#### AON

More than Meets
the ROI: Enhancing
Workforce
Wellbeing to
Improve Health,
Productivity and
Safety Outcomes

March 16, 2023



#### Welcome & Introductions



Robin Bouvier Vice President, Health Transformation Aon

- My primary responsibility is working with Aon consultants and clients across the country to identify opportunities to improve total workforce wellbeing and resilience
- Professional designations include:

Robin.bouvier@aon.com

- Certified Corporate Wellness Specialist
- Certified Wellness Program Coordinator
- Corporate Athlete Bootcamp Trainer
- Mental Health First Aider
- I recently joined the American Diabetes Association Community Board of Directors to assist them in their efforts to bring resources to prevent and manage diabetes to the workforce
- My purpose is to help people overcome barriers to wellbeing by creating exceptional environments and experiences – which is what I am here to do today



#### Agenda

The current state of employee wellbeing

How employers are trying to help

Identify and target solutions to improve health, productivity and safety outcomes

Q&A



The Current State of Employee Wellbeing



#### What Is Workforce Wellbeing?

**Wellbeing** is a **people and performance approach** that is a balance of having the appropriate resources, opportunities, and commitment needed to *achieve* **optimal** *health*, *resilience*, *performance and sustainability* for **the individual**, **team**, **leadership**, **organization**, **and community**.



# Wellbeing Is a Top Priority for Employers Globally for the Next 5 Years

**North America** 

**Latin America** 

**Europe/UK** 

APAC

**Africa-Middle East** 



Attracting or retaining talent



Employee wellbeing



Attracting or retaining talent



Attracting or retaining talent



**Employee wellbeing** 



**Employee wellbeing** 



Attracting and retaining



Employee wellbeing



Profits and financial margins (i.e., control costs and efficiencies)



Attracting or retaining



Innovation of product and/or services



Innovation of product and/or services



Profits and financial margins (i.e., control costs and efficiencies)



Employee wellbeing



Diversity, Equity, and Inclusion (DE&I)



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Diversity, Equity, and Inclusion (DE&I)



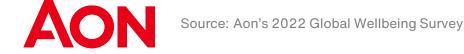
Environment, Social, and Governance (ESG)



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# Workforce Wellbeing Performance Impacts Company Performance

Changes in employee and organizational wellbeing can impact company performance and business outcomes<sup>1</sup>

**63%** of employers globally say employee wellbeing is more important to their company since 2020<sup>2</sup>

47% say employee wellbeing has increased as a priority since 2020<sup>2</sup>

Increase in Wellbeing Performance		Increase in Business Outcomes
3%	1%	Customer satisfaction and retention
3.5%	1%	Employee satisfaction Customer Acquisition
4%	1%	Company profit
5%	1%	Commitment to innovation Net promoter score Employee engagement
4%	1%	Decreased employee turnover



# Top Five Employee Wellbeing Issues Globally

**Employer Perception** 





#### **Definitions of Top Wellbeing Issues**

Mental and emotional health

- Mental health is a **state of mind** characterized by emotional wellbeing, good behavioral adjustment, relative freedom from anxiety and disabling symptoms, and a capacity to establish constructive relationships and cope with the ordinary demands and stresses of life
- Mental health is a synonym for flourishing
- Burnout
- Burnout is a syndrome classified by the World Health Organization as an occupational phenomenon
- Results from "chronic workplace stress that is not managed effectively"

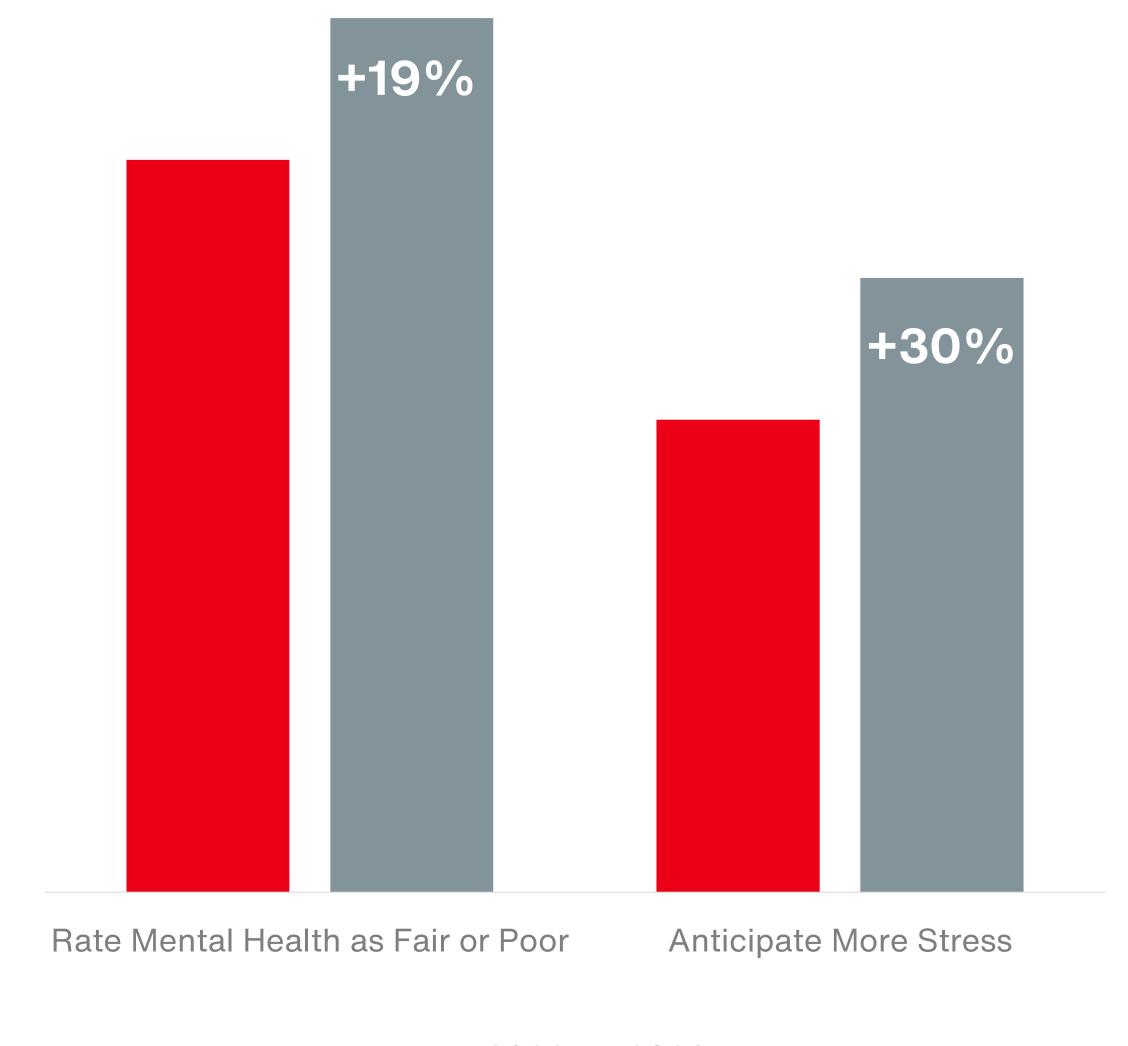
Languishing

- Languishing is defined by the American Psychological Association as the condition of **absence of mental health**
- Not a diseases but a state people can find themselves stuck in
- Languishing is the opposite of flourishing



# Worsening State of Workforce Mental Health in the US

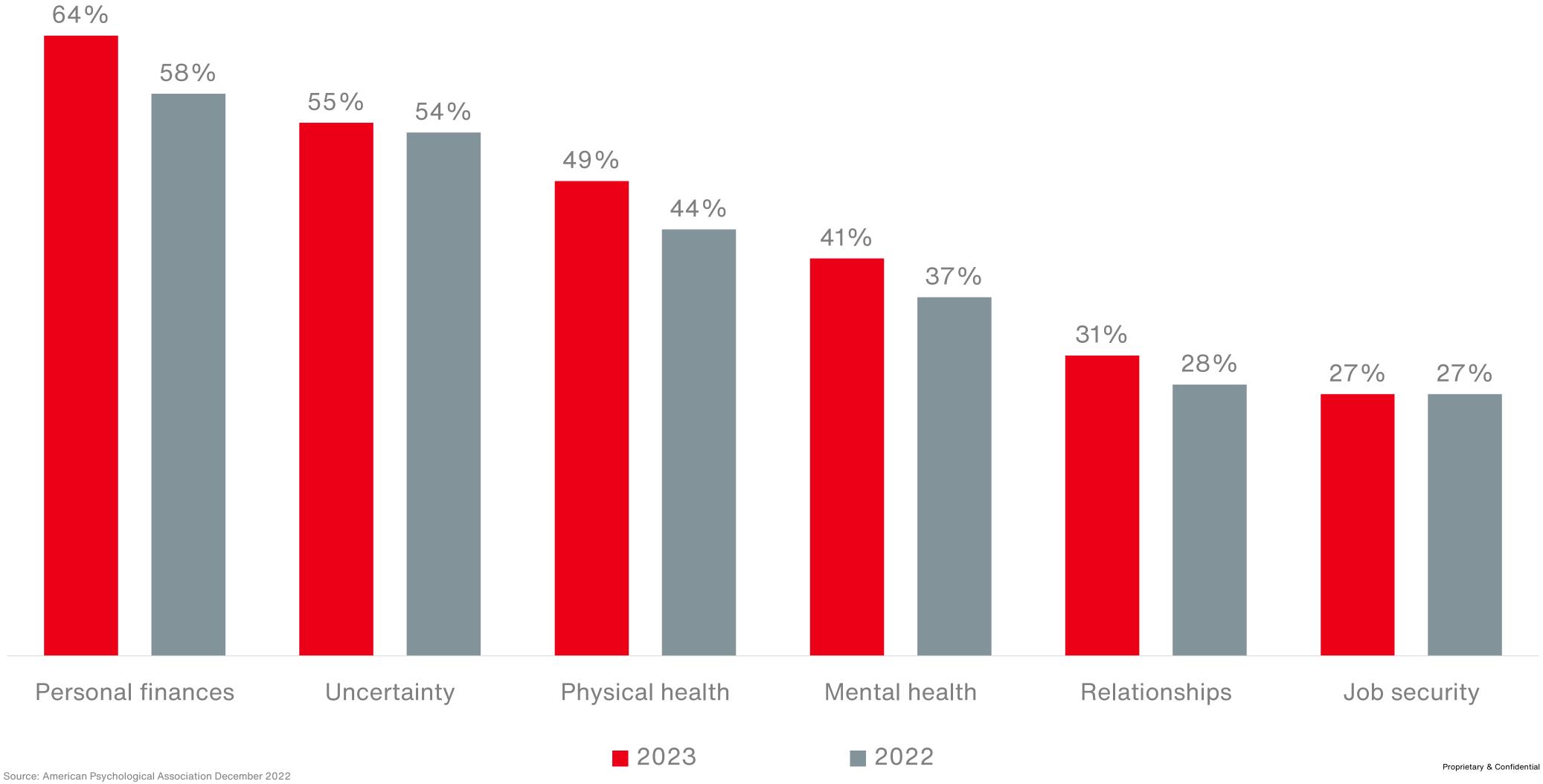
- 37% of Americans rate their mental health as only **fair or poor**<sup>1</sup>
  - Up from 31% a year ago
- 26% reported they anticipate experiencing more stress in 2023<sup>1</sup>
- Up from 20% last year
- 75% of US employees indicate their stress level is usually high/moderate<sup>2</sup>
- Only 37% of employees report they feel in control of their stress<sup>2</sup>





