



2019 Asia Pacific Employee Wellbeing Study

How do leading organisations create a strong and successful wellbeing culture?

Foreword

More than ever before, the subject of employee health and wellbeing is assuming greater prominence in organisational thinking. To answer why, we pivot to the dominant macro-economic and social trend of our time – the Fourth Industrial Revolution, which will fundamentally alter the way we live, work, and interact with one another.

Klaus Schwab, Founder and Executive Chairman, World Economic Forum, provides relevant context in affirming that “in its scale, scope and complexity, the transformation will be unlike anything humankind has experienced before”. He further expounds that this revolution “is evolving at an exponential rather than linear pace, disrupting almost every industry in every country and the breadth and depth of these changes herald the transformation of entire systems of production, management and governance”.

Paradoxically, while the world is focused on the emerging fields of artificial intelligence, robotics, quantum computing, nanotechnology, autonomous vehicles, and biotechnology, there is one immutable truth: all of these developments are dependent upon human imagination and talent to take these technologies from conception to commercial reality. As organisations scramble to adapt to the bewildering pace of change, the importance of talent management is increasing.

So, where does the topic of employee wellbeing fit in?

While talent acquisition & retention, performance management, and compensation & benefits are prominent in any informed discussion concerning talent management, employee wellbeing becoming a critical part of this narrative. This message is affirmed loud and clear by one of the key take-outs of this white paper: The principal objectives for most organisations in providing wellbeing benefits align with talent management and productivity, not just cost reduction for company medical plans.

Aon conducted a survey of executives in Asia Pacific (APAC) that sought insights into the strategic drivers, challenges, and impact of their existing programmes. Three quarters of respondents were from organisations with fewer than 5,000 employees, about a tenth from organisations with 5,000 to 10,000 employees, and others from organisations with more than 10,000 employees. There was a diverse mix of industries represented, including professional services, financial services, pharmaceuticals, F&B, and others.

The study reveals that organisations in the region have gained relative success in progressing a wellbeing culture, with the introduction of technology in this space as a catalyst. We also observed that organisations that persisted with wellbeing programmes across a period have evolved through a better understanding of implementation challenges and audience expectations. Getting senior management support continues to be a critical success factor and executives have often struggled in sustaining continued interest of the leadership for wellbeing initiatives. This reiterates our belief that for wellbeing programmes to deliver valuable outcomes, it needs to be ingrained into the organisation’s culture, rather than being a salient project that is subjected to constant fragmented assessments.

Foreword (continued)

While the prime objectives for employee wellbeing programmes are similar across most organisations, we have also observed a pattern of prioritisation in objectives within internal stakeholders. It is often such nuances that help create advocacy for wellbeing in an organisation.

Organisations need to listen more to the feedback they receive from employees in order to avoid the trap of a perception gap on ‘what works best’. Employees, on the other hand, are expected to take accountability for their health and optimally utilise the benefits their employers provide, guiding themselves towards better health.

The array of wellbeing programmes currently delivered by employers across APAC cater to various aspects of health promotion and sustenance. It is heartening to note that organisations now have a holistic view of wellbeing, which includes **Physical, Mental, Social,** and **Financial.**

Gravitation of health-tech and digitalisation towards preventive health care has put more power into the hands of the consumers. Organisations are tapping into this opportunity and improving *access, user experience,* as well as *assessments of return on health.* The ability to access cutting edge analytics can be the differentiator between a dynamic wellbeing initiative that can influence employee lives towards healthy living and one that engages at best but fails to provide personalised recommendations. While data protection and regulations protect employee interests, a provider’s ability to draw in conclusive data from a network of wellbeing partners shall put them in a league apart. Most of all, establishing an ecosystem that cohesively nurtures wellbeing as an integral aspect of work and life requires an optimal commitment to purpose, and above all, time.

We hope this white paper will assist organisations like yours to map your journey of employee wellbeing, and ultimately, nourish a healthy and happy workforce.



