

Insights from the Optum 2019 International Wellness in the Workplace Benchmark Study



Employers evolve workplace wellness in the wake of economic uncertainty and shifting workforce demographics

About this report

It's an interesting time to be an employer. Despite robust global economic growth, international companies and employees are feeling increasing pressure from escalating trade disputes, financial volatility, geopolitical tensions, declining multilateralism and the transition to more environmentally sustainable production methods.¹ At the same time, companies are experiencing a tremendous ideological shift ushered in by millennials who have now overtaken gen Xers and baby boomers as the largest demographic cohort in the workforce.² The results from the Optum 2019 International Wellness in the Workplace Benchmark Study ("IWIW") show employers are confronting challenges head-on and are more committed than ever to employee health and wellbeing. This report summarises how global employers are evolving wellness programmes to better engage employees and help them cope with uncertainty during periods of significant change.

About Optum

We are a health services and innovation company helping make the health system work better for everyone around the globe. Our uniquely broad and deep capabilities set us apart as an innovative leader and position us to help solve the most critical health care issues facing international employers today.

Study background

The survey was conducted by Optum with 303 international companies located in:

EMEA (Europe/Middle East)

LATAM (Latin America)

APAC (Asia-Pacific)

Respondents included health benefit and wellness programme decision-makers.

For the purpose of this report, companies are classified as:

Large: **3K to 9.9K** employees

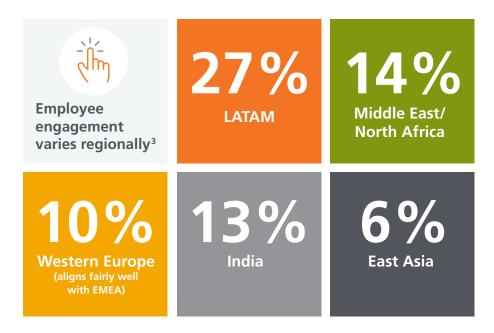
X-large: 10K to 49.9K employees

Jumbo: **50K+** employees

Global companies face significant workforce challenges

Employees around the world are disengaged

Employee engagement is essential to corporate success. When employees are engaged, they drive performance and innovation. Their commitment and enthusiasm ensure that organisations meet and exceed their goals. However, according to Gallup's *State of the Global Workplace* report, the engagement of employees around the world is dismal and the percentage of adults who work full time for an employer and who are highly involved in and enthusiastic about their work is just 15%.³



Whilst engagement varies regionally, it's clearly an issue across the regions participating in IWIW — and particularly in APAC and EMEA, where engagement falls below the global average. Whilst still under 30%, engagement in LATAM is among the highest, second only to the United States and Canada, although Gallup's *2018 Global Emotions Report* suggest the region may evaluate aspects of their lives more positively than others.⁴

Disengaged employees are psychologically detached from their jobs and costly to organisations. They are less productive, less creative, more likely to change companies and more likely to suffer accidents on the job.⁵ Findings from IWIW show companies understand the link between employee wellbeing and engagement, and 86% report their health and wellness (H&W) programmes have been successful at improving employee engagement scores.

Millennials are difficult for companies to retain

Generations in the workforce

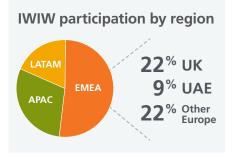
00	Millennials	1981–1996
Я' ГЛ	Gen Xers	1965–1980
	Baby boomers	1946–1964
	Traditionalists	1900–1945

Over 40% of employees at the companies surveyed are millennials (ages 23 to 38), a generation with vastly different expectations of employers than gen Xers and boomers.

