HUMANIZING WELLNESS: USING ADVISORS FOR EMPLOYEE WELL-BEING

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Employee well-being resources are allowing employees to reduce workplace stress, while providing employers with insights about behavioral best practices that correspond to increased productivity. While data collection and analytics are enabling a better understanding of the workforce, automated wellness is limiting how well workers can connect to the organization and realize direct investment from senior management. This report examines how providing access to real advisors removes wellness as an employee's responsibility, while strengthening management outreach to the workforce.

As employers increasingly turn to automation as a means of understanding how to better manage their organizations, they are losing track of the humanity needed to properly direct the workforce.

In a 2016 survey, Aberdeen found that employee wellness and well-being resources lead to significant improvements in employee performance and revenue per full-time equivalent employee (FTE). While these resources are enhancing productivity, they come in many forms that do not all contribute equally to the improvements.

Defining Wellness

The National Wellness Institute defines 'wellness' as an active process through which people become aware of, and make choices toward a more healthy and successful life. Stress reduction and health management together cast a wide net over a variety of resource origins in personal financial management, managing workplace and interpersonal relationships, and health management, to name a few. The individual resources that make up employee well-being allow workers to improve how they manage and complete tasks related to each area, as they fit into the general task list. (This list includes the responsibilities of their actual jobs.)

Employees now face high levels of task management that, proverbially speaking, leave them holding the bag for their own health and well-being, with little direct support from their employers.

Shifting Workplace Stress to the Workforce

In *Analyze This: Workforce Productivity* (September 2016), Aberdeen found that employers are shifting risk management onto individual employees. Since the 1980s, employers have shifted more responsibilities for balance sheet items, such as retirement funds and healthcare management, onto employees. The trend began with corporations moving responsibilities for pensions off their balance sheets, and into the hands of employees via managed retirement accounts. Further expansion of the trend over the last 40 years has resulted in the individualization of whole corporate management structures.

In terms of financial and health well-being, in the past, employee compensation and pensions were directly tied to company performance so that employees directly benefitted from their own collective productivity. Furthermore, employer health contributions formed health insurance programs to distribute the cost of using the health system for those who could not afford to self-insure. In today's workplace, employees are responsible for individually managing investment risk in their own retirement funds, in addition to the risk associated with personalized healthcare selection and accessibility. They no longer have a direct connection to their workplace contributions through retirement and health management channels.

In terms of health and emotional well-being, access to human resource departments, paid time-off policies, and the stable nine to five job guaranteed definitions of work and home life for employees. Employers also set the tone for organizational goals and initiatives in response to new ideas coming from their target markets and from the shop floor. Today, senior management listens to the shop floor primarily through data analysis, and is expecting employees and departmental managers to take greater amounts of risk to promote new ideas into development. The fragmentation of the workplace hierarchy is distancing employers from their employees, while increasing the burden on workers in the lower rungs of the corporate ladder.

Finding Common Ground

In *The Power of an Integrated HCM Ecosystem* (November 2016), Aberdeen found that employers are recognizing that top-down cost control measures are not enough to effectively manage an overburdened workforce. Instead, Best-in-Class companies are integrating these lean workforce measures with employee incentivization. The resulting combination matches employee value contributions with employer investment for profitable workforce outcomes.

Despite an increased focus on making strategic investments, data from the *US Census*, *the Bureau of Labor Statistics*, *and the Federal Reserve Bank System,* show that wages have largely remained stagnant over the last 40 years. In that time, employees have been expected to take on more financial risk and responsibility from the companies for which they work. Furthermore, accounting for risks and losses in investment markets charted over the same timeframe, changes in average tax rates, and changes in the average cost of non-discretionary spending aggregated by region shows that net incomes have in fact gone down amidst stagnant, before-tax incomes.

The data findings are reinforced by a 2016 survey by Aberdeen which found that Best-in-Class companies are 26% more likely than All Others (73% vs. 54%) to use non-fiscal rewards and recognition to enhance productivity and engagement of their employees. In fact, just 40% of survey respondents noted that they tie employee compensation changes to increased effort or measurable productivity, trending down even just over the last 10 years of Aberdeen HCM surveys. While employers have begun to incentivize workforce participation and goals achievement, they have largely refrained from engaging in direct compensation measures for either one.

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Instead, Aberdeen found that 92% of Best-in-Class companies are using employee wellness and well-being resources in addition to non-fiscal rewards and recognition. Best-in-Class companies are also 25% more likely than All Others (100% vs. 75%) to have realized increased revenue per FTE in the last 12 months. Furthermore, 25% of Best-in-Class companies saw employee performance improve in line with greater fulfillment of management goals and objectives. While the organizational picture looks good, only 27% of Best-in-Class companies managed to chart a direct correlation between the use of employee well-being resources and increases in the quality of employee performance.