Amitabh Deka
Head of Wellbeing Solutions,
South Asia and Aon Care, Aon



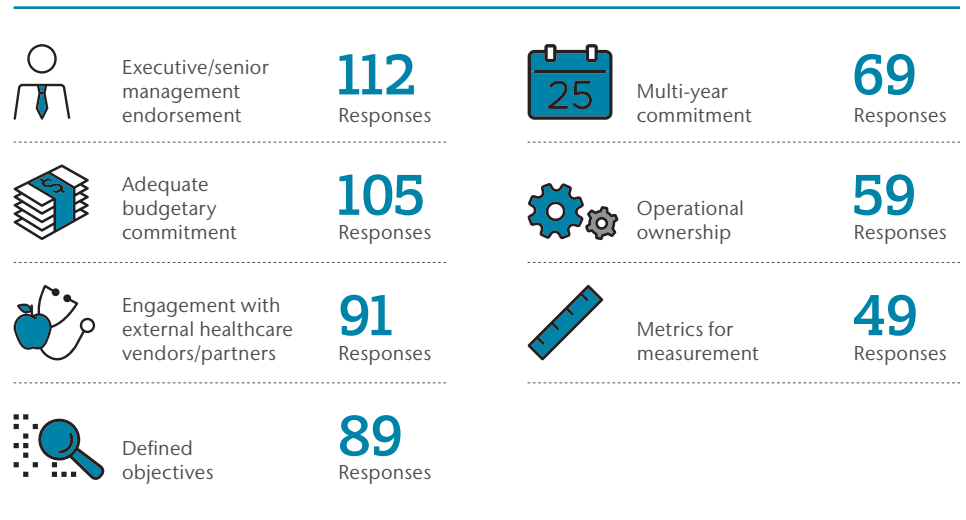
Tim Dwyer
CEO Asia Pacific,
Health & Benefits, Aon

Contents

- 1.** What are the Strategic Components of a Wellbeing Programme?
- 2.** What Objectives Drive Organisational Investment into Wellbeing Programmes?
- 3.** What is the Scope of Wellbeing Programmes Being Offered?
- 4.** What are the Challenges in Delivering Successful Wellbeing Programmes?
- 5.** How are Wellbeing Programmes Currently Being Delivered?
- 6.** How Satisfied are Organisations with their Wellbeing Programmes?
- 7.** What's Next?

1

What are the Strategic Components of a Wellbeing Programme?



Each wellbeing programme has underlying strategic components that govern its outcome. These components could unfold in a linear sequence, and to an extent, overlap. They are:

1. **Priorities & Objectives** (senior management endorsement, budgetary commitment, defined objectives)
2. **Baseline Assessment** (metrics for measurement)
3. **Programme Design** (multi-year commitment, operational ownership)
4. **Execution** (engagement with external healthcare vendors / partners)
5. **Analytics**

Our survey findings highlight the pivotal role of senior management buy-in and budgetary commitment in establishing **Priorities & Objectives** for wellbeing programmes. Through our engagement with clients, we recognise the intense pressure that executives entrusted with building a business case for introducing wellbeing into the organisation face while addressing this strategic component.

1. What are the Strategic Components of a Wellbeing Programme? (continued)

In organisations that nurture employee wellbeing, leaders go beyond merely providing necessary approvals – they tend to lead by example. Consistent employee communications are also an effective tool in amalgamating wellbeing initiatives with organisational culture.

Baseline Assessment includes attention to the programme scope and objectives in light of the available resources, the organisation’s vision, and the current state of employee health. These assessments form the basis of measurement metrics used across the various stages of programme implementation.

Programme Design requires a keen understanding of the underlying motivation of internal and external stakeholders. Operational ownership and accountability are key considerations for this part of the process.

When it comes to **Execution**, employers largely depend on vendors and consultants. Therefore, it is important that organisations invest in building a partnership network of external stakeholders, instead of assessing providers in isolation. In the challenging environment of data protection regulations, building a cohesive team of providers can make a difference in the **Analytical** capabilities to which organisations will eventually have access.