Now the largest generational segment in the global workforce, their ranks are expected to peak around 2025, when they will comprise an estimated 43% of all workers.⁶ That proportion varies by country and region. In India, millennials are forecasted to comprise 64% of workers by 2021.⁷ Currently, there are more millennials in China than there are people in the United States. They make up 25% of the total Chinese population.⁸

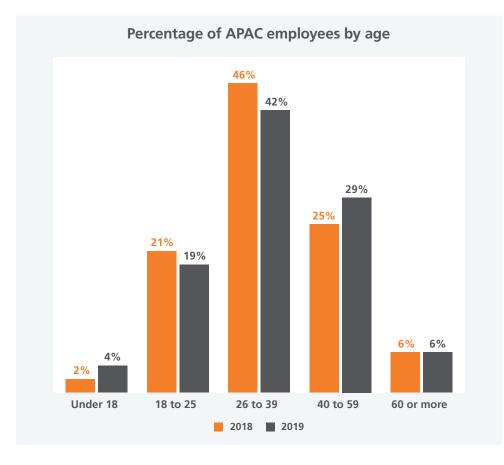
Generally speaking, millennials don't work simply to make money. They view life and work as tightly integrated and want both to have meaning. Professional development is more important to them than job satisfaction, and they want to work for companies that provide the opportunity to learn and grow. Millennials change jobs more frequently than older generations, and because they are so digitally connected, they are able to seek and find job information more easily.⁹

Each region has unique social, political and economic issues to address



Whilst employee engagement and millennial expectations appear to impact companies globally, employers also face region-specific challenges. Many countries in APAC, including Japan, South Korea and China, have seen a drop in birth rates. The slowing pace of population growth means a rapidly shrinking labour pool.¹⁰ As employees age out of the workforce, there are fewer workers to replace them in the generations that follow. This shift is already surfacing in study findings. In APAC, companies reported a slight decline in the percentage of employees under age 40 and an increase in the percentage of employees ages 40 to 59. Benefits which focus on improving and maintaining overall employee wellbeing can aid in recruitment and retention of key staff, making such offerings even more important in areas with a shrinking workforce.

In EMEA, the impending deadline for Brexit (31 January 2020, at the time of this writing) is causing strain. Since the UK's vote to leave the European Union in 2016, uncertainty for both companies and employees has mounted.¹¹ The terms on which the UK leaves has implications for market access, product regulation, labour law, talent retention and recruitment, as well as employee access to healthcare and medicines. Responses suggest that financial stressors and uncertainty have been an important factor for EMEA companies when making employee health and wellness decisions.



In LATAM, economic growth is weaker than the global average. The middle class is growing but still vulnerable, and accounts for only 25.8% of total households.¹² A significant gap remains between classes at each end of the socio-economic spectrum, and LATAM companies report that employees need help with financial fundamentals. For more than a decade, LATAM has ranked as the region with the widest skills gap in the world. Companies struggle to fill vacant positions. According to ManpowerGroup surveys, more than 40% of firms report difficulty finding job candidates with the right skills.¹³ Latin Americans who are able to further their education, see more opportunity for advancement outside the region. Gallup's *State of the Global Workplace* report indicates that 29% of highly educated LATAM employees would like to move permanently to another country, creating even stiffer company competition for talent.¹⁴

Workplace wellness is more important than ever

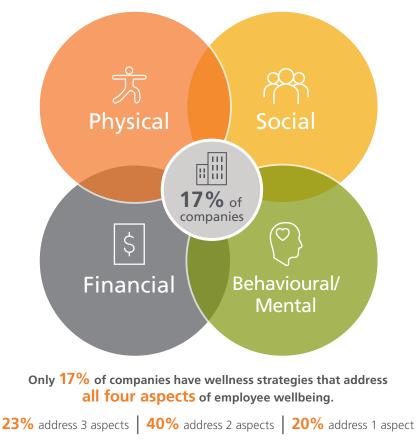
on with

30%	Financial fundamentals
23%	Saving for retirement
17%	Purchasing large items (e.g. house, car)
15%	Investing/investments
15%	Planning/budgeting

Financial health areas where

LATAM needs the most help

Companies seeking to improve employee engagement and productivity must also improve employee wellbeing, as the three are interdependent. Workplace wellness is a coordinated approach to supporting employees (and increasingly, their families) as they master behaviours which reduce health risks and improve overall wellbeing. Programmes, such as wellness coaching, on-site health promotion, health assessments and screenings, and employee assistance programmes are critical elements of a comprehensive workplace wellness plan. Almost nine out of 10 large employers report their programmes are successful at increasing employee retention, and 95% of jumbo employers have had success increasing productivity.