**■** 2022 **■** 2023

# Top Sources of Stress & Anxiety in the US





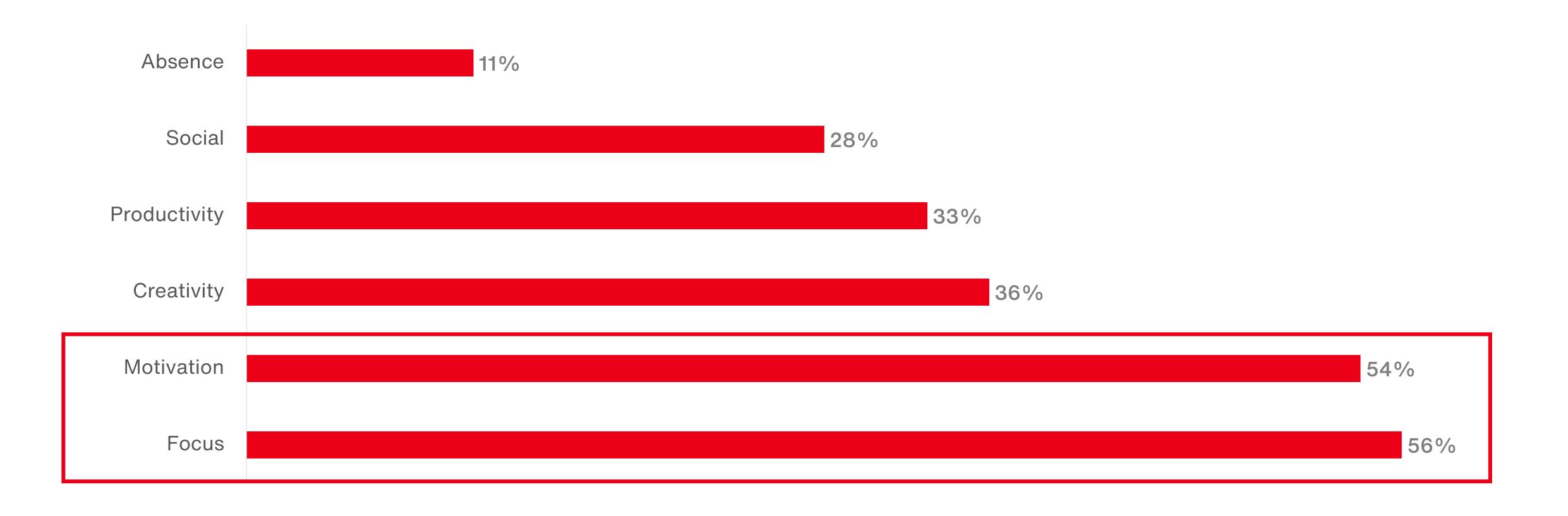
# How Stress Presents in the Workplace

Symptoms of Distress	=	Impacts on Business	
Sleep problems	=	Safety-related mishaps, tardiness	
Lack of concentration	=	Procrastination and distractibility	
Slowed cognition	=	Indecision, project delays	
Aches and pains	=	Trips to the doctor, increased costs	
Forgetfulness	=	Errors and omissions	
Self-medication	=	Missed deadlines, absenteeism	
Irritability and tearfulness	=	Strained work relationships (colleagues, boss, clients)	
Low motivation or morale	=	Reduced productivity	



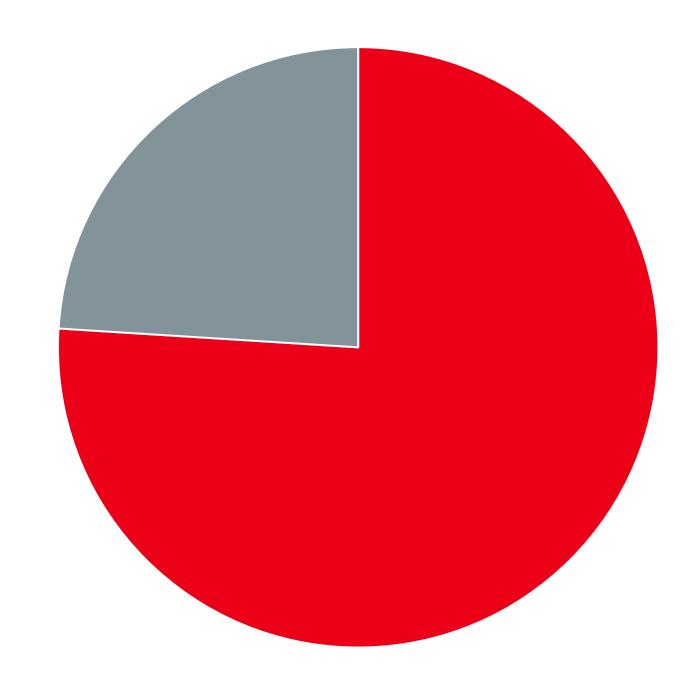
#### How Employees Feel Stress Impacts Work Performance

In what ways is stress negatively affecting your work?





#### Lack of Motivation and Focus Can Lead to Burnout



**76%** of employees experience workplace burnout at least sometimes

#### Some common "faces" of burnout for individuals may include:

- looking tired or withdrawn
- consistently bearing a different countenance than normal
- self-isolating when faced with many tasks
- looking angry or frustrated more frequently (and not trying to hide it)

#### Some common sounds of burnout for individuals may include:

- responding with irritation
- softening their feelings with words or phrases like "overwhelmed" or "a little bit tired"
- outrightly sharing they are stressed, anxious or struggling
- referencing having a difficult time "balancing" or "prioritizing"



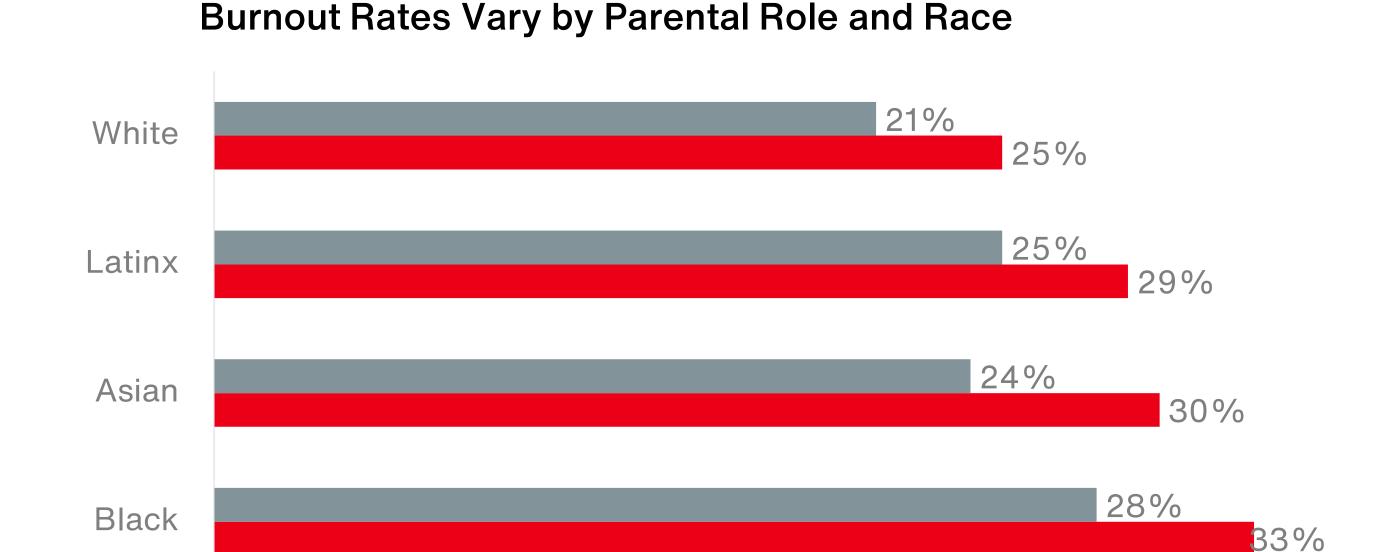
# Main Causes of Burnout Excessive workload Perceived lack of





#### **Exacerbated by Working Parents' Challenges**

- 4.8 million working parents have 'preventable' burnout<sup>1</sup>
- 43% of working parents say it has been more difficult to manage work and personal commitments during COVID-194
- 64% of working parents are considering a career change, including leaving their jobs<sup>3</sup>



■ Fathers ■ Mothers

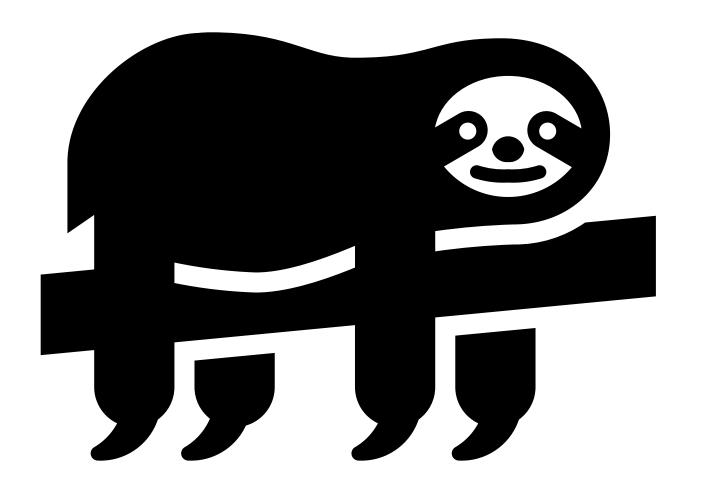
- Underrepresented racial groups are more likely to be working parents and they're more likely to experience burnout<sup>2</sup>
- Working mothers, and mothers who are Black, Hispanic, Asian and Indigenous, are more likely to experience burnout
  due to lack of support and recognition in their career, ranging from unequal pay to stalled promotions<sup>2</sup>