Organisations are often inclined to surpass or undermine the initial components of setting priorities and assessing baseline; however, this is a fatal error. While the execution-related components may come across as being action-oriented and appear to demonstrate progress, value generation from wellbeing programmes is highly dependent on getting the initial steps right.

2

What Objectives Drive Organisational Investment into Wellbeing Programmes?



Increase employee engagement

125
Responses



Reduce medical plan cost

30
Responses



Improve productivity/
reduce absence

92
Responses



Comply with statutory HR/medical requirements

29
Responses



Enhance employment brand/
support talent management

58
Responses



Comply with regional/global directive

14
Responses

Previous Aon studies have shown that the top objectives for investing in wellbeing programmes are **engagement, increase in productivity, and brand enhancement/ talent attraction** – and our survey findings this year are comparable to these. Interestingly, however, medical cost management, which is often cited as a key objective for wellbeing programmes in recent years, is no longer a priority.

Two factors are likely to have influenced this change. Wellbeing programmes in the region tend to be short-term (with annual cycles at best), hardly providing sufficient time and data to study the impact of programmes on medical claims. Secondly, data privacy protection prohibits data analysis on an individual level, making it impossible to effectively assess the true cost of medical care utilisation and impact of interventions. This revised outlook is also an indicator of the increased understanding organisations have developed with respect to the financial investments on employee wellbeing programmes.

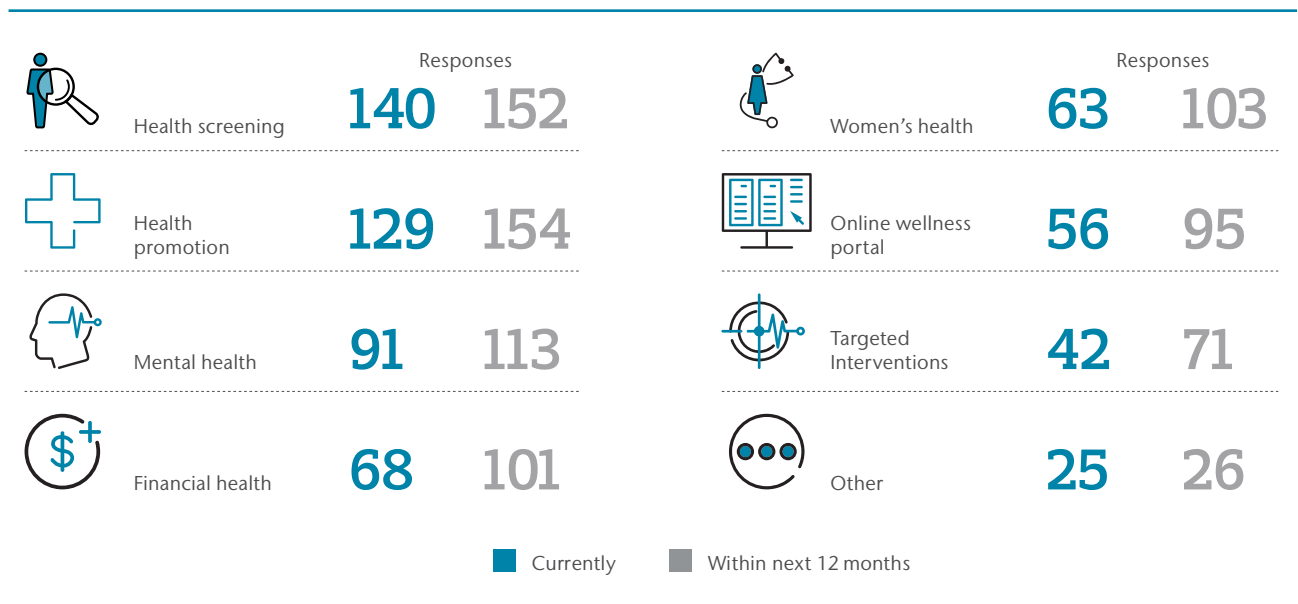


Identifying objectives is perhaps the most under-rated step in framing employee wellbeing programmes. It is often approached in a lackadaisical manner because this is "the obvious thing to do" for any generic endeavour. As a result, HR professionals miss the opportunity to align programme objectives to broader organisational objectives – a move that can serve to provide them the opportunity to gain favourable consideration from key decision makers, especially when it comes to resource allocation.

