

Prevention is Better Than Cure

Are Employers Up for the Challenge to Change Behaviors in the Workplace?



Overview

Employers are facing numerous sources of uncertainty and volatility. Inflation, fears of a recession and workforce erosion are just a few concerns weighing on organizations. With these challenges, it would be reasonable to think that employee wellbeing could decrease in importance and priority.

However, the opposite is happening. According to Aon's 2022 – 2023 Global Wellbeing Survey, organizations are increasingly investing in the wellbeing of their employees, and wellbeing continues to be a focus.

Wellbeing and health challenges are evidenced all around us:

- The average global medical trend rate for 2023 is expected to be 9.2 percent, up from 7.4 in 2022, the highest since 2015.¹
- 74 percent of all deaths worldwide are related to non-communicable diseases such as cancer, stroke, heart disease, diabetes and chronic lung disease, according to the World Health Organization.²
- Depression and anxiety cost the global economy \$1 trillion per year in lost productivity, according to medical condition-specific data from the World Health Organization.³

Coupled with factors such as an aging population, multi-generational workforces and employees increasingly working into their later years due to lack of retirement savings, it is not surprising that focusing on wellbeing, improving behavioral health and preventing disease is not just an issue for governments and other health bodies, but also for employers.

In fact, Aon's 2022 – 2023 Global Wellbeing Survey shows us that 87 percent of organizations have at least one wellbeing initiative in place and 83 percent have a wellbeing strategy. That's up by more than 25 percentage points since 2020, when many companies were scrambling to take care of employee wellbeing in the early stages of the pandemic.⁴

For those committed to positively influencing employee wellbeing and promoting behavior change, they should start with a review of their own values and ensure their culture is truly in line with the objectives they set.

Prevention is Better Than Cure

Health and wellbeing costs have become a topmost concern for companies as year over year medical plan costs continue to escalate. At the local level, companies looking to mitigate the increased costs are focusing on wellbeing. These initiatives help to control costs in a few ways. By encouraging utilization of preventative care, they can avoid more expensive care down the road. And by keeping employees engaged in their wellness, they reduce the stress that can exacerbate other health conditions.⁵

Whether it be bold government statements about public healthcare systems or employers looking to optimize the value of their investment in employee wellbeing, there needs to be a realignment of focus toward proactive prevention. Too often, the focus tends to be on reactive support instead, providing access to basic healthcare and assisting with claims submissions for high-cost treatments after an employee falls ill.

While an individual's health is not static, there should be a shift in emphasis and redistribution of spend and effort on keeping employees thriving at work and acting more quickly when they start to struggle or their health declines. It is also critical to understand what you, as an employer, are really trying to achieve in this space. While there may be some employers looking to just check a box, others will be genuinely committed to understanding and improving their workers' health. Regardless of where an employer is in their wellbeing journey, there are benefits to shifting mindsets to the importance of prevention.

¹Aon 2023 Global Medical Trend Rates Report

²www.who.int/ncds/en/

³www.who.int/mental_health/in_the_workplace/en/

⁴Aon's 2022-2023 Global Wellbeing Survey

⁵Aon 2023 Global Medical Trend Rates Report

The Stages of Employee Wellbeing

Thriving Worker Prevention	Struggling Worker Early Detection	Ill Health Early Intervention and Treatment	Sickness Absence Longer-Term Care and Support
Primary Intervention <ul style="list-style-type: none"> • Designing and managing positive work culture • Promoting protective factors 	Secondary Intervention <ul style="list-style-type: none"> • Enhancing resilience and coping capacity • Promoting early help and support 	Tertiary Intervention <ul style="list-style-type: none"> • Access to treatment and services, supporting recovery from ill health 	

Typical motivators to take action:



The Role of the Employer

From an employer’s perspective, ignoring the outcomes of poor employee wellbeing is not an option. The relationship between employers and many employees is increasingly challenged by the link between poor health behaviors and chronic medical conditions, which manifests in a number of different ways, such as increased absenteeism and presenteeism, reduced productivity, increasing claims costs, poor financial wellbeing and general disengagement.