# **Burnout Leads to Disengagement**

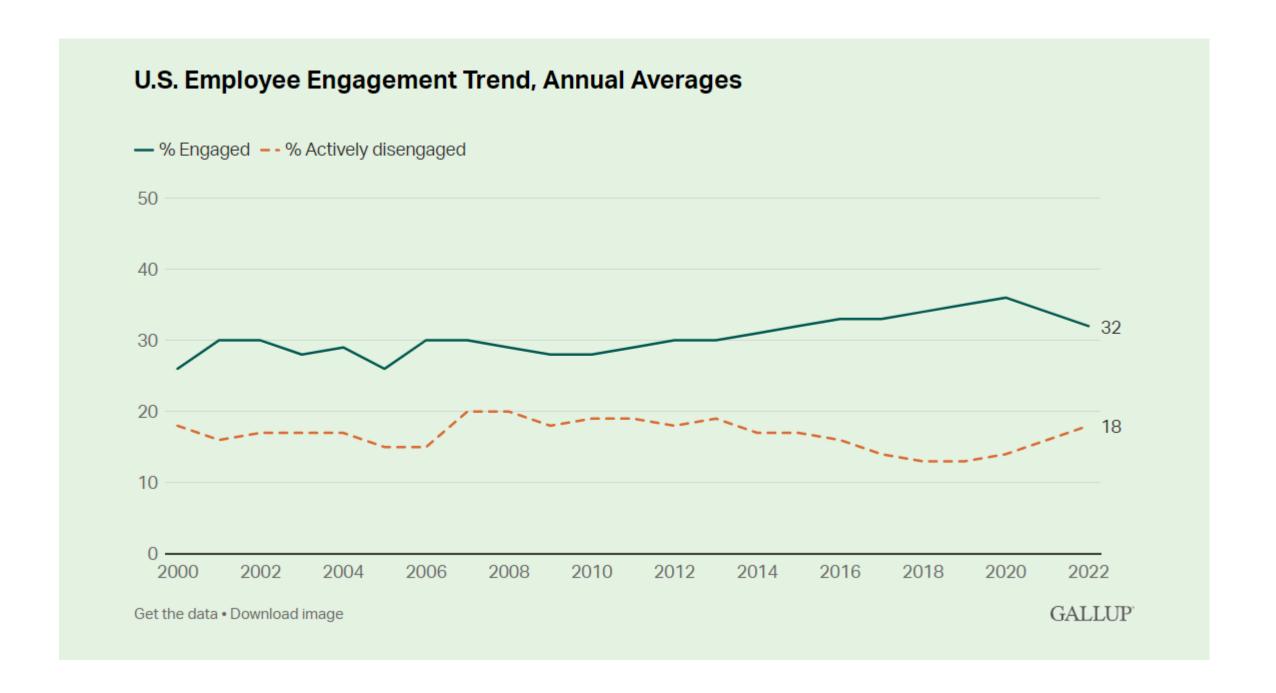
#### "Quiet Quitting"

"Quiet quitters" make up at least 50% of the U.S. workforce



#### "Loud Quitting"

The ratio of engaged to actively disengaged has dropped to 1.8 to 1, the lowest in a decade



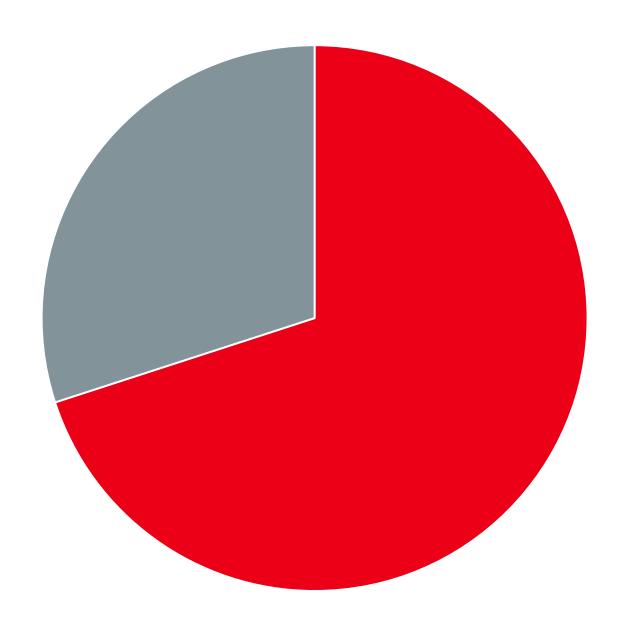


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#### Disengagement Leads to Voluntary Turnover

#### "Actual" Quitting

- Over four million American workers quit their jobs each month in 2022<sup>1</sup>
- A recent survey found around 40% of employees are thinking about leaving their jobs in the next three to six months<sup>2</sup>
- The rate of employees voluntarily quitting their jobs is 25% higher than pre-pandemic levels<sup>3</sup>



**70%** of the C-suite **considered quitting** in 2022 to search for a job that responded to their mental health and wellbeing<sup>1</sup>



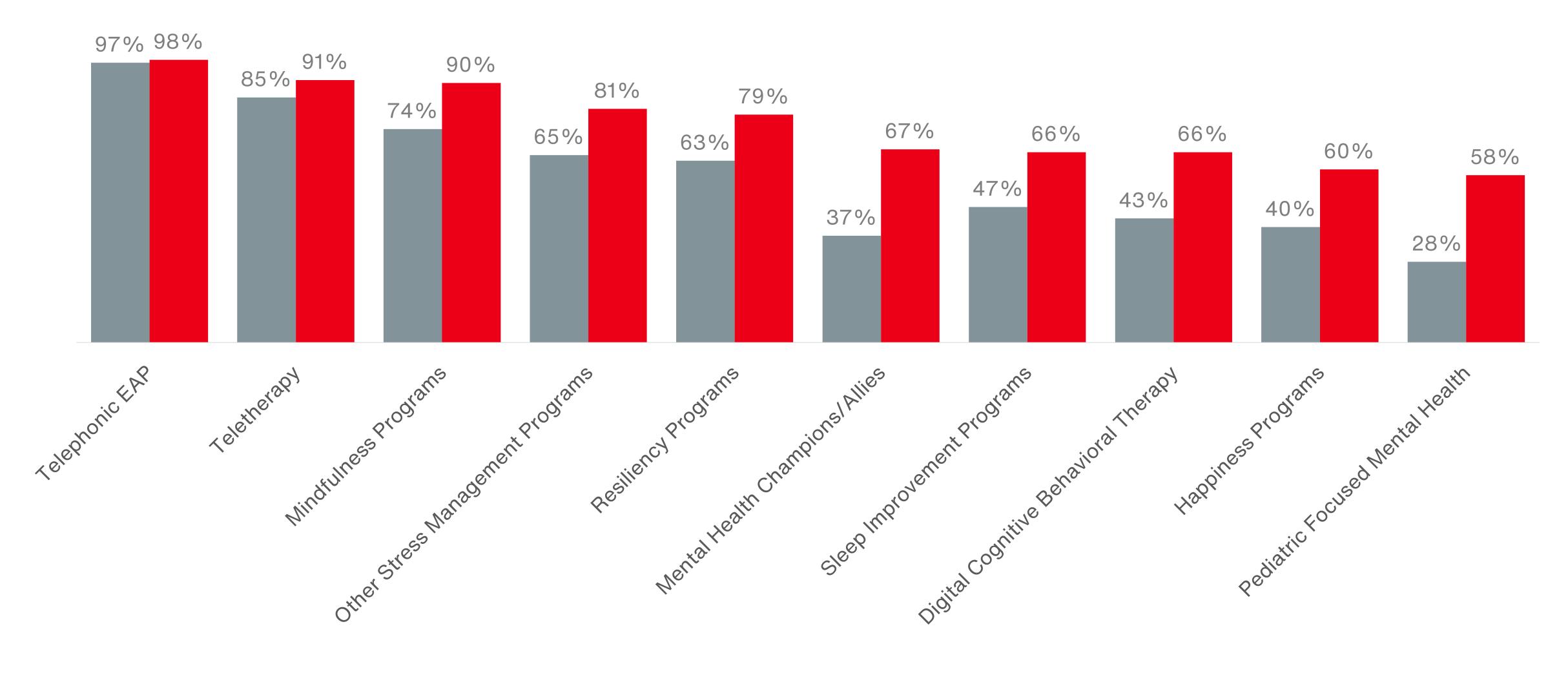
How Employers Are Trying to Help



32% of employees want their employer to offer more mental health resources and 52% said a stress management program would be valuable



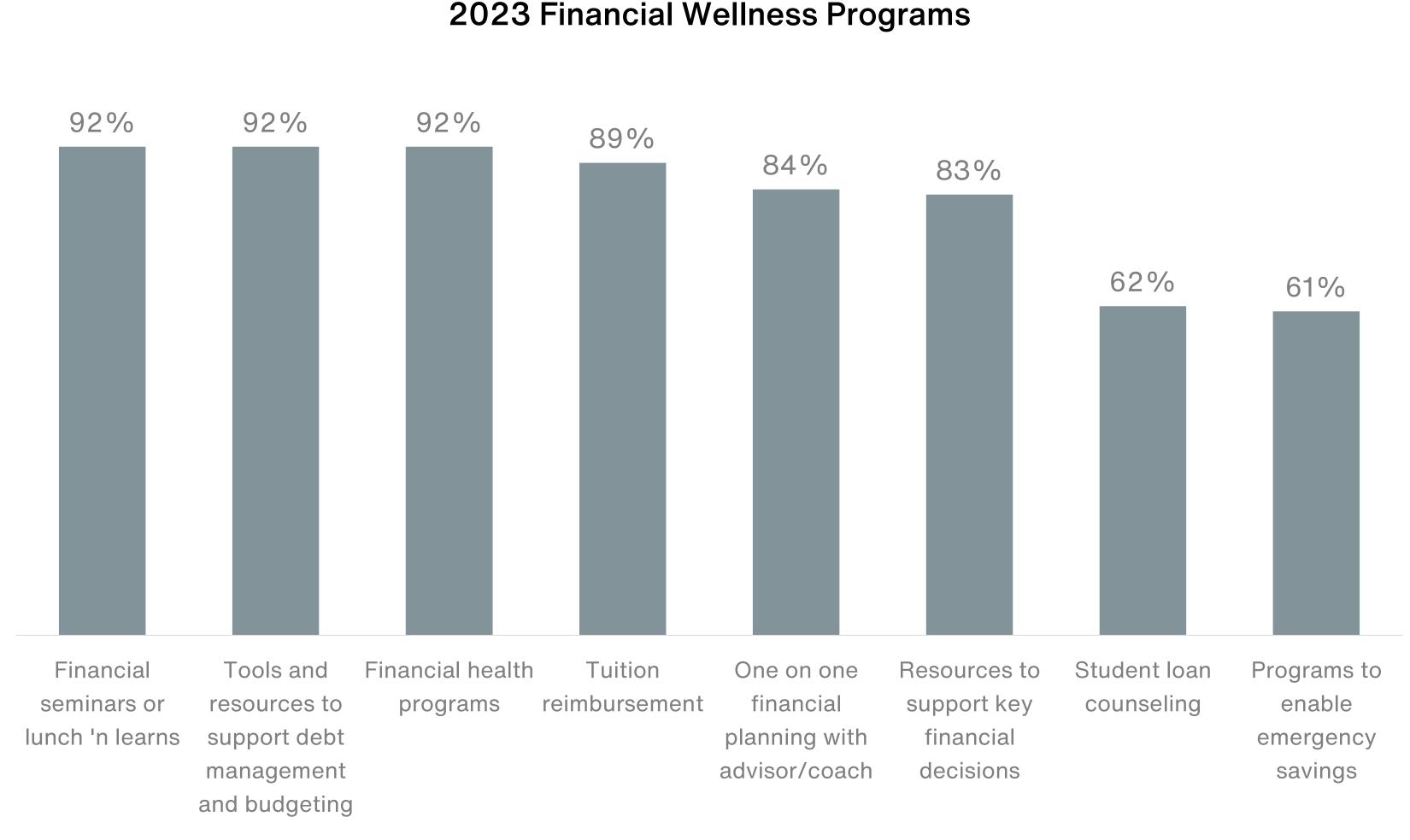
#### Mental Health & Emotional Wellbeing Programs Employers Offer





