to invest in strategies that will change their culture may see most benefit. However, finding the proper health and wellness tools can alleviate HR professionals' challenges while supporting the rest of the teams. HR leaders can be at the forefront of reimagining the workplace if given the right tools.

There is a higher expectation to deliver outcomes through health and wellbeing initiatives, meaning incorporating solutions that use data strategically is of the utmost importance.



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The high cost of healthcare remains a major burden and significant financial worry for people in the United States.

Health declines and healthcare costs continue to rise

Healthcare prices are projected to increase in 2023. Hospital spending was highest due to people deferring care because of the pandemic and the current crisis in mental health. Further, the cost of healthcare itself creates a barrier for adults leading them to skip or delay medical services. If screenings and other preventative measures are not performed regularly, a snowball effect of poor health outcomes can follow. Sick people cannot always fulfill their work obligations, and more serious healthcare treatment drives up organization-based insurance premiums.

For the first time, cancer is now the costliest condition, a spot previously held by musculoskeletal conditions. Delayed care during the pandemic may lead to an increase in the detection of later stages of diseases like cancer. While many types of cancer are treatable, the findings demonstrate how crucial preventative care is to our long-term health. Cancer care “financial toxicity” also impacts wellbeing, outcomes, and survival rates. Investment in health and wellness programs that prioritize preventative services like screenings can catch diseases before they progress, keep healthcare costs down, and people well.

A dramatic drop in U.S. life expectancy two years in a row sounds an alarm about people’s health and the resulting financial toll. Costs associated with the pandemic, such as testing, treatment, and administering vaccinations, are expected to continue. The mental health and substance use crisis created a massive demand for services. Additionally, an increase in substance use means an increase in costs. Overall population health in the United States worsened with pandemic-era behaviors like poor nutrition, lack of exercise, increased substance use, and smoking to blame.

There have been federal efforts to address costs in the United States, though it remains to be seen what impact they will have. While it’s unclear how the Inflation Reduction Act will affect organizations and people, there is concern that it will increase the costs of prescription drugs. The law will enable Medicare to negotiate drug prices and could mean costs falling to organizations’ plans, yet it is still unclear and could tip the other way. Improvement in quality and outcomes are the top objectives, followed by lowering overall costs for next year.





Accessibility and personalization of care

Organizations cite a desire to continue to blend in-person with virtual care, aligning with people's wishes. Pairing telemedicine with in-person care can close gaps in care if used strategically for people with chronic conditions, for example.

As Organizations desire to provide greater accessibility, many cite concern over the lack of integration leading to fragmented experience, duplication of care services, and the potential for increased spending, quality, and measuring outcomes. Organizations and people “embrace the positive aspects of virtual health solutions, including improved access and experience.” These concerns offer opportunities for health and wellness programs to demonstrate their impact on patient lives. Organizations know they must provide attractive health and wellness benefits to keep people happy while keeping costs down.



Delivery of care: Meeting people where they are

How people receive health care continues to be a concern for organizations. The pandemic highlighted what happens when there is a disruption of healthcare delivery outside of the workplace and how organizations can respond internally. From preventing the spread and testing to vaccination, businesses had to assemble their infrastructure to decide how to handle the pandemic.

Having had to build these systems gives organizations a unique opportunity to reimagine and reconfigure how healthcare delivery will look for people. Regarding investments large organizations surveyed by Business Group on Health are looking to make, priorities include advanced primary care, virtual health services for specific conditions, mental health, and stigma.

Delivering primary care in new ways is a focus for organizations who recognize its influence on improving and maintaining people's health. The survey showed that 60% say they will implement at least one advanced primary care strategy in 2023, up from 58% in 2022. Primary care is crucial in helping people maintain long-term health and keep costs down. As organizations continue to cite concern over health costs, it makes sense to focus on prevention through primary care as a strategy.

The pandemic led to organizations seeing people getting most health services virtually, increasing interest in wanting to create “virtual first” models between 2022 (23%) and 2025 (69%). Making more opportunities to get primary care in on-site clinics as more people return to worksites was also a priority.

Continued concern over delayed care and its impact on cancer risk was a new focus for the BGH survey participants. Cancer is the costliest condition for organizations, which is a change from past surveys. Fears that deferred care will result in the diagnosis of more advanced cancers may account for the increase in focus on organizations making cancer screening services available. When asked which screenings they are promoting or covering beyond those recommended alternatives to colonoscopies, and a more expansive definition of preventative care for breast cancer screening came up most.

Access to mental health services remains central for organizations. Leveraging online resources like apps rank highest for how most organizations see themselves addressing access and cost. More people, of all ages, are reporting leaving the workforce for mental health reasons.



Social Determinants of Health and health equity are top of mind

The pandemic shined a light on existing health inequalities and how where a person is born, lives, plays, and works has an impact on their health and wellbeing. These [social determinants of health \(SDOH\)](#) have been exasperated in many ways as the pandemic continues to impact the globe. Communities of color feel the brunt of the impact because of systemic racism that [continues to play out globally](#).

The awareness of these societal factors forces us to grapple with how a person's health is also dictated by what happens outside the medical system. We can take on these long-standing issues by going to the root causes of social determinants by focusing on issues like creating healthcare access, financial stability, affordable housing, and better-paying jobs.

Fortunately, the more considerable emphasis has made sure SDOH, and health equity remain top of mind for organizations with most reporting concern over health equity within their health and wellbeing initiatives. Organizations know that creating programs and benefits to address circumstances into which individuals and their families are born is essential to improving their wellbeing and health. The report shows that some SDOH receive more attention than others. Affordability, transgender, and reproductive healthcare are the top ways organizations report addressing to target health equity among their workforces.

Organizations who address health equity and SDOH become competitive in a challenging labor market, where people are looking for companies to take a stand on social issues. Additionally, without proactively dealing with social matters, organizations will not be able to tackle SDOH and health equity in a way that will create a more secure and, thus, happier workforce.

Childcare and food access, organizations report, will be an area of focus in the future. Lack of childcare stability, between school and daycare closures, caused a significant departure of women from the workforce during the pandemic. Organizations prioritizing access to affordable, quality childcare could be a key to [alleviating the worker shortage](#) in many sectors. Further, supporting childcare initiatives will be central to establishing and promoting [diversity in the workforce](#).

Health and wellbeing strategies—including access to mental health services, will also be necessary for employers to prioritize as they delve into systemic issues such as health equity and SDOH. The [impact on health and wellness](#) felt by underrepresented people is inextricable. Without proper support for underrepresented people, organizations risk alienating them while trying to do the important work of creating equitable and welcoming spaces.



To get the consumer perspective on the topic of SDOH, Virgin Pulse surveyed more than 2,000 U.S. adults nationwide

Priorities for the future

The pandemic may be slowly receding, yet its impact will continue reverberating through the world of work. The recognition that how organizations support health and wellbeing of people has a correlation to experience, culture, retention, and productivity is something that won't go away.

However, how organizations implement policies to support people depends on cost, the healthcare policy landscape, and results these policies deliver. Organizations' priorities mirror those of the past, according to the survey. Virtual care is the top way they're looking to expand health and wellness benefits followed by the expansion of mental health services. Yet, considering the dramatic increase in health costs, next year's results may show a distinct set of priorities for organizations.





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