Total Well-Being
Put Well-Being to Work for Your Organization

Don’t miss the rest of this Thought Leadership series: it will help you understand the role employee benefits play in shaping the future of your business:

• Changes to the health insurance ecosystem,
• Your company’s revenue and talent needs,
• A shifting compliance landscape, and
• Our strategic partnership.

What’s good for your employees is good for your business. That’s the simple logic behind the growing focus on employee well-being. Understanding what drives well-being gives you a framework for designing a benefits package and a work environment that drive engagement and productivity.

What Is Well-Being?
Employers used to talk about health and wellness programs, but our perspective has broadened. At a growing number of employers, benefits address the broader concept of well-being, which encompasses not only health, but also wealth, life and work.

• **Health:** Having the good health and energy needed to get things done
• **Wealth:** Increasing financial security, thus reducing financial worries – and financial distractions
• **Life:** Having supportive personal relationships, taking an active role in the community, and being able to cope well with changing circumstances
• **Work:** Feeling engaged and motivated at work and valuing the opportunity to achieve and move up

A 2014 Gallup study found that employees thriving in these four areas “have significantly lower turnover and health care costs compared with those thriving in just one element.”

Benefits That Promote Well-Being
Here’s how you can offer a benefits program that not only includes traditional benefits, but also promotes total well-being and gives you more focused, more present and more productive employees.

Promoting Health, Saving Money
Unhealthy behaviors among workers cost employers an average of $670 per employee annually, according to the 2011 Thomson Reuters Workforce Wellness Index. But employers are perplexed by how to improve health in a workforce that likely contains three very different generations. In fact, “Many organizations and business leaders lack a clear understanding of what levers to pull to improve employees’ perceptions and motivation on the job, and more importantly, how an employee’s experience translates to performance.” If that’s you, we’ve broken it down for you.
You have a role in employee physical health. Despite the availability of public Marketplaces for health coverage, individuals are still looking to their employers for health coverage.³

If you don’t play your role, your company could suffer. Physically inactive employees are 80% more likely to be absent from work, and they drive a 120% higher workers’ compensation cost. Those with uncontrolled diabetes have a 116% higher rate of safety incidences. And workers with depression, regardless of severity, significantly impact both workers’ compensation and safety costs.⁴

To get the engagement and productivity results you’re after, you’ll need to actively help employees. While each generation has its own health concerns, these steps will create a foundation that supports the physical well-being of each employee:

• **Offer plans that compete.** ADP TotalSource® can help you with this in two ways. First, we can show you how your offering compares with other companies in your industry and location. We also can show you what worksite employees are choosing in your region. But, to focus on your specific employees, we’re now offering the new Worksite Employee Benefits Satisfaction Survey. Through employee survey responses, you can learn about your employees’ health behaviors, what drives their plan selection, and whether they understand their benefits. This insight can help you craft a benefits offering that maximizes your ROI.

• **Ensure employees know their options.** Our surveys of ADP TotalSource worksite employees show that employees’ awareness of the benefits available to them could be higher. This presents a tremendous opportunity for your business to uniquely connect its employees to benefits that can improve their quality of life and physical health while also increasing their appreciation for your financial investment in your benefits package. Read the “Our Strategic Partnership” article to learn more about how we’re amplifying and personalizing benefits communication to worksite employees.

• **Encourage worksite employee action.** Worksite employees need to actively enroll in plans that fit their needs for optimal health. Overinsuring is a common mistake employees make, as is allowing last year’s plan to passively roll over to this year. This year, we’re using smart-video technology to help your employees make well-informed benefit decisions. However, it’s just as important that your leadership team support an active Open Enrollment period.

• **Embed a culture of health.** When a culture of health is in place, employees are much more likely to make healthy choices, such as exercising regularly or getting an annual physical.⁵ This is where knowing the generational preferences of your workforce – or referencing your employees’ responses to the Worksite Employee Benefits Satisfaction Survey – can help you. You’ll also want to point worksite employees to iBenefit, our new benefits engagement website, and your medical plan wellness resources; many will offer tobacco cessation, weight loss and expectant mother programs as well as nurse call lines.