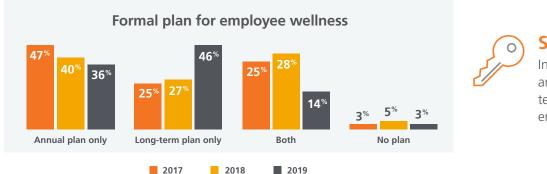
Given the workforce challenges, it's no wonder companies without wellness programmes are considering them. Two out of three are very interested or extremely interested in providing programmes in the future, and 38% would like to initiate them within a year.

Whilst physical, behavioural/mental, social and financial health are all contributors to overall employee wellbeing, only 17% of companies with 2+ programmes believe their wellness strategy addresses all four. That number hasn't grown over time. LATAM lags behind EMEA and APAC with 9% covering three (versus 29% APAC and 24% EMEA) and 51% covering two aspects (31% APAC and 42% EMEA). Despite lagging progress towards a more holistic strategy, the research suggests companies are doubling down on their commitment to workplace wellness in other ways.

One indication of steadfast commitment to workplace wellness is the move to long-term planning. Almost all companies have a formal, written, strategic plan for employee wellness. However, annual plans have been steadily declining in popularity. About 70% more companies (46% versus 27%) are developing long-term plans than in previous years. ("Long term" was defined as "two or more years.") Establishing a culture of health takes time, and the move to long-term plans demonstrates companies are committed to workplace wellness for the long haul.

Optum can help

Our experienced team, global reach and integrated solutions can help support your long-term strategic planning. Our on-site health promotion specialists can help build and implement your plan.



Survey insight:

International companies are moving to longterm strategic plans for employee wellness.

H&W programmes are more likely to fail when promoting them is tacked onto the responsibilities of an employee who already has a day job. Almost all companies (98%) reported having dedicated staff to promote H&W programmes. Over four out of five companies (83%) now employ full-time staff to oversee programmes, up from 76% two years ago and another indicator of long-term commitment to workplace wellness.



Full-time staff dedicated to promoting H&W programmes

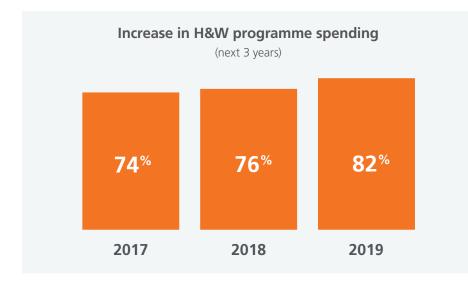


Survey insight:

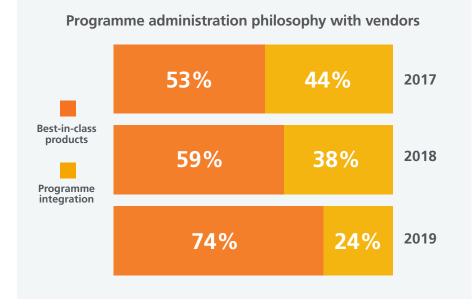
Hiring dedicated full-time staff to promote H&W programmes is the trend.

The majority of companies are considering additional programme offerings in the near future, which may account for some of the anticipated increase in spending.

A third or more of companies are considering adding one of the following on-site services: health biometric screenings, wellness coaching, health advocacy service, EAP counselling, on-site medical clinics or on-site fitness centre.



Employers were asked to identify with one of two philosophies: best-in-class products or programme integration. Programme integration was defined as contracting with one or two vendors who offer a comprehensive set of integrated products. The number of companies with a best-in-class programme administration philosophy is on the rise. Employers may want to look for vendors that offer a comprehensive portfolio of integrated world-leading products.



4 in 5

employers expect programme spending to increase in the next three years. Strong support from leadership is the reason most cited.



Survey insight:

Proportionate spending on H&W programmes is expected to increase.

3 in 4

employers state best-in-class products are important.

f

Survey insight:

When working with H&W vendors, "best-in-class products" are top priority.