In addition, our experience suggests that productivity and engagement tend to be key priority areas for managers, whereas the C-suite view wellbeing as a tool for brand enhancement and talent attraction. This nuance, coupled with organisational culture, are important considerations for establishing alignment with internal stakeholders to ensure successful execution of wellbeing programmes.

3

What is the Scope of Wellbeing Programmes Being Offered?



In APAC, **health screening** and **health promotion** programmes are the most common expression of an employer's interest in workplace wellness. These programmes, however, are rarely designed as part of a strategic wellbeing plan. Surprisingly, some organisations do not even analyse the outcomes of employee health screenings. This is primarily due to the vendors' inability to provide the data but also due to the lack of initiative on the part of employers to request for it. Although activities such as health talks and theme-based events are not cost-intensive (as they are delivered through the organisations' medical providers, insurers or in-house resources), they receive lukewarm responses due to their lack in ingenuity.

Notwithstanding, programmes related to mental, financial, and women's health are increasingly receiving attention. Besides Employee Assistance Programme (EAP) services, mental health programmes now include mindfulness, meditation, and resilience building – services that may be utilised by employees even while in good health. At a time when stress is identified as the biggest detriment to individual health, it is encouraging to note that employees are actively seeking mitigation while employers are providing a supportive environment.

In addition, financial wellbeing is becoming popular, especially since the recognition that personal finances are a prime cause of stress. Currently, financial wellbeing programmes are outlined around fundamental principles of financial management; unfortunately, they are not delivered in ways that are engaging to consumers or even easy to understand. However, as the marketplace for financial wellbeing grows more agile, adaptations will be quick and consumer-friendly financial wellbeing information will be readily available.

3. What is the Scope of Wellness Programmes Being Offered? (continued)

Another niche offering that has witnessed greater participation in recent times is women's health programmes. In our opinion, this is a response to meeting the latent demand of a target audience harbouring a stronger commitment towards self-care. An increase in the breadth of screening services has also enabled women employees to better manage their health. In the next twelve months, women's health programmes are likely to grow even further in popularity.

Technology has revolutionised the way employers approach preventive health care and wellbeing, not only by enhancing capabilities in access and analytics, but also creating more seamless user experiences. Digital wellbeing platforms have made an impression with their ability to act as aggregators and provide an engaging experience for users to keep track of their health and wellbeing efforts. Many employees use digital platforms as a resource to shape their personal wellbeing journey. With increased adoption of sensors and wearables, we foresee wellbeing platforms and apps playing a vital role in influencing employee behaviour.