# Financial Wellbeing Resources Employers Offer

- 98% of employers include financial wellbeing as part of their overall wellbeing approach in 2023
  - Up from 94% in 2022
- Second most common wellbeing dimension, after mental health (99%)





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#### Are Employers' Efforts Supporting Employee Mental Health?

Employers Believe They Are; Employees Disagree

	Employers	Workers
Feel workers have the flexibility in their schedule to get the mental health they need	80%	53%
Have more access to mental health resources than previous years	82%	50%
Has an open and inclusive environment that encourages a dialogue about mental health	82%	48%
Mental health has improved thanks to resources provided by the company	79%	35%



Only 15% of U.S. employees believe their employer offers stress management programs and only 23% have utilized a stress management program in the last year

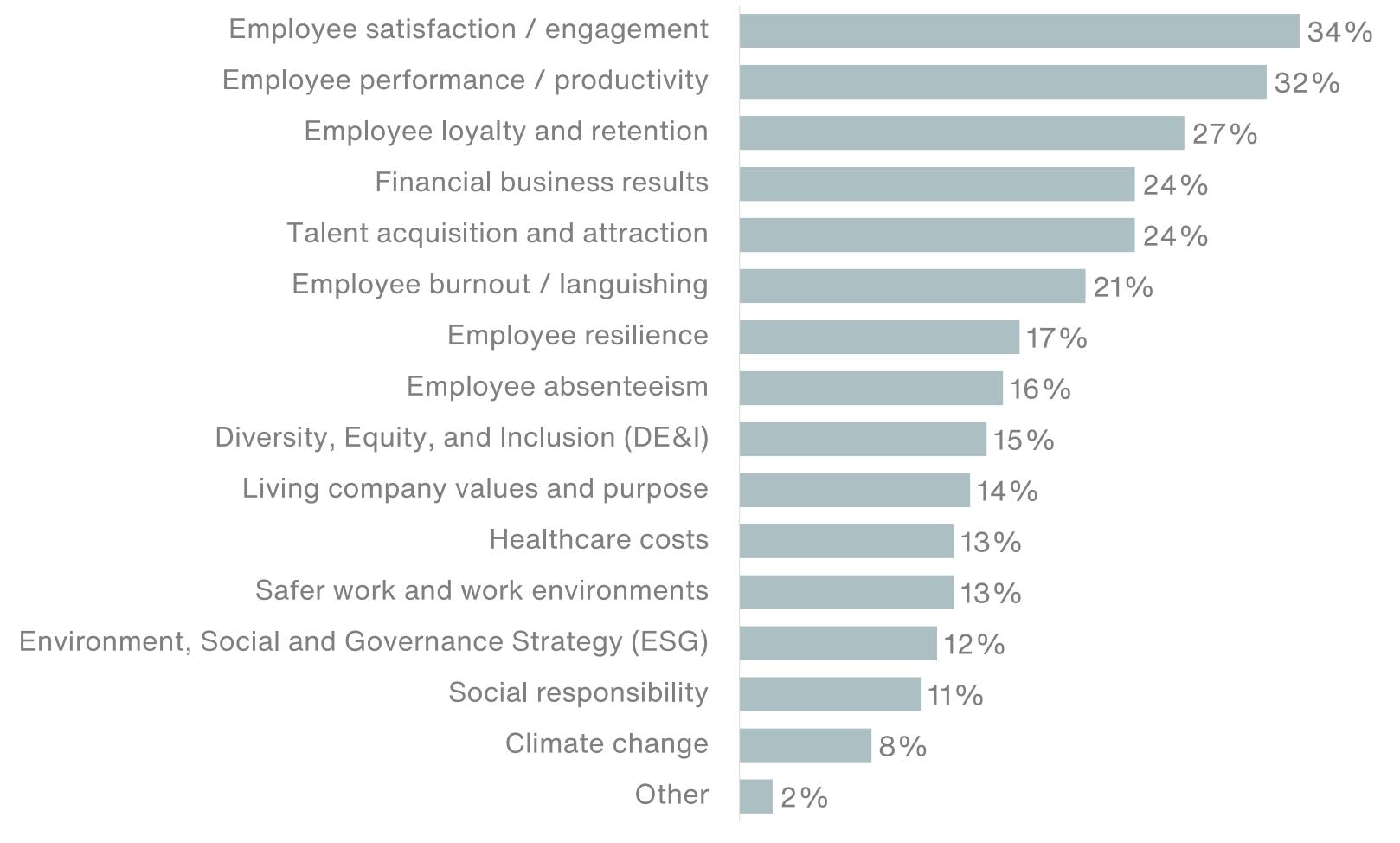


Identify and Target Solutions to Improve Health, Productivity and Safety Outcomes



## **Define Your Objectives**

#### Most Important Business Issues Wellbeing Initiatives Would Impact

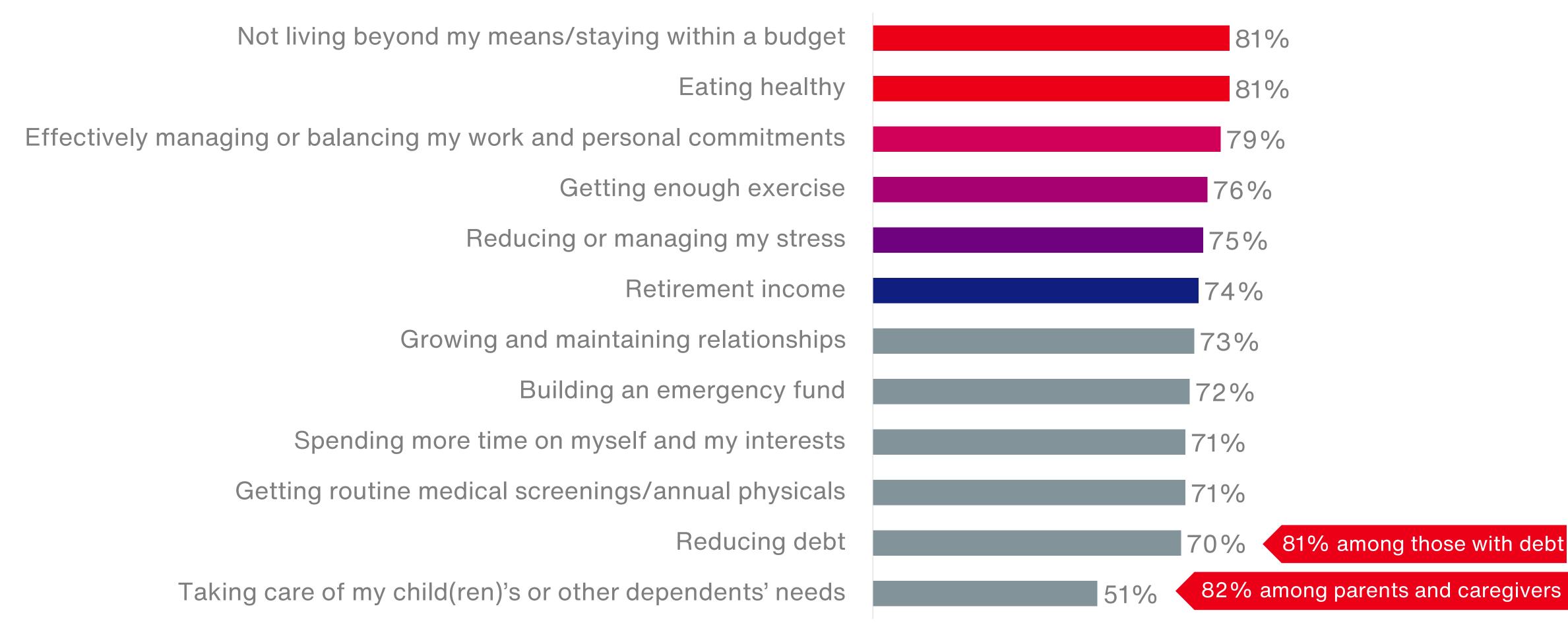




Source: Aon 2022 Global Wellbeing Survey

#### Collect Data to Target Your Employees' Wellbeing Priorities

**Top 12 Employee Wellbeing Priorities** 





# **Evaluate Wellbeing Priorities by Generation**

Priority Ranking	Gen Z	<b>Emerging Millennials</b>	Established Millennials	Gen X	Boomers
1	Reducing or managing my stress	Eating healthy	Eating healthy	Not living beyond means or staying within a budget	Not living beyond means or staying within a budget
2	Eating healthy	Managing/balancing work and personal commitments	Managing/balancing work and personal commitments	Retirement income or wealth accumulation/investments	Retirement income or wealth accumulation/investments
3	Managing/balancing work and personal commitments	Reducing or managing my stress	Getting enough exercise	Eating healthy	Eating healthy
4	Gaining new job skills or advancing my job/career	Not living beyond means or staying within a budget	Reducing or managing my stress	Managing/balancing work and personal commitments	Getting medical screenings or condition management
5	Not living beyond means or staying within a budget	Growing and maintaining relationships	Not living beyond means or staying within a budget	Building an emergency fund	Managing/balancing work and personal commitments