Companies are adjusting H&W strategy to meet changing needs

Most common programmes

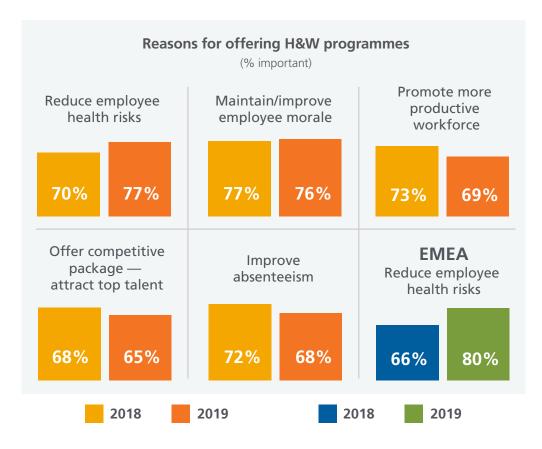
- Health risk assessments
- Health/fitness challenges
- H&W website/portal
- Employee Assistance (EAP)

In 2019, health risk assessments, health/fitness challenges, H&W websites/portals and EAP remain the most commonly offered programmes. However, companies are fine-tuning their overall programme offerings to help tackle global and regional challenges. The menu of programmes is changing, with greater focus on improving employee resiliency and helping workers navigate healthcare system complexities. Employers are also seeking to improve employee engagement by extending H&W offerings to family members, increasing incentives and utilising technology to drive participation.

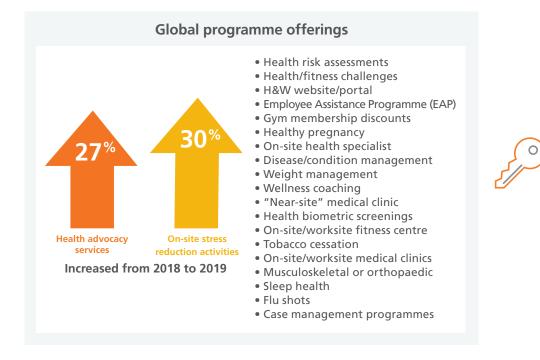
Helping employees cope in uncertain times

Globally, reducing employee health risks (both physical and behavioural) has risen to the top as the most important reason for offering H&W programmes, a result driven predominantly by companies in EMEA. In 2018, reducing employee health risks was 4th in importance. European employees have been facing a moderate degree of uncertainty, partially driven by Brexit, and uncertainty breeds stress. Ongoing stress is associated with a host of physical and behavioural health concerns, including anxiety, depression, difficulty sleeping, headaches, gastrointestinal disorders, low energy and increased use of alcohol, cigarettes and drugs,¹⁵ so it's not surprising that EMEA companies embrace H&W programmes as an essential tool for reducing employee health risks.

In previous years, maintaining and improving employee morale was considered the most important reason to offer programmes, and it still is in APAC and LATAM.



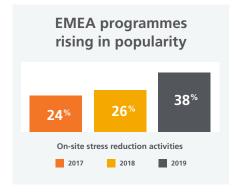
Globally, "health advocacy services" have increased in popularity, moving up to 6th most-offered from 12th in 2018. More companies in EMEA are offering health advocacy services.



Survey insight:

More companies are offering health advocacy programmes and stress reduction activities.

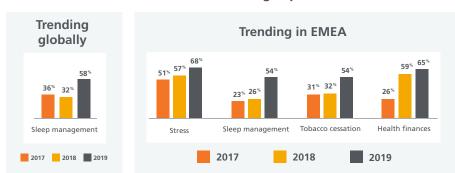
EMEA is also driving the increase in popularity of on-site stress-reduction activities such as mindfulness classes, relaxation/ meditation and massage. The number of EMEA companies offering stress programmes has risen from about a quarter to over a third. Globally, stress reduction activities have moved up to 7th most-offered from 15th in 2018. Also, whilst currently among the least-offered programmes, 25% of companies worldwide are considering a sleep health programme offering in the next three years (up from 17% in 2018).



Stress is also the most commonly addressed topic by wellness coaches globally, although wellness coaching has declined in popularity overall. About 25% fewer companies are offering wellness coaching compared to last year (30% versus 40%). In LATAM, the proportion of companies offering wellness coaching has remained stable, hovering around 25%. However, in APAC, the number has declined over the past two years and is down from 53% to 37%. About 28% of EMEA companies still offer wellness coaching, and the topics of increasing interest include stress, sleep management, tobacco cessation and health finances. Globally, almost twice (58% versus 32%) as many wellness coaching programmes address sleep management (insomnia/sleep apnea) than previously.