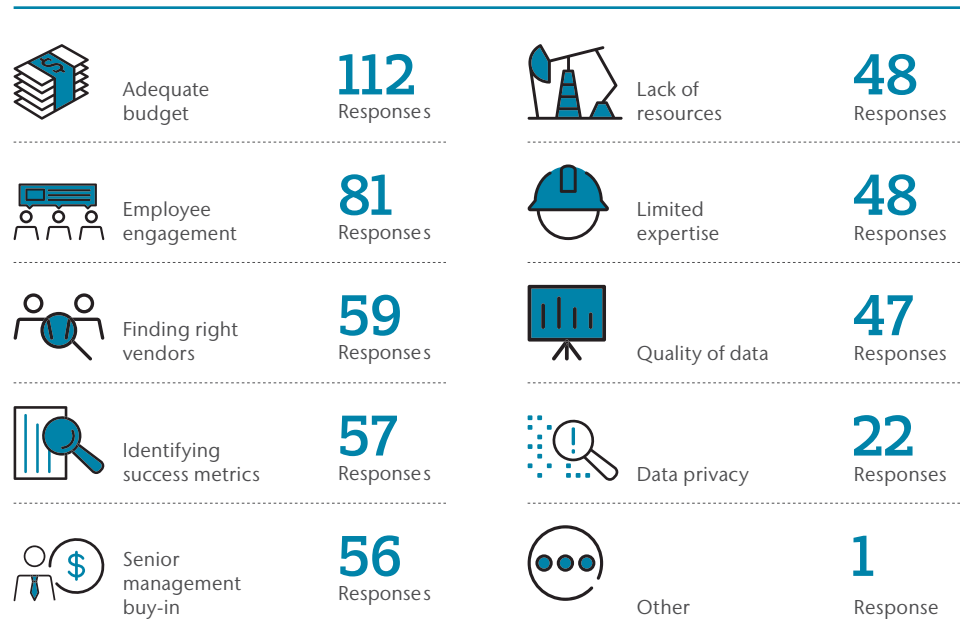
Efforts in delivering targeted interventions such as disease management solutions for non-communicable diseases, such as diabetes and hypertension, have not been very successful. This may be due to approach of medical providers, who tend to lead with their confidence in clinical solutions and consequently treat users as patients rather than consumers. A low degree of trust between providers and consumers also contributes to poor participation in programmes that are executed by medical providers on the behest of insurers or employers.



Wellbeing programmes fail primarily due to two reasons. Firstly, when programmes are positioned as isolated offerings and fail to instill the confidence expected of an organisation's wellbeing vision. Secondly, when cookie-cutter programmes lack the dynamism to deliver personalised experiences to users. It is important to understand that the ability to choose and a sense of control are key ingredients for user engagement. We have observed that organisations that have a medium- to long-term outlook, leverage technology for delivery, and analyse qualitative elements (such as employee behaviour) along with hard data are considerably more successful in driving a wellbeing culture.

4

What are the Challenges in Delivering Successful Wellbeing Programmes?



While numerous challenges for implementing successful wellbeing programmes have been identified, we observe that not all challenges are strategic in nature. In fact, many are quite tactical and unique to each organisation.

Our research indicates that **budget inadequacy** is the biggest roadblock in delivering effective wellbeing programmes. Corporations are systems that inherently seek financial efficiency; hence budgetary justification is a constant requirement. Even in the initial stages of building a business case for wellbeing, financial considerations are deemed to have maximum impact on decision-making, which is why senior management buy-in is a closely-associated attribute.

Post implementation, **employee engagement** is, by far, the most common challenge. To cope with this, some organisations have introduced wellbeing-related incentives and loyalty programmes through gamification. In this region, we have observed a healthy mix of monetary and non-monetary rewards.

4. What are the Challenges in Delivering Successful Wellbeing Programmes? (continued)

Nevertheless, our experience indicates that incentives exhibit better results in ensuring initial participation in health management programmes as compared to ensuring continued engagement over a period of time. Even though the intent for high-quality employee engagement exists, both employers and vendors often struggle to create the best experience for employees in the background of poor data quality, limited access to data due to strict privacy laws, and absent data analytics capabilities. However, with the current maturity levels of employee wellbeing programmes in this region, incentives have not yet been explored to its fullest potential – and there is still opportunity for scientifically-designed reward programmes to create momentum for user loyalty to wellbeing programmes.

Finding the right expertise internally and externally to ensure successful delivery has been a challenge with which organisations continue to grapple. Due to the niche nature of subject, teaming up with subject matter experts for programme planning and implementation has not been easy for organisations. While vendors have mushroomed in the marketplace, not many can claim to ensure high-quality service or outcomes.