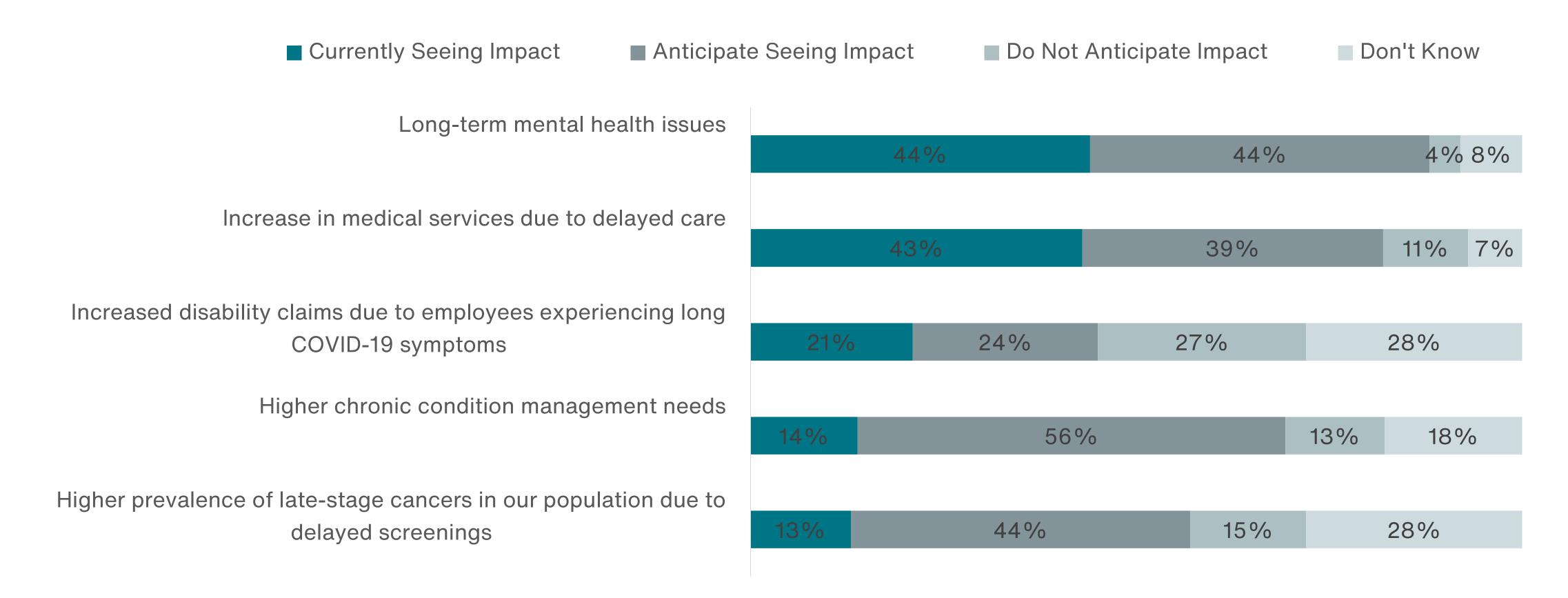


#1 priority (tie) #2 priority #3 priority #4 priority #5 priority

# Address the Impact of COVID on Mental & Physical Health

Short- and Long-Term Implications of Delayed Care

Employers have already seen the impact of long-term mental health issues and increased medical services due to delayed care during the pandemic, and many employers anticipate more late-stage cancers as well as higher chronic condition management needs as well





#### **Make Primary Care & Prevention a Priority**

Primary Care accounts for more than 55% of physician visits while influencing up to 90% of total health care costs

For most employers the cost of

1 ER visit

**10** PCP visits<sup>1</sup>

7.1%

**Growth in urgent** care clinics 2017-2022 annually<sup>2</sup>

87%

**Urgent care clinics** provide episodic care only; only 8% provide primary care<sup>3</sup>

**Almost 50%** 

of Millennials don't have a PCP<sup>4</sup>

74%

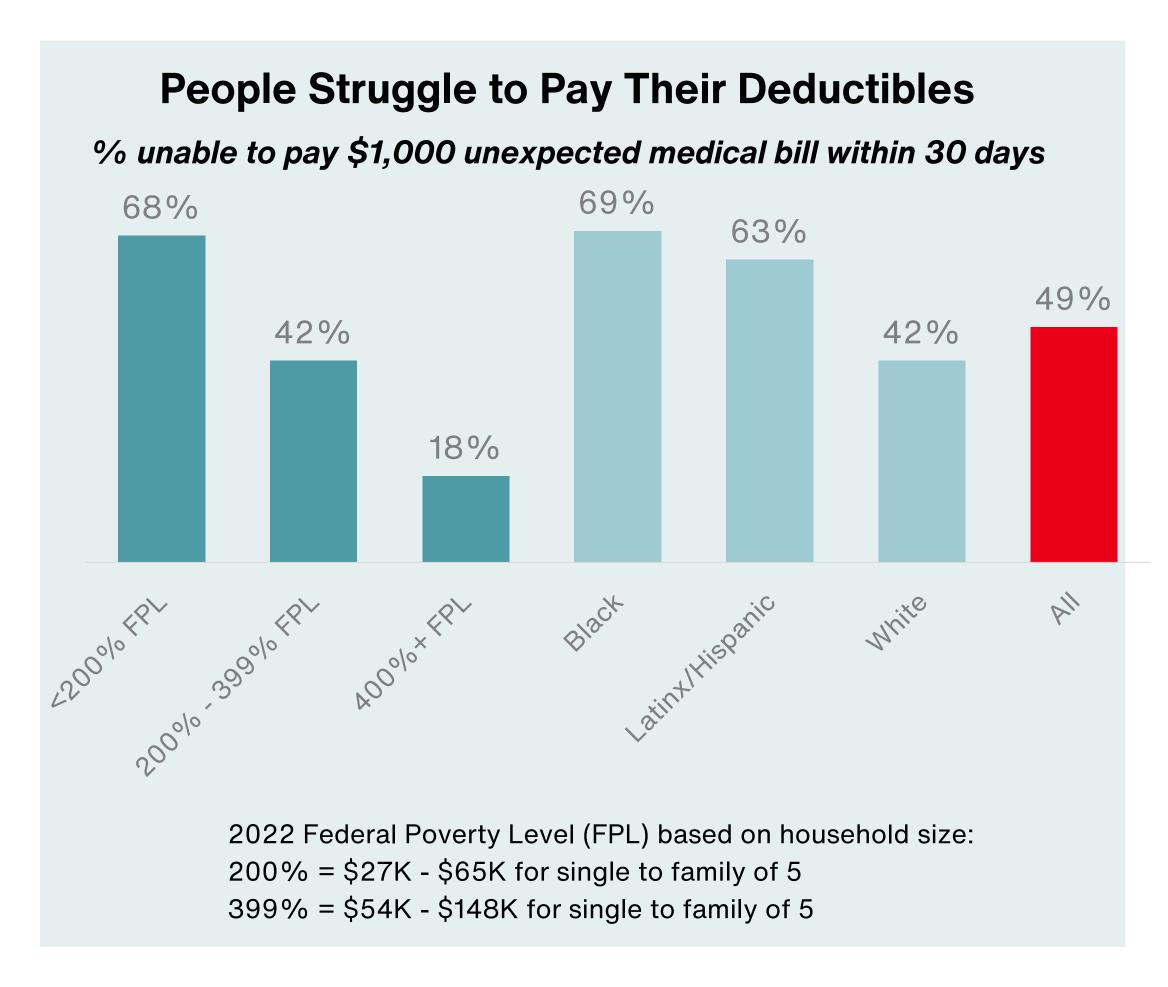
of Millennials would choose telemedicine over a PCP office visit<sup>5</sup>



<sup>1.</sup> Marketscan Medical Claims (processed through DFI data processing engine)

#### Address Access, Affordability and Equity

Inflation and healthcare trend outpacing wage increases results in declining real disposable income and growing healthcare affordability challenges



#### **Real World Trade-offs**

Groceries OR Medication
Fuel OR Therapy
Rent OR Doctors Visit

Among individuals with continuous health insurance:

Had healthcare access problems because of cost

Of "functionally underinsured" had healthcare access problems because of cost

#### **Affordability by Industry**

On average across Aon's book of business, 21.7% of employees spend more than 10% of income on healthcare

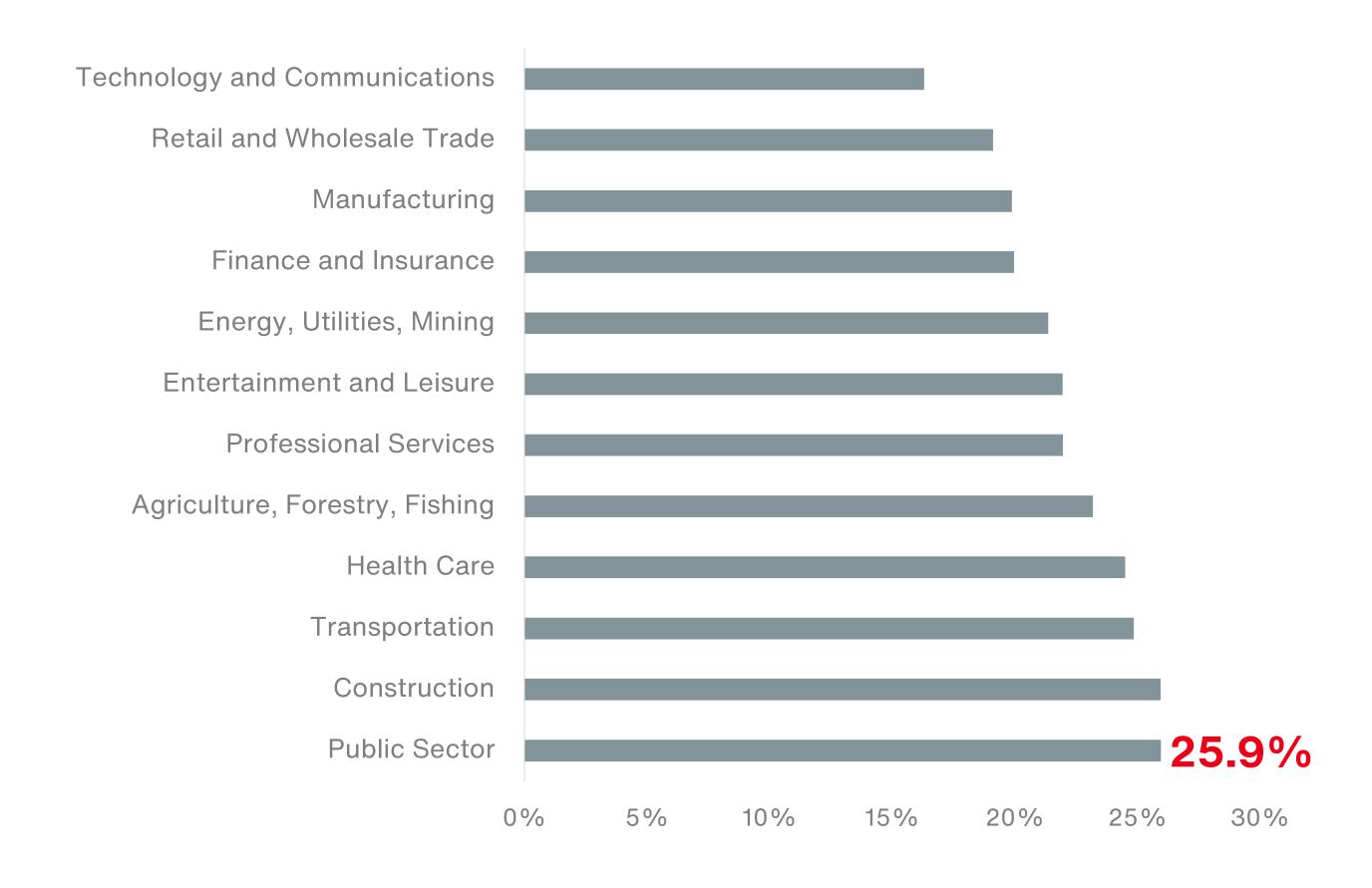
- Insurance premiums/payroll deductions
- Out-of-pocket expenses