Optum can help

Not sure if wellness coaching is right for your employees? At Optum, we offer on-site wellness coaching that provides your global employee population with in-person support, either 1:1 or in the form of group coaching. Learn more at **optum.com/globalemployers**.

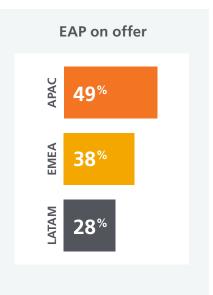


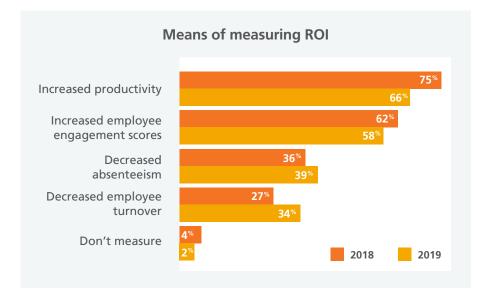
Wellness coaching topics

Whilst companies are offering more on-site stress reduction activities, participation has been lower (21%) in EMEA than in the other two regions. Participation in stress programmes is highest (37%) in APAC, a region known for its culture of overwork. Chinese companies comprise 29% of APAC respondents, and a recent survey of Chinese employees showed that 80% are overworked and stressed.¹⁶ One in five APAC companies surveyed is located in Japan, where the problem is "so pervasive that 'death by overwork' is a medically recognised cause of fatality."¹⁷ Overwork is associated with behavioural health issues, and almost 50% of APAC companies offer EAP programmes, more than in the other two regions, and significantly more than in LATAM. Both of these findings indicate that APAC employers recognise the importance of stress reduction and are investing in relevant programmes.

Engaging a changing workforce

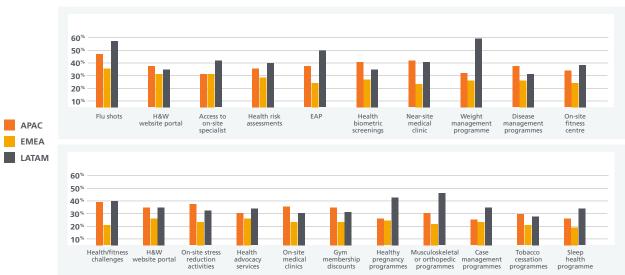
Most companies (93%) agree (and half strongly agree) that they can effectively track metrics to evaluate programme performance. They cited "increased productivity" (66%) and "increased employee engagement scores" (58%) as the top two metrics used to evaluate programme return on investment (ROI), although fewer companies than last year cited "increased productivity." In APAC, "increased employee engagement scores" ranked highest and is a metric used by 71% of companies. Clearly, improving employee engagement is on the radar as companies refine H&W strategies.





Globally, programme participation rates haven't changed over the past three years. However, regional variations are telling. In general, EMEA has lower programme participation whilst LATAM has higher, a finding that aligns with regional employee engagement scores reported by Gallup. Programme by programme, LATAM reported higher participation rates than EMEA, and significantly higher participation for six of the 21 programmes.

Comparing programme participation rates by company size revealed X-large companies generally have better participation than jumbo and large. Participation was twice as high for 10 of 21 programmes compared to jumbo employers and higher by at least 50% for six of 21 programmes compared to large employers.

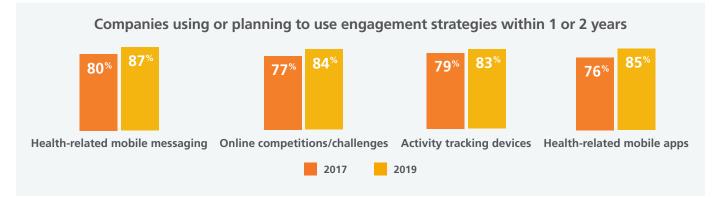


Average H&W programme participation rates

(among those offering)

Millennials are not only the largest cohort in the workforce, they are also the most disengaged. As more and more baby boomers retire from key positions, companies are recognising the need to develop and better engage millennials, as the future viability and competitiveness of their business rests on this generation's shoulders.