Supporting Wealth Creation, Increasing Confidence

Across the generations, 24% of workers report that their personal finances have been a distraction at work.⁶ A major struggle is saving for retirement: 22% have already withdrawn money from their retirement plans, and 22% are not currently saving for retirement. Nearly half say that they would be willing to sacrifice a portion of their future pay increases for guaranteed retirement income.⁷ But no one retires on the “wishful thinking plan,” so how can you help your employees?

• **Baby boomers** (born 1946–1964)⁸ want guidance about preparing for retirement and minimizing increasing health care costs. Less than half are confident they can cover their health expenses during retirement.⁹

• **Generation X** (born 1965–1984) employees have growing families and stagnating wages. They are often financially stretched and worried about their financial future.

• **Millennials** (born 1982–2004) frequently believe they will never have a pension or receive a Social Security check, so they value 401(k) benefits, even though they may not yet be focused on retirement.

What you can do: If you’re looking for a way to differentiate yourself to new talent and retain the talent you have now, consider offering or enriching your retirement benefits. Your employees – regardless of generation – value them. However, a singular focus on retirement is an old way of looking at wealth well-being. Employers can’t take for granted that employees are financially “healthy,” even if they do provide a 401(k) plan, because many workers also need significant help paying off past debt and managing their budget today. For example, while 73% of workers are satisfied with their companies’ retirement plans, 60% haven’t created a financial plan for their families.¹⁰ Fortunately, your employees have access to a wide range of benefits that can help them achieve peace with their pocketbooks.
What you can do:

• Encourage employees to save on taxes by using flexible spending accounts, health savings accounts, and/or commuter benefits.

• Talk with your dedicated 401(k) Specialist about options to drive personalized retirement/investment education to your employees via the ADP TotalSource MEP Retirement Plan. Contact your Human Resource Business Partner (HRBP) to learn more about this market-leading plan.

• Promote Aspire, the ADP TotalSource scholarship program, or state tuition assistance and/or college savings plans (where available).

• Remind worksite employees about the voluntary benefits available to them – from supplemental life insurance to disability coverage and insurance for specific medical events. They exist to help protect employees’ financial futures if trouble arises.

• Debunk the myth that the Employee Assistance Program, available through ADP TotalSource, is just for mental health needs; it offers financial support services as well.

• Refer worksite employees to the wealth management tools and calculators that will be available on iBenefit available in February 2016.

Balancing Life, Encouraging Loyalty

A 2013 Accenture report found that 52% of employees believed they could not “have it all” all the time. That’s the crux of work-life balance: How do we make daily choices among competing priorities?

Workplace work-life balance programs can help. A 2010 report found that these programs can improve recruitment, reduce turnover, increase productivity and decrease absenteeism. The generations all value work-life balance, but for different reasons. Baby boomers and Generation X workers need time to take care of older and younger family members, and millennials expect flexibility and balance as a matter of principle. Flexible work arrangements like teleworking, flex schedules, comp days and job sharing are highly valued across the generations and can help build loyalty and a positive work environment. Where flexibility isn’t enough, having an Employee Assistance Program (EAP) in place can help employees meet personal challenges head-on, so they can come to work focused.

Another aspect of emotional and social well-being is connecting with others. Fortunately, volunteering has measurable benefits for employers and employees. Most HR executives believe volunteerism has a positive impact on an organization’s reputation and is both valued by and beneficial to employees. Employees agree. Workers who say they have an opportunity to make a direct social and environmental impact at work report higher satisfaction levels than those who don’t – by a two-to-one ratio.

Further, research is showing the connection between emotional health and physical health and productivity. Three-quarters of people who reported volunteering in the past 12 months said that doing so made them feel physically healthier. And volunteers score higher than non-volunteers on nine established measures of emotional well-being, including personal independence, capacity for rich interpersonal relationships, and overall satisfaction with their lives.