This is equivalent to an annual spend of \$8,300

Of those who experience affordability challenges (spend > 10% of income):

- 34.1% live in a highly disadvantaged area
- 33.5% live in an area with high primary care shortage
- 56.7% live in an area with high mental health provider shortage

#### % of Employees with Low Affordability



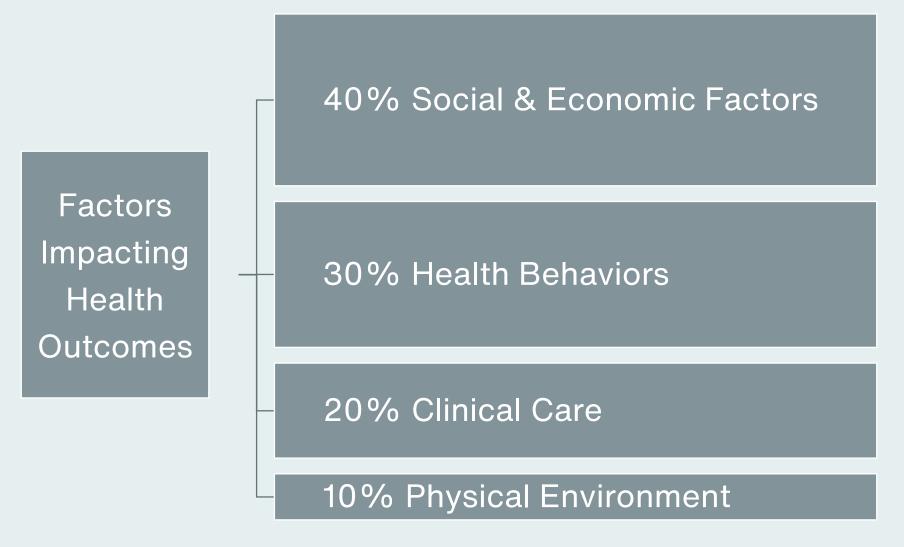


# Aon's Area Deprivation Index (ADI)

# Underserved communities further exacerbate cost pressures

Living in a disadvantaged neighborhood has been linked to a number of healthcare outcomes, including higher rates of diabetes and cardiovascular disease, increased utilization of health services, and earlier death.

#### **Social Determinants of Health (SDoH)**



- Education
- Employment
- Income
- Family & Social Support
- Community Safety
- Tobacco Use
- Diet & Exercise
- Alcohol & Drug Use
- Unsafe sex
- Access to Care
- Quality of Care
- Air & Water Quality
- Housing & Transit

#### Area Deprivation Index (ADI)

- Rankings of neighborhoods by socioeconomic disadvantage at US census block level
- Includes factors for the theoretical domains of

Income

Education

**Employment** 

Housing quality

- Ranking of 1 indicates the lowest level of "disadvantage" within the nation
- Ranking of 100 indicates the highest level of "disadvantage"

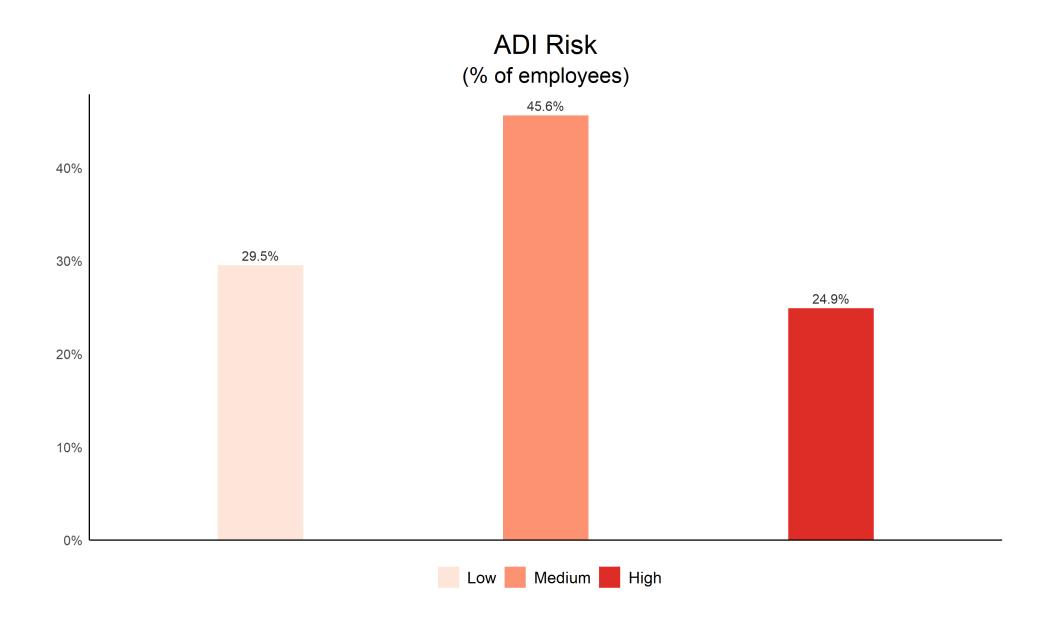


# **Area Deprivation Index SDoH (Sample Output)**

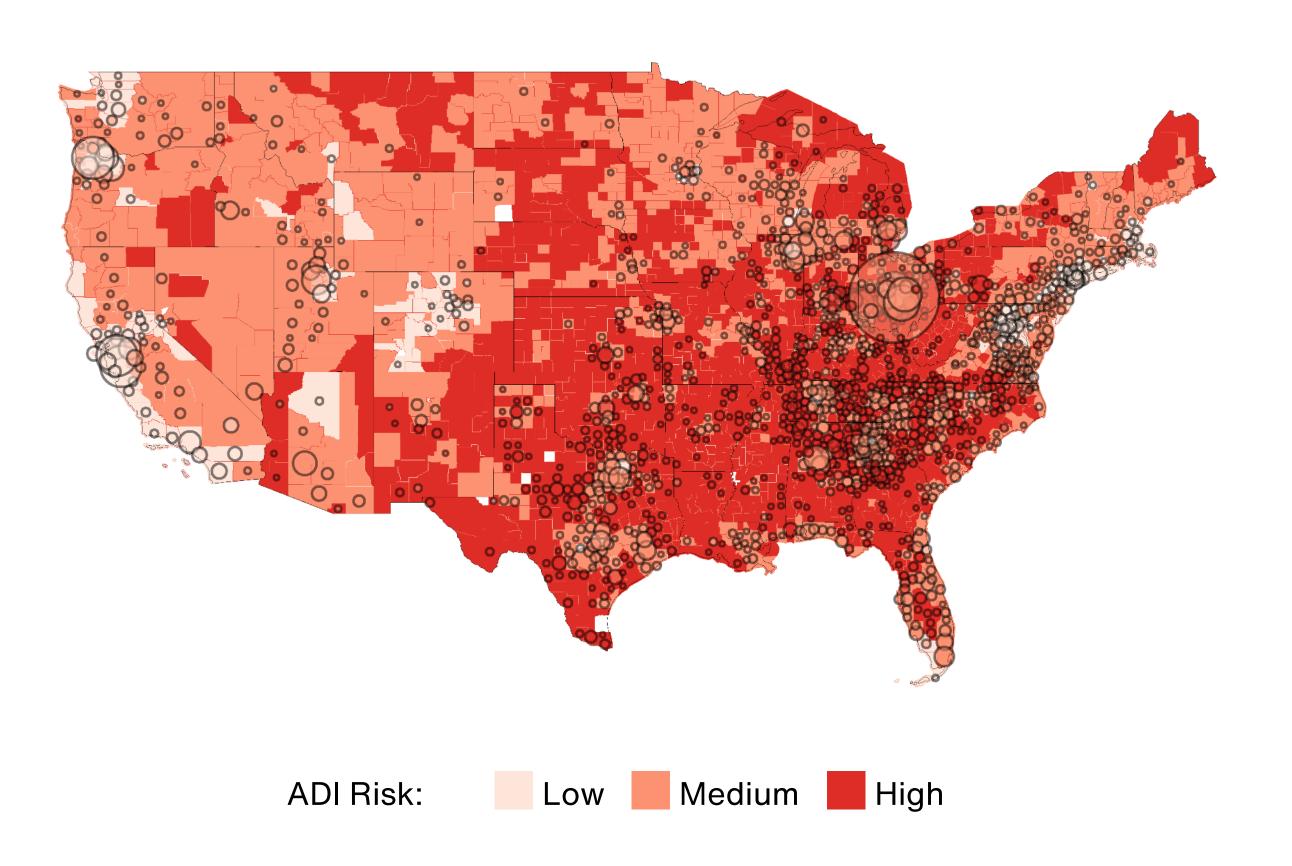


#### Social Determinants of Health

24.9% of your employees live in high ADI risk areas, representing elevated Social Determinants of Health (SDoH) risks, compared to 39.3% HVI benchmark



Benchmark	Low	Medium	High
HVI Overall	30.8%	46.1%	23.0%
<b>HVI Industry</b>	17.3%	43.4%	39.3%



ADI is stratified into three groups: High ADI risk defined as ADI greater than 67; medium ADI risk defined as ADI between 34 and 66; low ADI risk defined as ADI less than or equal to 33