Unlike their predecessors, millennials have never experienced life without the internet, social media and mobile devices. Gallup has described them as "first-generation digital natives." The generation is always connected, which challenges companies to rethink their communication strategies. If employers want to engage millennials, they need to do so digitally, and that includes H&W programmes. Survey findings show companies are meeting millennials where they are by embracing new and emerging technologies. Employers were given a list of emerging engagement practices or technologies and asked, "Does your company use any of these?" Over half reported using social networks (57%), health-related mobile messaging such as text alerts and notifications (52%), and online competitions and challenges (52%). The use of health-related mobile apps and activity tracking devices have been gaining in popularity since 2017 and is nearing 50%. When you add in companies planning to implement these engagement strategies in the next one to two years, the numbers rise to over 80%.



Companies were also asked how successful these emerging strategies have been. Almost 60% or more found each of the strategies to be highly successful, with activity tracking devices (66%) and health-related mobile apps (64%) topping the list.

Digital engagement/social media platforms are now thought to be the most effective means of driving employee engagement in four out of six corporate environments. Mobile apps placed second in four of six environments. This is a big change from 2018 when emails were viewed as most effective in all environments except warehouses and manufacturing.



Survey insight:

Digital engagement and social media platforms are seen as the most effective means of driving engagement in H&W programmes.

Top 3 most effective means for driving employee engagement

Ofiice based	Manufacturing	Warehouse	Telecommuting	Business travel	Transportation
 Emails Digital engagement Mobile apps 	 Digital engagement On-site meetings Posters 	 Posters Mobile app e-newsletters 	 Digital engagement Mobile app e-newsletters 	 Digital engagement Mobile app Emails/wallet cards 	 Digital engagement Mobile app Brochures

Optum can help

Digital engagement tools can deliver cost-effective, personalised health education and resources that help users better manage chronic conditions, prevent avoidable disease, and stay well. Optum[®] My Wellbeing, a digital engagement platform, educates employees about their health and motivates sustained behaviour change. Learn more at **optum.com/globalemployers**.

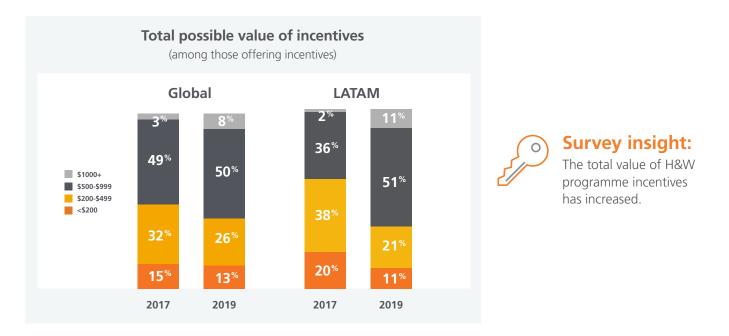
The people we live with have a huge influence on our behaviours, including how active we are and even the foods we eat. The social support family provides can significantly impact the health outcomes of employees. Including family members in H&W offerings can help keep employees motivated and on the path to better health. Almost three out of four employers are now offering programmes to family members. A related finding is the use of home mailings is on the rise. Nearly a third of companies reported using home mailings to promote H&W programmes.

Companies have offered incentives to encourage employee engagement in H&W programmes for years, and when used strategically, incentives can be a powerful tool. Almost all companies offer incentives, and that hasn't changed. But globally, the average total value of programme incentives is \$560, up from \$493 last year. In LATAM, the average total value has increased by over \$100, from \$470 to \$588. Jumbo-sized companies offer an average total incentive value of \$729 compared to \$565 and \$511 offered by X-large and large companies. Also, 62% of companies plan to expand the scope of their incentive strategy, up from 55% in 2018 and 52% in 2017.

Offers H&W programmes to family members 61[%] 65[%] 74[%] 2017 2018 2019

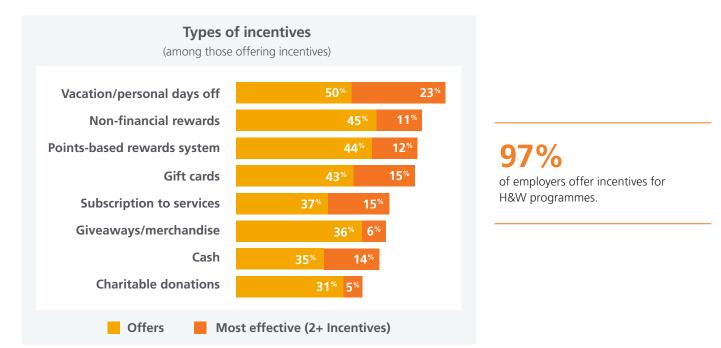
Survey insight:

Companies are widening their H&W programme focus to include family members.