Our research found that there is a relationship between wellbeing and a sustainable working life, and that relationship can affect company performance. The higher an organization’s ratings in overall employee wellbeing, culture and climate of wellbeing, performance of wellbeing initiatives and funding allocation toward wellbeing are, the better their scores in the categories of a sustainable working life, workforce resilience, agility and belonging. There is also a direct relationship to company performance. Improving these factors can enhance company performance by at least 11 percent and up to 55 percent.¹

Indeed, progressive employers will recognize this, and will place greater emphasis on embedding workforce resilience, agility and belonging within their wellbeing programs in order to reap the rewards. They recognize that employees spend a significant amount of time at work and want to support employees to be their best selves, which in turn has a knock-on benefit for them. Such support can now go beyond traditional wellbeing models due to advances in technology. Embedding lifestyle change models into a wellbeing strategy can be significantly enhanced if technology is utilized in an effective way, while always respecting boundaries because health is very personal and not always straightforward.

¹ Aon's 2022-2023 Global Wellbeing Survey

The Global People Challenge

We face significant economic insecurity



91%

of employees report having faced personal financial issues¹



Only 54%

of companies globally incorporate financial wellbeing programs into their strategy²

¹discover.shareworks.com/i/1430774-morgan-stanley-at-work-state-of-the-workplace-financial-benefits-report

²Aon's 2022-2023 Global Wellbeing Survey

We are growing older and less healthy



75

men

82

women

average life expectancy in more developed countries³



50%

of people will develop some form of cancer during their lifetime⁴

³www.statista.com/statistics/274507/life-expectancy-in-industrial-and-developing-countries

⁴www.nhs.uk/conditions/cancer

We are stressed, unhappy and disengaged



1 in 8

people in the world live with a mental disorder⁵



31%

of global death is due to cardiovascular disease⁶



35%

feel pressured to respond to work-related calls, emails and text messages when they are on holiday⁷



Only 15%

of employees are actively engaged at work, which means up to 85% could be "quiet quitting"⁸



96%

of workers are looking for a new job in 2023⁹

⁵www.who.int/news-room/fact-sheets/detail/mental-disorders

⁶www.cdc.gov/pod/issues/2022/22_0347.htm

⁷cdn2.hubspot.net/hubfs/481927/Randstad%20Workmonitor%20global%20report%20Q4%20-%20Dec%202019.pdf

⁸www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx

⁹learnmore.monster.com/poll-results-new-year-new-career

Investing and Benefiting from Wellbeing

Despite companies facing increasing volatility and uncertainty in the form of inflation, a global pandemic, changing workforce patterns and geopolitical conflict, employers are still focused on wellbeing. Globally, 43 percent of companies say they have increased their investment in wellbeing, while most other companies have left investment the same or refocused their investments.¹

Top Priorities for Companies for the Next Five Years by Region ²

	North America	Latin America	Europe and the UK	Asia Pacific	Africa & Middle East
1	Attracting or retaining talent	Employee wellbeing (i.e., an employee's overall physical, emotional, social, career and financial health)	Attracting or retaining talent	Attracting or retaining talent	Employee wellbeing (i.e., an employee's overall physical, emotional, social, career and financial health)
2	Employee wellbeing (i.e., an employee's overall physical, emotional, social, career and financial health)	Attracting or retaining talent	Employee wellbeing (i.e., an employee's overall physical, emotional, social, career and financial health)	Profits and financial margins (i.e., control costs and efficiencies)	Attracting or retaining talent
3	Innovation of product and/or services	Innovation of product and/or services	Profits and financial margins (i.e., control costs and efficiencies)	Employee wellbeing (i.e., an employee's overall physical, emotional, social, career and financial health)	Diversity, Equity, and Inclusion (DE&I)

What this shows us is the importance companies are placing on employee wellbeing across all regions. Businesses are looking to build resilient workforces by increasing their commitment to employee wellbeing, both in support and financial investment.

Since the pandemic, nearly every company wants to be seen as caring about their employees. They feel a responsibility to their workforce that extends beyond business hours.

But wellbeing is also seen as a way of addressing the global people challenge, which can certainly impact the productivity of employees at work.

Wellbeing initiatives can support a healthier and happier lifestyle for employees. But they can also increase engagement levels, provide a sense of belonging and improve retention, not to mention attract new talent.

When asked what business issues could be impacted by wellbeing in Aon's 2022-2023 Global Wellbeing Survey, those most mentioned included employee satisfaction and engagement, making communication and employee engagement key – something technology can help facilitate.

Business Issues Wellbeing Initiatives Would Impact ³

1	Employee satisfaction/engagement
2	Employee performance/productivity
3	Employee loyalty and retention
4	Employee business results
5	Talent acquisition and attraction

^{1,2,3}Aon's 2022-2023 Global Wellbeing Survey

Meeting Employee Needs

The challenge of employee health cannot be addressed only by employers. Both employers and employees need to reassess their roles and responsibilities. Employers have the responsibility to support their employees to be as healthy as they can possibly be, and it is only right and proper that employers further their efforts to encourage understanding, education, prevention and the provision of support (medical interventions and treatment) at the right time in an employee's life.

