

Linking corporate purpose to benefits, wellbeing and I&D

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By signing the [Business Roundtable Statement on the Purpose of a Corporation](#), nearly 200 chief executive officers (CEOs) committed to lead their companies for the benefit of all stakeholders, including employees, making this in effect a statement in support of people or human capital.

According to the Willis Towers Watson experts who authored “[Company purpose and sustainable human capital](#),” the Business Roundtable statement can be viewed as an argument for [human capital sustainability](#), which involves the programs, practices and cultural factors enabling talent to thrive today and in the future. This piece takes a deeper dive into this topic, focusing on the role of benefits in human capital sustainability.

From the perspective of benefit consultants – including those who focus on wellbeing, purpose-driven benefits, and inclusion and diversity (I&D) across an array of health care and retirement programs and practices – the key takeaway from the Business Roundtable statement is not a new concept. In fact this announcement supports what HR and finance professionals have stressed for years: People matter. Benefits and related resources are key levers to drive change – with many looking to onsite/near-site resources, financial planning and employee assistance programs (EAPs) as part of their strategic execution.

Organizations with a sense of societal purpose understand the concept of sustainable human capital and the correlation among talent, wellbeing, engagement, productivity and business results.

Human capital sustainability and wellbeing

Sustainability is defined as the ability to be maintained at a certain rate or level. Organizations that embrace sustainable human capital are concerned about the wellbeing of their greatest asset: their people. Wellbeing is comprised of physical, financial, emotional and social components, which collectively have a direct impact on engagement and productivity. To draw out the connectivity across wellbeing, the data points below suggest the greater the stress (whether

it be from health or finances) the less engaged the employees are, and the longer they will be in the workforce given how they are able to plan and save for retirement. The direct impact to workforce planning and business results is not lost on employers, leading many to implement or expand their wellbeing strategies.

Employees with...	No financial worries and no health issues	Financial worries and health issues
Portion of respondents	21%	42%
Highly engaged	56%	36%
High stress	20%	64%
Absence days	1.3	3.4
Expect to work past age 70	19%	51%

Source: 2017/2018 Global Benefits Attitudes Survey, United States. Data points illustrate only the bookend categories related to financial worry and health.

Looking at gender with a focus on financial priorities, we find men rank retirement as their number one priority, followed by general savings, general costs, paying off debt and housing costs. Retirement drops below the top spot only for unmarried men (with and without children at number five and number three respectively). Compare this with women’s ranking of priorities, where retirement shows up as number five on the list. Women report their primary priority as general costs, followed by paying off debts, housing costs and general savings rounding out the top four; however, married women without children under the age of 18 did rank saving for retirement as a top priority.

Financial priorities ranked	Men	Women
Retirement	1	5
General savings	2	4
General costs	3	1
Paying off debt	4	2
Housing costs	5	3

Source: 2017/2018 Global Benefits Attitudes Survey, United States

If we were to peel the onion back further, we would start to see the variance expanding past gender and into characteristics related to race, ethnicity, life stage, religion, socioeconomic status, sexual orientation and military service. Some examples include:

- African American women are 42% more likely to die from breast cancer than non-Hispanic white women.
- LGBT+ individuals are two and a half times more likely to experience depression, anxiety and substance abuse.
- Low-wage earners had half the usage of preventive care, nearly twice the hospital admission rate, more than four times the rate of avoidable admissions and more than three times the rate of emergency department visits relative to top-wage-group earners.
- The age-adjusted rate (per 100,000) of suicide for males (20.7) was more than three times that for females (5.8).

These are some of the reasons why I&D has become such an important topic. Organizations are looking beyond pay, unconscious bias training and employee/business resource groups to benefits in order to address some of the needs outlined above. They realize it is a tight labor market, and purpose matters to current and prospective talent looking for organizations that care about the world and about them.