Company size impacts the number of programmes for which companies provide incentives. Two out of three jumbo-sized employers provide incentives for four or more programmes compared to about half of large companies.

When asked which incentives were most effective, companies' opinions varied. The most popular incentive is vacation and personal days off, which half of companies' report using. Nearly a quarter of respondents also consider days off the most effective incentive. Non-financial rewards such as recognition and team parties are also popular, particularly with jumbo-sized companies (62%), along with points-based systems. Subscriptions to services are growing in both popularity (37%, up from 22% in 2017) and perception of effectiveness. The use of gift cards is declining (43%, down from 57% in 2017).



Optum can help

We offer a customised rewards programme that inspires a healthy lifestyle. Employers determine reward options, participant earning potential and how rewards are earned. Learn more at **optum.com/globalemployers.**

Making the shift from wellness to wellbeing

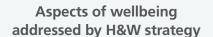
Traditionally, wellness programmes have focused on physical health, but the current trend is for employees, and especially millennials, to view everything that happens at work as an integrated experience impacting all areas of their life. Wellbeing expands the concept of wellness to include mental, social and financial health. Making the shift to wellbeing is critical for employers trying to engage the modern workforce.

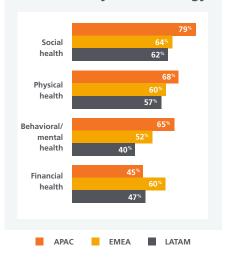
Globally, each of the four areas addressed by the H&W strategy is 53% to 68% of the companies surveyed. Social health is the aspect most addressed and is covered by 68% of companies' strategies. The number of companies addressing physical health is down from 73% in 2018 to 62% this year. At a regional level, more EMEA companies are addressing financial health in their H&W strategy than ever before, and in APAC, more are addressing social and behavioural/mental health.

Globally, 53% of employers include financial health in their strategies. Companies were asked which three financial stressors their employees struggle with most. Over a third listed health care (including prescription costs) and resources for childcare. At a regional level, education costs rose to the top of financial stressors for LATAM.

Companies were also asked to rank financial areas where employees need the most help, including financial fundamentals, planning/budgeting, investing/investments, saving for retirement and purchasing large items. Whilst there was no clear consensus, investing ranked lowest. In EMEA, employees need more help with saving for retirement and planning/budgeting than the other three areas.

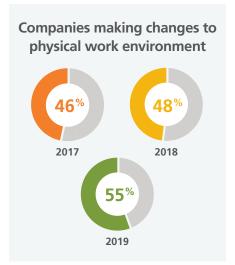






Building a strong culture of health is fundamental to navigating the transition from wellness to wellbeing. Most employers (63%) believe establishing a culture of health ownership is important. However, the number who have managed to do so has remained static at about half over the three years of the survey. (EMEA lags slightly behind APAC and LATAM in this area.) More jumbo-sized companies (33%) have firmly established a culture of health than large companies (16%), and more also believe it's important (76% versus 57%).

Much has been written about how to build a culture of health. Leadership commitment and support are essential, as is a work environment that supports healthy choices. Almost all (95%) of the surveyed companies agree that their senior management values and supports H&W programmes. However, only 48% "strongly agree" compared to 57% last year. More companies (55%) have made changes to the physical work environment than in previous years, and three of the five most-cited changes involve healthier food options in vending machines, at meetings and in cafeterias. The other two most-mentioned changes were smoke/tobacco-free campuses and on-site gym/fitness centres.



The right H&W partner can make all the difference

As employers strive to establish a culture of health and transition from wellness to wellbeing, having an H&W partner to help is more crucial than ever before. Cultural and language differences can create unique challenges as you strive to manage benefits of an international workforce, especially when benefits vary from country to country. In the cohort with no H&W programmes in place, administrative complexity was the primary reason why cited by 85% of IWIW companies. Whether launching your first offering, extending your health and wellbeing programme globally or expanding available services, Optum has a suite of international health solutions to support your objectives of engaging employees and helping them manage their personal health.