# Area Deprivation Index Risk & Behavioral Risk Factors (Sample Output)

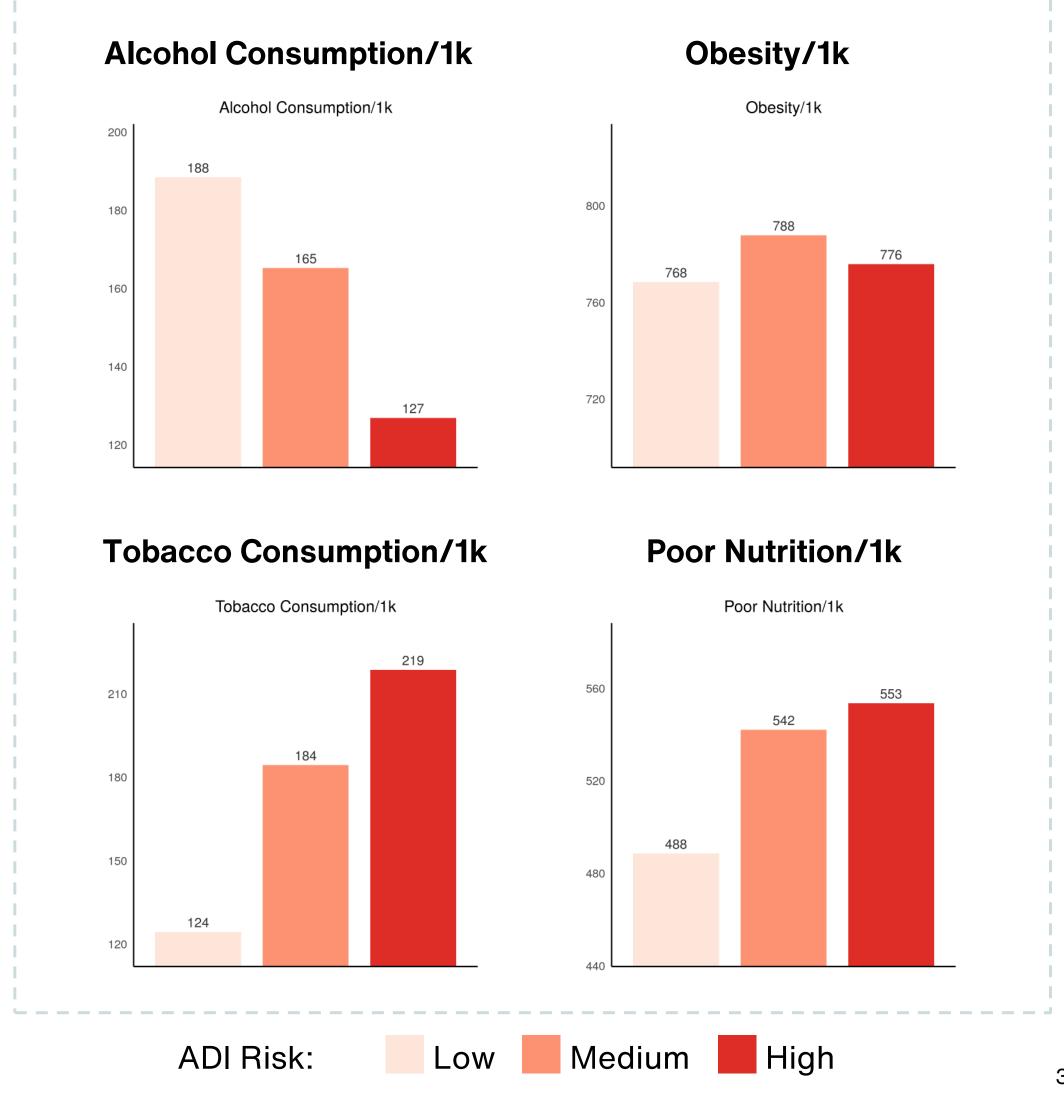
Behavioral risk factors are predicted using CDC data based on your employees' age, gender, income, MSA (Metropolitan Statistical Areas) and chronic condition diagnosis

- Poor nutrition and tobacco consumption are more common in high ADI risk areas
- Alcohol consumption and obesity are more common in low ADI risk areas

Aon's own study found ADI risk to be positively correlated with the following chronic conditions:

- Diabetes
- Hypertension
- Asthma

Employees living in high ADI areas are more likely to have higher utilization of emergency room services and lower utilization of preventive services





# Integrate Your Company's Wellbeing Strategy Across the Organization

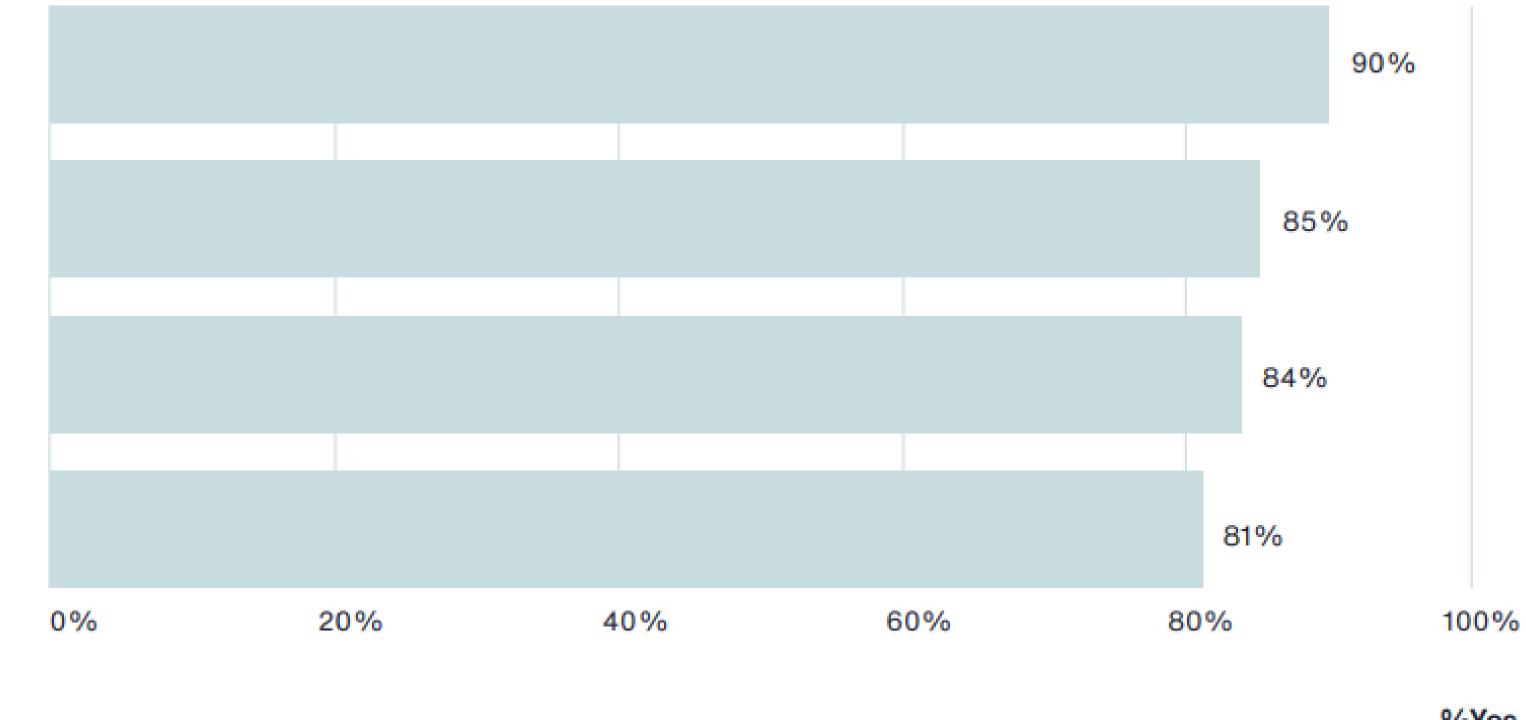
Companies that assign a higher level of importance to wellbeing are more likely to have wellbeing integrated with their Health and Safety, DE&I, ESG, and Total Rewards strategy

Health and Safety

Diversity, Equity, and Inclusion (DE&I)

Environment, Social and Governance Strategy (ESG)

Total Rewards (i.e., the monetary, beneficial, and developmental rewards to employees who achieve specific business goals)



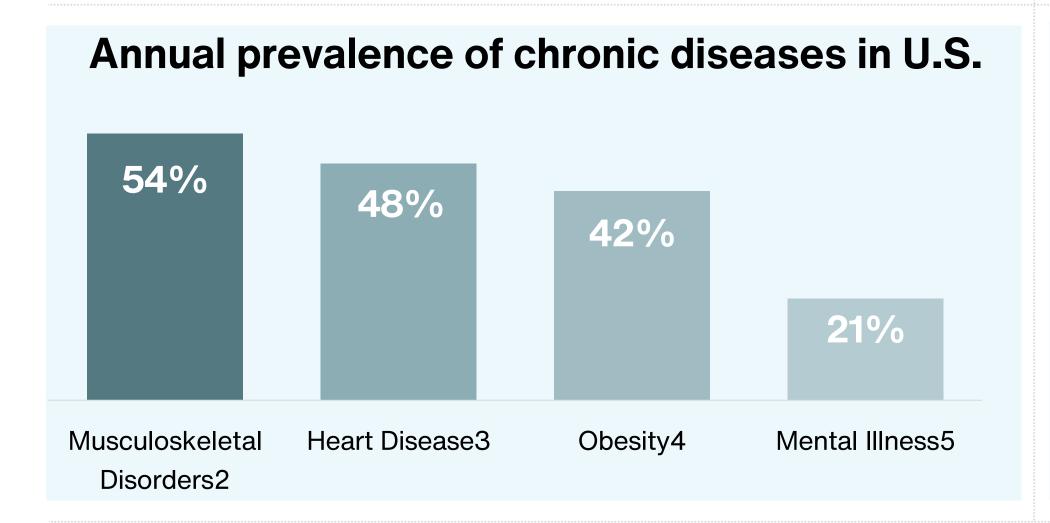
%Yes



#### Collaborate to Impact Health, Absence & Safety Outcomes

Treating chronic diseases accounts for 86% of U.S. healthcare costs<sup>1</sup>

Suffering from physical or emotional health conditions, a social or financial crisis, or distractions increases risk of a serious workplace accident by 50%8