In today's world, it is not just investors and consumers who want to understand a company's position on sustainability; employees also want to know if employers have sustainability initiatives and environmental, social and governance (ESG) commitment in place. In addition, they want to know how these efforts influence a healthy culture, I&D and wellbeing – and specifically what this all means for benefits. It is also not lost on employers that millennials now represent 40% of the workforce and are 44% minority. This has resulted in organizations starting to revisit benefits beyond compliance issues and questioning whether their benefits meet employees where they are and where they want to be.

In fact, according to Willis Towers Watson's [2018 Best Practices in Health Care Employer Survey](#), 76% of responding organizations will assess and align the work environment, and health and wellbeing policies and programs, with company culture in 2020 (or beyond). This is consistent with the finding that 72% are planning to formally build health and wellbeing into the organization's employee value proposition in that same time frame.

Investing in employees

One of the five commitments of the Business Roundtable statement is:

“Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.”

This raises the question, where does responsibility and accountability reside for the wellbeing of the employee: Is it HR, finance – or the C-suite and the CEO? As organizations have realized for years, culture and change need to start with leadership, align with the business (and in this case, the human capital) strategy, and be continually reinforced through the behaviors of senior leaders each day. Take mental health for example – a key part of the emotional wellbeing component noted above. In March of this year, more than 40 top executives (including CEOs from Johnson & Johnson and Bank of America) attended the [American Heart Association CEO Roundtable](#) to discuss actions that could build a mental-health friendly workplace. [With one in five Americans suffering from some form of mental health condition \(and roughly 40% receiving no treatment\), the impact to the workplace is significant, manifesting itself through work absenteeism, low productivity and costs to the U.S. economy. For example, depression alone is estimated to cost the American economy \\$210 billion annually.](#)

While attendees recognized that prioritizing emotional health has direct cost implications to their business, they also recognize that investing in their employees is the right thing to do. Caring for the wellbeing of the employee starts with leadership connecting the business strategy to the human capital strategy, and then it comes to life through employee benefit design. This involves understanding who the current and future workforces are and putting them at the center of the talent experience by evaluating your company culture, benefits and communication support to ensure overall wellbeing and a sense of belonging.

Exploring the nuances of benefits further, below are some examples of what organizations have done in partnership with their existing and at times new vendors – all aiming to improve the employee experience and wellbeing:

- **Building and supporting families** through fertility and maternity care, adoption and surrogacy benefits and parental leave – with benefits that apply to same-gender parents as well; thinking about the importance and value of caregiving and elder care support and related leave
- **Enhancing (and extending) lives** through access to advancements in cancer care and other clinical care areas and onsite resources such as clinics and fitness centers
- **Managing emotional health** through EAP, telebehavioral visits and trainings (e.g., mindfulness, resiliency)
- **Pursuing dreams** through student loan reimbursement, community service, financial assistance and retirement planning, including cutting-edge, technology-driven support
- **Balancing it all** through convenience services such as onsite cafeterias, child care, farmers markets, dry cleaning and online discounts for a variety of products and services
- **Realizing that words and packaging or organizing matter**, and communicating benefits in a language that is understood (when engaging employees by leveraging technology or online portals, or through communications and examples or personas, it is critical to consider the population, recognizing that employees – and their families – learn and engage differently; ultimately, you want to provide information in a way that it is known and accessible in the moments that matter)

It is important to recognize that no organization has a blank check to support human capital sustainability. The governance of cost as well as operational, compliance and administrative issues has become more of a focus than ever – especially for those that also need to revisit their pay and performance practices to ensure equity (or a path to it). But the window to create impact through sustainable human capital efforts and enhance the employee experience each day is wide open. What it comes down to is solving for the company's specific workforce and business goals – and looking at benefit prioritization in order to support the whole employee. In turn, this will enable employees to be more present and engaged, and support productivity and innovation, with the end result of improved business results.

“Most people overestimate what they can do in one year and underestimate what they can do in 10 years.”

– Bill Gates, co-founder of Microsoft

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