Optum helps employers unify their health and wellness strategies

Optum can help

We offer a broad suite of on-site services to help employees move more and be safer and more mindful. Learn more at **optum.com/globalemployers.**

Methodology

The Optum 2019 International Wellness in the Workplace Benchmark Study identifies health management programme trends and insights across large employers (3,000+ employees) located in the following regions:



The web-based survey was conducted in July/August 2019 with members of an online panel which included health benefit and employee wellness programme decision-makers.

Total respondents: 303 With 2+ programmes: 254

Region*		Average employee age		Role		Company size*	
APAC	30%	Under 18	4%	Human resources	37%	Large (3k to 9.9k staff)	61%
EMEA	52%	18-25	21%	Administration	19%	X-large (10k to 49.9k staff)	23%
LATAM	19%	26-39	41%	General Mgmt	25%	Jumbo (50k+ staff)	17%
		40-59	26%	Executive/owner	19%		
		60+	8%				

*Percentages may not add to 100% due to rounding.

Sources:

- 1. United Nations. World Economic Situation and Prospects 2019. un.org/development/desa/dpad/publication/world-economic-situation-and prospects-2019/. 2019.
- 2. Anita Lettink. No, Millennials will NOT be 75% of the global workforce in 2025 (or ever)! The data. linkedin.com/pulse/millennials-75-workforce-2025-ever-data-anita-lettink/.
- 3. Gallup. State of the Global Workplace. gallup.com/workplace/238079/state-global-workplace-2017.aspx. Gallup Press. 2017.
- 4. Gallup. 2018 Global Emotions Report. gallup.com/analytics/241961/gallup-global-emotions-report-2018.aspx. Gallup Press. 2018
- 5. Gallup. State of the Global Workplace.
- 6. Anita Lettink. No, Millennials will NOT be 75% of the global workforce in 2025 (or ever)! The data.
- 7. Gallup. State of the Global Workplace.
- 8. Cale Tilford. Financial Times. The millennial moment in charts. ft.com/content/f81ac17a-68ae-11e8-b6eb-4acfcfb08c11. June 6, 2018.
- 9. Gallup. How Millennials Want to Work and Live. gallup.com/workplace/238073/millennials-work-live.aspx. 2016. Christopher Bodeen. The Japan Times. China population growth continued to slow in 2018. japantimes.co.jp/news/2019/01/21/asia-pacific/ china-population-growth-continued-slow2018/#.XYatWpNKifU. January 21, 2019.
- 11. Talent Daily, With Brexit Uncertainty Looming, UK Businesses and Employees Lose Confidence in Economy, cebglobal.com/talentdaily/withbrexit-uncertainty-looming-uk-businesses-and-employees-lose-confidence-in-economy/.
- 12. An Hodgson. Euromonitor International Market Research Blog. Stronger economic growth will drive Latin America's middle class expansion. euromonitor.com/stronger-economic-growth-will-drive-latin-americas-middle-class-expansion/. January 24, 2019.
- Monica Flores and Angel Melguizo. Latin America has the biggest skills gap in the world. Here's how to bridge it. weforum.org/agen-da/2018/03/latin-america-has-the-biggest-skills-gap-in-the-world-here-s-how-to-bridge-it/. March 13, 2018. 14. Gallup. State of the Global Workplace.
- 15. WebMD. Stress Symptoms. webmd.com/balance/stress-management/stress-symptoms-effects_of-stress-on-the-body#1. 2019.
- China Daily Information Company. Most employees overworked: survey. chinadaily.com.cn/a/201811/02/WS5bdbdf4ca310eff303286339 html. November 2, 2018.
- 17. Gallup. State of the Global Workplace



11000 Optum Circle, Eden Prairie, MN 55344

Optum® is a registered trademark of Optum, Inc. in the U.S. and other jurisdictions. All other brand or product names are the property of their respective owners. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Optum is an equal opportunity employer.

© 2019 Optum, Inc. All rights reserved. WF1722746 12/19