Breaking Down Wellness

Despite the high-use rate of well-being resources, employers are still struggling to see the value of employee engagement to the workplace. One of the key reasons is that they have turned to automated data analysis to understand how stress impacts the quality of labor. In *Analyze This: Workforce Productivity,* Aberdeen found that while employers are shifting their strategies to incentivize worker participation, they are still turning to increased levels of automated data analysis to understand what makes the workforce tick. The automation gives employees yet another process to self-manage, as they attempt to gain access to stress-reducing resources. In a 2016 survey, Aberdeen found that Best-in-Class companies are finally beginning to break away from this overall trend by providing real workplace resources, such as advisors (for employees to access) and by using wellness tracking solutions.

Table 1: Use of Well-Being Resources

Resource	Best-in-Class	All Others	Total
Well-Being Assessments	48%	31%	28%
Financial Well-Being Resources	52%	41%	38%
Physical Activity Resources	43%	33%	31%
Physical Health Resources	48%	37%	37%
Emotional Well-Being Resources	55%	41%	36%
Workplace Well-Being Resources	68%	43%	38%
Behavioral Analytics	14%	11%	9%

Source: Aberdeen Group (September 2016) n = 204

Table 1 shows the different types of employee well-being resources in use. The resources can be delivered through advisory channels or through automated resource planning and task management facilitated by analytical systems. Automated resource planning involves task management and goal tracking using an automated platform set, to keep and manage the time needed to complete or achieve objectives. Advisory channels include automated registration, recommendation, and use-case tracking with the ability to speak to an advisor, or work with a real person on task resolution as the outcome for employees. In both cases, completion or extended use can be met with rewards, recognition, or other incentives. The incentives themselves are determined either through the correlation of company-wide wellness data, to understand what behavioral trends lead to productive corporate outcomes, or through personal correlation of the use of a given resource and behavior with individual changes in productivity.

Best-in-Class companies are 12% more likely than All Others to offer advisory services beyond automated employee well-being.

Aberdeen found that Best-in-Class companies are 12% more likely than All Others (74% vs. 65%) to offer advisory services beyond automated employee well-being. Furthermore, 60% of respondents favor offering advisory services to employees beyond self-managed wellness and well-being. In the same survey, 61% of

Best-in-Class companies noted that they are moving away from an automation-first strategy to focus on greater amounts of workforce investment and inclusion.

While organizations have a long way to go toward detoxing from total immersion in workforce automation, providing actionable outcomes for stress relief, on the part of employees, is a step toward admitting they have a problem.

Connecting the Dots

As companies embrace a management strategy that shifts risk and responsibility for corporate outcomes onto individual employees, they are running into the dual-productivity barriers of employee disengagement and workforce burnout. The shift has expanded C-suite use of automation, placing technology between senior management and line employees. The resulting management (by data analysis) is shifting the responsibility for innovation and business development to employees, while routinizing their access to well-being, making it more self-managed and self-induced.

In the past, employee contributions meant greater returns for the companies that fed employee returns in the form of pensions and benefits. Today's employee contributions are completely disconnected from anything other than direct compensation measures in which employers are increasingly reluctant to invest. Instead, companies are moving forward with a worker incentivization strategy that provides employees with resources to help them manage their newfound risks and responsibilities. Through access to external resources, such as financial advisors, health consultants, training, conflict resolution, and emotional outlets, employees can improve productivity by better managing their workload.

While the lack of compensation is raising tempers among employees, expanding wellness resources to include advisors beyond automated self-management is a sign that employers are realizing the need to humanize the workforce. Furthermore, it is a preliminary sign that upper management at Best-in-Class companies may be starting to take note of employee dissatisfaction, to attempt to mitigate the worst of it, and to conjecture about what is at its core.

Recommendations

- **Take Note of Employee Performance:** Aberdeen has found that employers are unsure of what their definition of top talent should be. It is important to define performance metrics for the workforce in order to establish comparitive measures that relate to the achievement of management goals and objectives.

- **Survey the Workforce:** One-off assessments and rewards and recognition platforms can provide an understanding of what motivates employees to prioritize internal objectives in task management. Take the resulting information into account to understand what stresses the workforce inside the company.

- **Inventory External Resources:** Get to know the employee compensation structure and where external factors might be driving employee disatisfaction. Aberdeen has found that a sense of relevance to the greater organziation, the ability to chart a career track and achieve growth within the organization, and strong relationships with managers are all reasons top employees join and stay with an organization. These factors are seldom measured, but can be improved through advisory well-being resources.

- **Take the Advisory Approach:** Employees are seeking relevance and growth opportunities signaled through increased employer investment in return for positive outcomes. Furthermore, employees are looking for good relationships in a workplace that is open to suggestion without retribution. Providing employees with a resource-based outcome helps drive participation in data-generating activities while ultiamtely providing employees with an option for process resolution that is not completely self-guided.

- **Improve Communications:** Taking the advisory approach leaves unstructured data with advisors and structured data within the wellness and well-being solution. Take advantage of both to understand where corporate communications and resource planning are breaking down. Improving the corporate communications channel will make senior management more transparent, while incentivizing them to make organizational changes that are in the best interests of the workforce.

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