



U.S. Employers Struggle to Engage Employees in Health and Well-Being Programs

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Many organizations have embraced financial incentives — but with mixed results

ARLINGTON, Va.--(BUSINESS WIRE)--Nov. 19, 2015-- Despite offering an array of programs to enhance worker health and productivity, U.S. employers are finding it difficult to change the lifestyle behaviors of their employees, according to a survey by global professional services company Towers Watson (NASDAQ: TW). Furthermore, the vast majority of organizations (88%) that offer employees financial incentives for participation in these programs will reassess their incentives over the next three years.

Driven by ongoing concerns over worker stress (75%), obesity (70%) and sedentary lifestyles (61%), employer commitment to health and productivity remains strong. Towers Watson's Staying@Work Survey found that a large majority (84%) of U.S. employers identify health and productivity improvement as essential or moderately important to their health strategies. Additionally, over three-quarters (77%) of U.S. employers expect their organization's commitment to increase or significantly increase over the next three years.

"U.S. employers have long recognized that the health and productivity of their workforce can influence business success and create competitive advantage," said Shelly Wolff, senior health care consultant at Towers Watson. "Yet while the hot-button issues of stress and obesity remain ever-present, the numerous programs and incentives designed to combat them have failed to effectively engage employees. Employers may find the key to making better progress hinges on looking at these programs through an employee's eyes."

Interestingly, while Towers Watson's Global Benefit Attitudes Survey found that health is a clear employee priority, employees have not connected to their employers' well-being programs. Only one-third said the well-being initiatives offered by their employers encouraged them to live healthier lifestyles. In addition, 71% of employees prefer to manage their own health, and nearly one-third (32%) said the initiatives offered by their employers don't meet their needs. Nearly half (46%) don't want their employers to have access to their personal health information, in part due to privacy concerns, and close to one-third (30%) don't trust their employers to be involved in their health and well-being.

In the last year, only 50% of employees participated in a well-being activity or health management-related program. Individual program participation was even lower, ranging from 48% for health risk and biometric assessments, to 22% for worksite diet/exercise events, to 8% for healthy-sleep or tobacco-cessation programs. On average, employers offer their employees \$880 through a range of annual incentives, but employees collect only \$365. Two-fifths of all employees don't earn any incentives at all.

"Employers recognize that employees are leaving a lot of money on the table," said Steven Nyce, senior economist at Towers Watson. "The good news is, employers are doubling down on their commitment to build a culture of health and improve the employee experience through technology and personalized communication. They can also be heartened by the progress some employers are making."

Companies with the most effective health and productivity programs had more employees participate in their programs and fewer employees using tobacco, at risk for high glucose and with hypertension. These highly effective companies also reported fewer days of unplanned absence and lower annual medical costs per employee per year.

Other findings from the survey include:

- **A little more than half of employers today do not have an articulated health and productivity strategy.** However, in three years, nearly half of the organizations plan to include a health and productivity strategy as a key component of their organization's employee value proposition to help attract and retain talent and motivate employees.
- **Many employers do not currently measure the impact of their health and productivity programs.** While 77% of employers measure program participation to a moderate or greater extent, only 53% use a variety of financial and nonfinancial benchmarks, and only 46% measure the ROI of their programs.
- **Employers are taking a broader view of well-being by connecting financial well-being to health.** Nearly half of employers (47%) offer financial well-being programs as part of their overall wellness offerings, with another 33% planning or considering offering by 2018. There is also growing interest in adding new tools and technologies to help employees manage their financial lives.

About the Surveys

The 2015/2016 Towers Watson Staying@Work Survey was completed between May and July 2015 in North America, Latin America, Europe, the Middle East and Asia by 1,669 employers. The survey captures details on each organization's health and well-being strategy and programs in their respective local markets. Additionally, 42 multinational firms responded to a complementary survey capturing the perspective of the global headquarters. In total, the data include responses from 34 countries/markets. The countries with the most number of responses are the U.S., 487; Mexico, 118; Canada, 111; the Philippines, 91; Indonesia, 66; and China, 65. Seventy-three percent of respondents operate in multiple countries, and respondents are in all major industry sectors.

Towers Watson's Global Benefit Attitudes Survey examines employees' attitudes toward their health and retirement benefits. Conducted in 19 economies between June and September 2015, the survey was completed by 30,000 employees, including more than 5,000 in the U.S., representing all job levels and major industry sectors. The margin of error for the total sample is +/- 1.3%.

About Towers Watson

Towers Watson (NASDAQ: TW) is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 16,000 associates around the world, the company offers consulting, technology and solutions in the areas of benefits, talent management, rewards, and risk and capital management. Learn more at towerswatson.com.



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