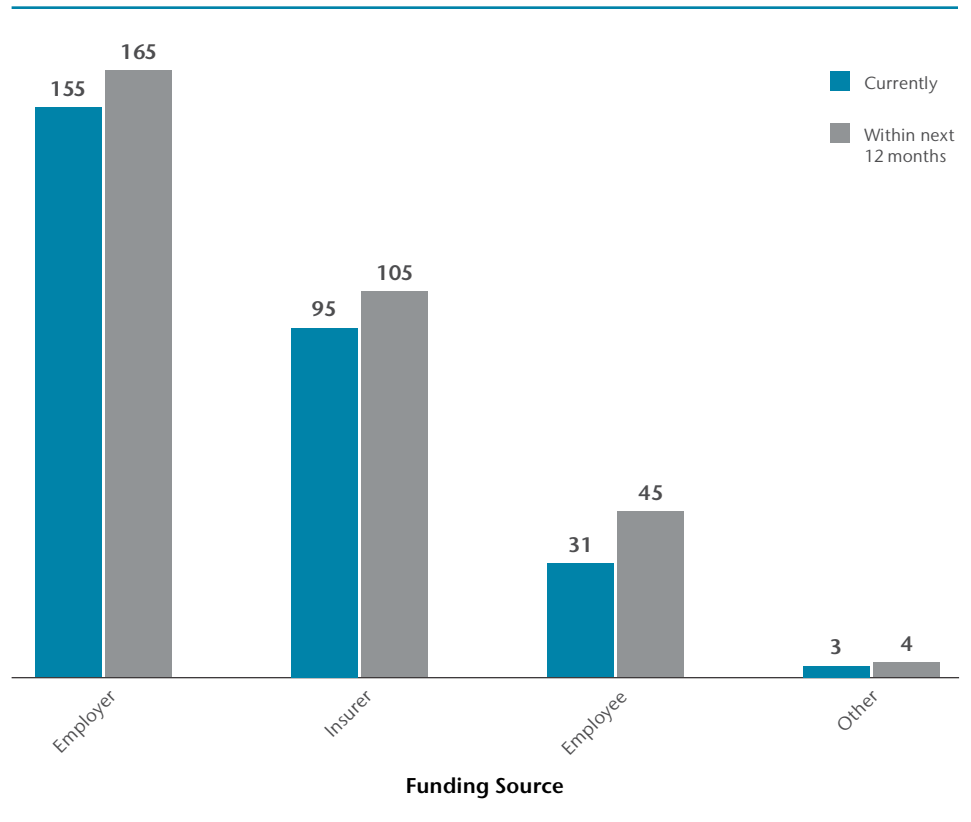
Measuring the value-of-investment is yet another challenge often stated by employers. We have noticed through earlier findings that organisations maturing across the wellbeing space have ceased to associate wellbeing programmes directly with reduction of medical costs. When measuring the impact of wellbeing programmes, they now consider qualitative elements such as improvement in engagement levels and brand perception.



Consumer engagement is complex. Our advice is to strive for a right balance of human and tech by creating personalised experiences for the employees. This requires investment from stakeholders (both internal and external) in understanding employee needs, preferences, and their lifestyles – another reason why short-term approaches do not work for creating successful wellbeing programmes.

5

How are Wellbeing Programmes Currently Being Delivered?



At present, wellbeing programmes in APAC are mainly sponsored by **medical/life insurers** or **employers**. In case of the former, the standard offerings are health screening, health talks, and in some instances, activity-related corporate challenges. The content credibility for such programmes is respectable as they are delivered by the network medical providers, insurers, or third-party administrators. The programme design however, is not always optimal as these programmes are led by the insurer’s objectives. The distance that exists between the interest of the end-user (the employee) and the payer/provider in an insurer-led model does not facilitate a trust-based relationship, which is an essential component for delivering a high-quality consumer experience.

5. How are Wellbeing Programmes Currently Being Delivered? (continued)

We believe a ‘trust-based relationship’ for wellbeing programmes is developed through:



On the other hand, employer-led programmes are relatively flexible and dynamic. However, organisations’ lack of in-house expertise and resources result in greater dependency on vendors. Unfortunately, the marketplace has very few established vendors at present and many of them are global players attempting to localise their solutions. Most vendors are aligned towards physical wellbeing while Employee Assistance Programme (EAP) providers have historically focused on mental wellbeing solutions. With the rising appreciation for personal wellbeing, the market is beginning to witness a demand for health and nutrition

coaches. Other specialist vendors are providing services around pain management, traditional medicine, and financial planning. Digital platforms and applications are generating greater interest, particularly as more employees are on board their wellbeing journey and seek tools for social collaboration and personalised experiences.