Further, as the prevalence of wellbeing programs increases the notion of the employee's need to be an educated consumer of their healthcare, it will also become increasingly common that employees will expect their employers to provide what they need to thrive in their professional roles as well as in their personal lives.

Employees also need to accept their role as part of the workplace wellbeing contract. Employees are not simply consumers of health; they must accept responsibility for their own health and wellbeing, doing their part to address modifiable lifestyle risk factors (e.g., smoking, lack of physical activity, excessive alcohol consumption), that can all contribute to chronic disease.

There is evidence to suggest that employees increasingly value workplace wellbeing and acknowledge that it is a shared responsibility. According to the results of Aon's 2019 Workforce Mindset Study, employees value a balanced rewards and engagement approach from their employers. When it comes to valuing total reward programs, health and wellbeing, retirement and financial wellbeing and work-life onsite support services account for approximately one-third of the average overall value of their total rewards.

While there are no doubt differences in the value that multiple generations of the working population place on these elements, the differences are not as pronounced as might be expected. Wellbeing resonates with many individuals, regardless of age and gender. The challenge is to enable people to understand the health implications of their lifestyle habits and support their ability to make informed, better decisions as a result. Technology and mobile health, or mHealth, can be key enablers for this.

Generational Differences in Total Rewards Value

	Boomer	Generation X	Millennial
Career Development and Learning	7.83	7.85	9.96
Work-Life Balance and Onsite Support Services	8.16	9.42	10.46
Life and Disability Insurance	5.86	5.65	6.37
Retirement and Financial Wellbeing Benefits	9.92	10.62	9.1
Health and Wellbeing Benefits	10.19	10.48	11.65
Paid Time Off	12.09	11.28	11.42
Pay	45.96	44.68	41.03

Using mHealth to Engage and Promote Wellbeing

The popularity of mobile platforms such as tablets, smartphones, wearables and smartwatches is not new but continues to facilitate the rapid expansion of the mobile health technology (mHealth) market — a market that some predict will be worth more than \$150 billion by 2025.¹ Such expansion is paving the way for major transformations in how employees interact with the healthcare system.

The breadth of what mHealth covers can be grouped into categories, including disease management, cost and claims management and telemedicine. And, mHealth does not have to be complicated to be effective. From a preventative and lifestyle perspective, simple mobile apps or devices can be an effective way of engaging employees about their health, starting the journey of helping them measure key health metrics and triggering behavior change while introducing an element of gamification and social connection.

The most successful mHealth apps will have good usability and functionality, provide useful and relevant insights and will sustain engagement by applying behavioral psychology and gamification techniques such as personalization, clear goals, alerts, feedback loops, community elements, education and data analytics.

The most effective apps will have a broader capability than many apps today that often just focus on one part of the wellbeing cycle. Apps targeting physical fitness, emotional fitness, or more recently, financial fitness, are all too common. An app that draws these areas together would be one that really stands out.

Conclusion

The approach toward workplace wellbeing needs to evolve. There is plenty of information that demonstrates the scale of the problem and the fact that, while people are generally living longer, they are doing so in deteriorating health.

Today, employers are well-placed to make an impact by moving away from strategies that are nothing more than disjointed and often poorly targeted initiatives, even if the underlying intent is good. In-depth analysis of different health-related data sets can underpin an employer's wellbeing approach, empowering them to target key risk areas and make a sustainable impact on the health of their workforce.

If we accept that effective workplace health and wellbeing is a shared responsibility between employers and employees, there are opportunities to do things differently. A key part of this involves education, promoting understanding and shifting to a more preventative-based model, where there is a strong emphasis on healthy behavior change.

mHealth could be a key enabler for this, as long as employers are clear on what they are trying to achieve, understand what role mHealth can play, recognize how it fits into the culture of their organization and use it in a positive way — for example, to enhance employee engagement.

Health-related technology will continue to develop at a rapid pace and employers need to ensure that their workplace wellbeing approach is fit enough to keep up.



Developing wellbeing initiatives that take advantage of this phenomenon should increase the adoption of wellbeing-related activities and contribute to higher returns through increased engagement.

¹www.grandviewresearch.com/press-release/global-mhealth-market



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