What you can do:

• Encourage your employees to participate in local volunteer opportunities – many are available through the iBenefit platform.

• Ask your HRBP for help updating your policies and procedures documentation. Having clear expectations about programs like telecommuting and volunteering time can help you reap the rewards, without suffering the pitfalls, of work-life balance programs.

Engaging at Work, Creating Purpose

If one of your employees leaves, do you have an extra 150% of his or her salary available? That’s how much it will take to replace the employee, taking into account recruitment, hiring and training. Or, you could focus on improving engagement: Companies with a highly engaged workforce can reduce turnover by 87%.

So, how do you motivate your employees? First, ask what generation you’re targeting.

• Baby boomers are working well past traditional retirement years, but for all their experience, they also are “the most disengaged segment of the workforce – and this costs corporate America almost $500 million a year.” Re-engage this burned-out population through five key tactics, as identified by Talent Management:
  1. Reward performance with pay and title bumps.
  2. Ask them to mentor millennials; it’s a strategy that works for both generations.
4. Use smaller teams to encourage accountability.
5. Challenge them with assignments that call for their years of experience.

ADP TotalSource has employee engagement surveys that can help you identify exactly how to harness and direct your efforts to improve employee engagement. If you have high turnover, we also have exit surveys that can help you home in on what’s driving turnover, so you can address the root cause.

- **Generation X** tends to be survival-focused and highly skeptical of institutions, including the corporations that may employ them. They are self-starters who need minimal supervision. They value autonomy and flat organizational structures. Like millennials, Gen X values personal development, so offer training and development opportunities and give frequent performance feedback. Make the path for advancement clear and personal to Gen X if you want them to stay engaged and stay in your employment.

Don’t forget to take advantage of ADP TotalSource’s learning and development options available through the iLearn platform. We can bring self-paced learning or on-site classroom training to your workplace; contact your HRBP for more information. If you want to participate in The Leadership Challenge alongside other leaders of other ADP TotalSource clients, watch for announcements of leadership development courses in your market.

- **Millennials** will form 50% of the global workforce by 2020. Millennials have an innate grasp of technology, highly prioritize their personal needs, are uncomfortable with rigid structures, want to feel that their work matters, and expect career advancement. They also are likely to move on, with most expecting to work for at least five employers in their careers. While you have them, keep in mind that millennials want coaching from the boss and prefer to learn by doing. They welcome feedback, praise and training programs, so be sure to set clear targets and schedule regular performance reviews. Make them feel part of the team and the decision-making process. Need coaching on how to effectively conduct performance reviews across the generations? We can help you improve your own performance reviews and create a performance review program.

When your employees come to work, they don’t simply leave their personal lives at the door. Their low back pain, credit card debt, skimpy retirement savings, personal struggles, and ambitions (or frustrations) all come with them too, competing for their energy and attention while on the clock. By valuing your workers as whole people, you’ll be better able to build a workplace that retains your best talent, brings in bright new people, reduces health and productivity losses, and enjoys the better business results that come from a highly engaged workforce.

An effective benefits strategy plays a critical role in engaging your workforce – regardless of generation. You can learn more about the generations at work by watching this video “Benefits for your varied workforce.” And be sure to take the Organizational Health Readiness Survey. It will help your HRBP prepare the most customized enrollment and total well-being strategy for your consideration. If you haven’t already, click through the invitation you received via email on December 9 and complete the survey now.

Read *Navigating the Shifting Sands of the Compliance Landscape*

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4. Aon Hewitt Health Protection/Health Promotion Client Descriptive Analysis
5. Aon Hewitt, the National Business Group on Health, and The Futures Company, 2014 Consumer Health Mindset study
12. Deloitte, 2013 Volunteer IMPACT Survey
14. UnitedHealth Group and the Optum Institute, Doing Good is Good for You: 2013 Health and Volunteering Study
15. Corporate Leadership Council
18. PricewaterhouseCoopers, Millennials at Work