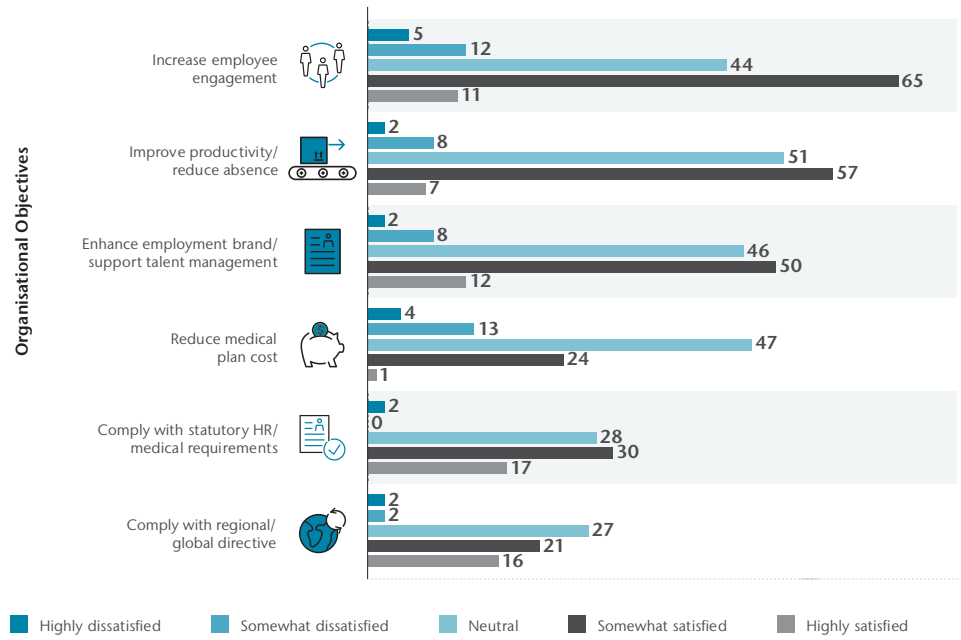
Employee-funded wellbeing programmes are uncommon, and where existent, complemented by some form of support from the employers.



Employers are the lynchpins for successful wellbeing programme delivery. While they are also quasi-consumers in both the models mentioned above, they are most empowered to actively guide insurers and vendors towards understanding their employee needs and organisational culture; and consequently, establish medium- and long-term goals for their wellbeing initiative. The employee needs to be assured that the entire endeavour is crafted around their interest and wellbeing, and there is no entity better-placed than the employer to play this role.

6

How Satisfied are Organisations with their Wellbeing Programmes?



On assessing the current satisfaction levels (through a Net Promoter Score), we note that while more than half of respondents express satisfaction in terms of their current wellbeing programmes meeting key objectives, a high number of respondents have expressed neutral views as well.

We would infer, in this case, that a “Neutral” response implies a “Dissatisfied” response, coupled with hesitancy to label their ongoing efforts as ineffective. Therefore, nearly half the respondents are, in fact, not satisfied with the ability of their wellbeing programmes to attain the key objectives.

6. How Satisfied are Organisations with their Wellbeing Programmes? (continued)

Our research indicates that most organisations review their programmes only once a year, if at all. The leading focus of these reviews is usually vendor performance and programme scope/content, while assessment against programme objectives and outcome metrics are secondary considerations. This reflects the tactical nature of prevailing wellbeing programmes in the region.

Satisfaction levels are high in the context of achieving objectives with a view of meeting internal compliance requirements. We also discovered that employers draw maximum satisfaction on achieving the organisation's wellbeing objective of increasing employee satisfaction. Improved productivity/reduced absence and enhanced employment brand are the other two important objectives. The objective of reducing medical costs through wellbeing is no longer on the radar for most organisations.