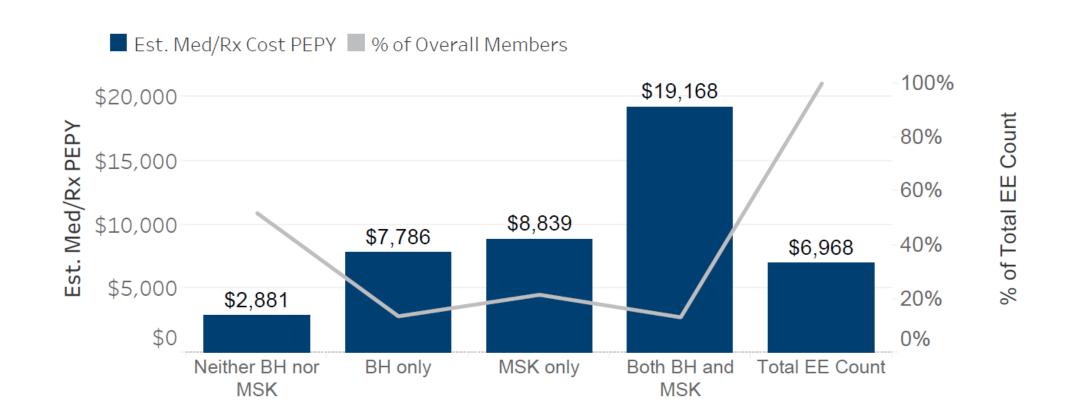


- The #1 driver of medical claims is **musculoskeletal disorders**, accounting for 16% of health plan costs,<sup>2</sup> 27% of sickness absences and 24% of lost work days<sup>10</sup>
- The #1 cause of disability is mental health disorders, accounting for ~19% of all years of life lost to disability and premature mortality<sup>7</sup>
- The #1 cause of workplace injuries is ergonomic-related (e.g. musculoskeletal), representing ~24% of total costs (\$13.7 billion annually)<sup>6</sup>
- Obesity is associated with the leading causes of death (i.e., diabetes, heart disease, stroke, and some types of cancer), poorer mental health outcomes, and reduced quality of life.<sup>9</sup>
- Obesity frequently contributes to soft tissue damage and osteoarthritis—a progressive wear- and-tear disease of the joints. The impact of obesity is especially felt in osteoarthritis of the hip and knee joints. Every pound of body weight places four to six pounds of pressure on each knee joint.<sup>11</sup>

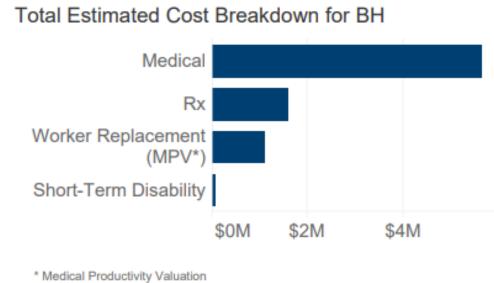


# Look at Data In an Integrated Way

Behavioral Health (BH) and Musculoskeletal (MSK) are two of the leading conditions and cost drivers, as well as significant comorbidities to other health conditions. This analysis highlights the potential impact of BH and MSK to your population and offers solution opportunities to mitigate the risks in the areas of prevention, risk reduction and treatment. The dashboard approximates your population through benchmark data from MarketScan, Behavioral Risk Factor Surveillance System (BRFSS), Consumer Financial Protection Bureau (CFPB), Integrated Benefits Institute (IBI), U.S. Bureau of Labor Statistics and Aon's internal benchmarks.



Est. Med/Rx Cost PEPY       \$13,200       \$6,920         Est. Work Days Lost PEPY (MPV*)       6       4         High-Cost Claimants (% of EEs)       5%       2%         At-Risk Phys. Activity (% of EEs)       48%       43%         At-Risk Weight (% of EEs)       61%       60%         Poor-Fair Health (% of EEs)       24%       15%         BMI Overweight (% of EEs)       29%       31%		Claimants	Count
Est. Work Days Lost PEPY (MPV*)       6         High-Cost Claimants (% of EEs)       5%         At-Risk Phys. Activity (% of EEs)       48%         At-Risk Weight (% of EEs)       61%         Poor-Fair Health (% of EEs)       24%         BMI Overweight (% of EEs)       29%	Employee Count	549	2,000
High-Cost Claimants (% of EEs)       5%       2%         At-Risk Phys. Activity (% of EEs)       48%       43%         At-Risk Weight (% of EEs)       61%       60%         Poor-Fair Health (% of EEs)       24%       15%         BMI Overweight (% of EEs)       29%       31%	Est. Med/Rx Cost PEPY	\$13,200	\$6,920
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Poor-Fair Health (% of EEs)         24%         15%           BMI Overweight (% of EEs)         29%         31%	At-Risk Phys. Activity (% of EEs)	48%	43%
BMI Overweight (% of EEs) 29% 31%	At-Risk Weight (% of EEs)	61%	60%
, , , , , , , , , , , , , , , , , , , ,	Poor-Fair Health (% of EEs)	24%	15%
BMI Obese (% of EEs) 30% 26%	BMI Overweight (% of EEs)	29%	31%
	BMI Obese (% of EEs)	30%	26%



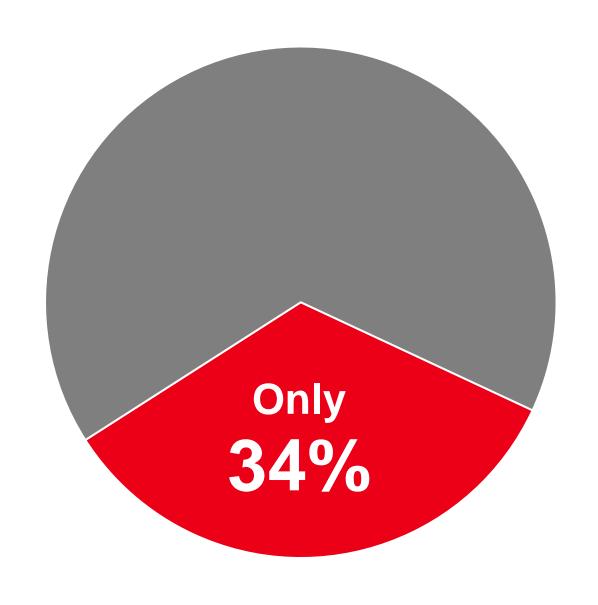
#### Sample BH recommendations might include:

- Awareness campaigns
- Incorporate MHSUD benefits into wellbeing strategy
- Flexible work schedules and absence policies
- Peer support groups
- Multi-modal therapy/counseling options
- Virtual addiction support

Aon's actuaries project a 1-2.5% reduction in medical and pharmacy claims, in addition to improved absence and safety outcomes, when organizations implement our recommended interventions



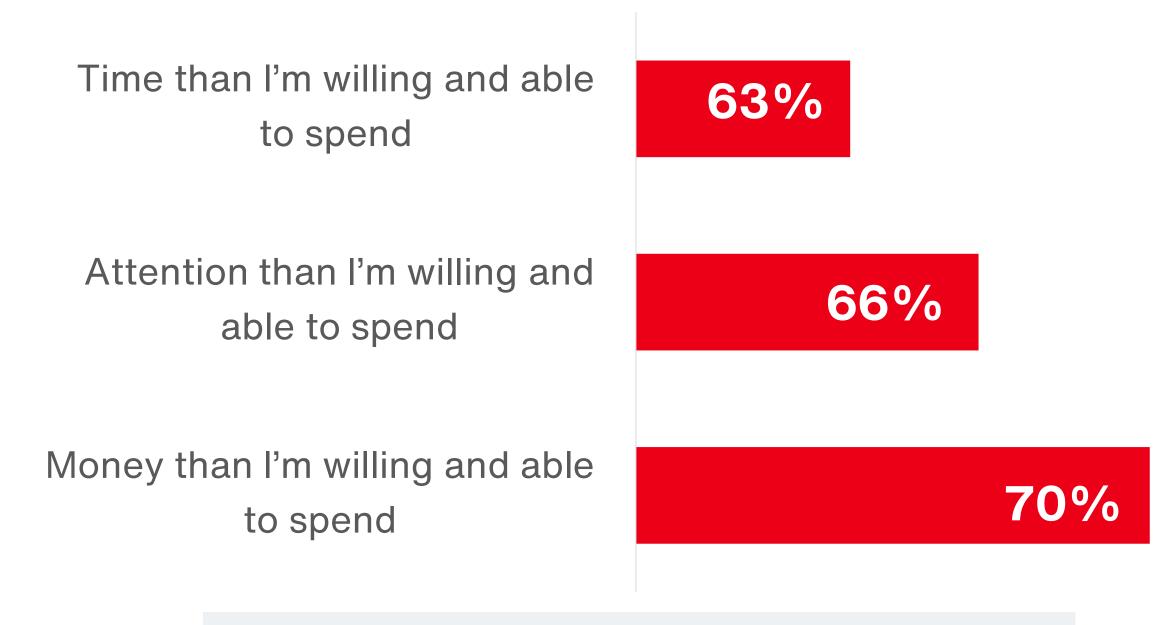
## Identify and Overcome Barriers to Total Wellbeing



of survey respondents feel their company cares about their wellbeing

Show your employees that you care by creating a company culture that makes wellbeing a priority

#### "Living a truly healthy life requires more..."



Help employees find the time, space and financial resources to exert more control over their wellbeing



#### A Holistic Workplace Revitalizes and Enables Employees

Build a culture of wellbeing and resilience

57% of employees feel it would be easier to disclose a mental health issue if their employer were supportive<sup>1</sup>

87% think action from employer would help their mental health²

34% Offer flexible hours 32%

Encourage taking care of their health

30%

30%

Encourage taking paid time off

Encourage breaks during the day

Employees who feel supported by their organization are **5.5 times** more likely to trust the company and its leaders<sup>3</sup>

#### **What Can Employers Do?**

**Explore emotional distress** in your workplace

**Evaluate cost & access** barriers

**Enhance services** 

**Enable balance** 

Engage executive leadership support to drive culture change

**Equip leaders with training, tools and skills** 



#### Aon Can Help Your Organization Make Better Decisions

#### We give you the clarity and confidence to make work, work for everyone.

#### **Bounce Back, Forward and Repeat**

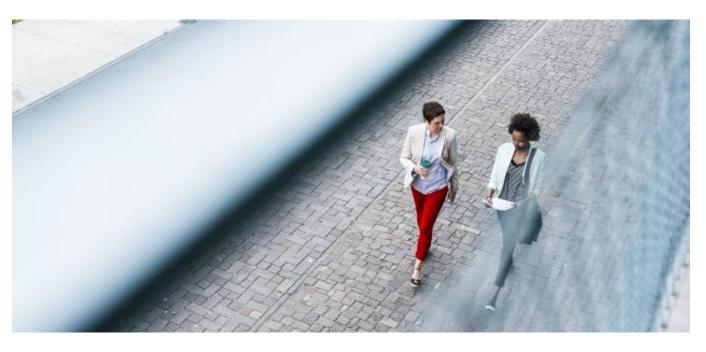
The 'Great Convergence' is driving the need for resilient workforces that can bounce back from disruption, bounce forward by rapidly adapting to change and that can repeat this process as organizations and working practices continue to evolve.





We have the data, insights and advice to help enrich the lives of your people

**Better Informed.** 



#### 2. Advise

We proactively diagnose, connect and prioritize where measurable impact will be felt most.

**Better Advised.** 



#### 3. Address

Collaborating with you - providing practical advice and support so you can make the right decisions to retain, engage, drive performance and growth.

**Better Decisions.** 



# Q&A



# Thank You

Please contact me with questions:

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