Even though employee engagement was cited as the second most challenging obstacle to delivering a successful wellbeing programme (refer to page 10), most employers are satisfied with the current level of employee engagement attained. Nevertheless, we have not yet achieved a comprehensive understanding of employee behaviour that guides providers to deliver solutions that are intuitive and effective enough to enable and empower employees to control their wellbeing journey towards a healthy lifestyle. On a positive note, the intent and collaboration among stakeholders is stronger than ever. With better understanding of health-related behaviour being gained each day, we can all look forward to changes towards healthier employees and organisations in the near future.

What's Next?

Across APAC, public and private healthcare systems are transitioning from reactive to preventive care – evidenced by a revolution already under way in wearables technology, tele-health, eHealth apps, hospital information systems, and digital delivery of wellbeing solutions, all of which are contributing towards an explosive growth in the consumption of health services.

The fact that employers have embraced the notion of holistic wellbeing reflects their obligation to provide a benefit that is relevant to the entire segment of their employee population, not just the ones with an inclination towards a healthy lifestyle. Our research indicates that organisations will continually invest in developing 'fit for purpose' wellbeing programmes, both from the perspective of organisational objectives and individual employee wellbeing goals.

By now, the importance of wellbeing programmes in enhancing employee productivity and brand loyalty is well established. Our research has identified that most organisations will continue their current level of investments into wellbeing programmes for the near future, with some looking to further strengthen their commitment to the cause.

With growing interest and experience, organisations are likely to find higher satisfaction rates and value generated through their investments in the medium- to long-term. Wellbeing programmes are progressively being used as a tool for employee engagement through activities that propagate competition and collaboration.

Consequently, wellbeing programmes are also being utilised a team-building tool as well as for reward & incentive programmes. In addition, wellbeing provides a fertile ground to experiment with fun ideas that drive the ultimate objective of achieving meaningful goals to enhance the quality of life for employees.

What's Next? (continued)

While things look promising strategically, it's around execution where the heavy lifting remains to be done. In the face of the non-communicable disease burden, employee wellbeing programmes are likely to continue focusing on health screening and health promotion. There is tacit recognition among respondents that this situation must change, with organisations forecasting an uplift in the proliferation of niche wellbeing programmes in the next year or so.

If the emergence of the range of vendors and solutions is any indication of the market's confidence in the proposition, we are looking at a very promising future. The increasing popularity of digital platforms is a vindication of organisations' quest to attain an end-to-end wellness solution that delivers an intuitive and comprehensive experience of a wellness journey. With the ability of such platforms to aggregate services from numerous vendors, provide users with choice, and gratification through gamification and social interactions, this solution is poised to be a foundational tool for many organisations that have grown in their understanding of employee wellbeing programmes.

While employers are doing their bit, we strongly believe that employees need to be viewed as an equal stakeholder in process. The attention to employee point of view is often considered at a much later stage, sometimes at a cost. Employees need to take increased accountability and responsibility, and so long as they behave as customers and not co-owners, they will miss out on reaping the optimal benefits of well-intended and comprehensive wellbeing programmes. The increased application of behavioural sciences in health and wellbeing is expected to create endearing experiences for users, so as to successfully gain their trust and commitment.

Stakeholders across the health spectrum including providers, funders, and consumers are on the cusp of witnessing a major change in healthcare delivery. The chasm between curative health and preventative health is slimmer than ever, with more power to the consumers. We foresee an interesting future for employee wellbeing programmes, which will be fundamentally based on cultivating trust between the triad of payers, providers, and users.

Contact Us

Amitabh Deka

Head of Wellbeing Solutions,
South Asia and Aon Care, Aon
amitabh.deka@aon.com

Amanda Mercep

Head of Wellbeing, North Asia, Aon
amanda.mercep@aon.com

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

© Aon plc 2019. All rights reserved.

The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

www.aon.com