Employee Well-Being:
It is Now or Never
Over the past few months, COVID-19 has placed a spotlight on health, wellness and well-being in peoples’ personal and professional lives. Impacting every person around the globe this global pandemic has brought the concept of comprehensive well-being – defined by The World Health Organization as a state of complete physical, mental, and social well-being, and not merely the absence of disease or infirmity – to the forefront of executives’ minds. Today, executives are seeking to manage their own resilience and well-being, while simultaneously adapting to the evolving and multifaceted needs of their employees. Yet as organizations are navigating how to adjust to the current pandemic, and address the inextricably linked issues of people, health, engagement and social responsibility, a greater systematic issue around employee well-being is coming to light. Russell Reynolds Associates recently surveyed global human resources leaders across industries to gain a better understanding of how wellness is being prioritized within organizations today as well as assessing preparedness for the future.

**COMPANY SENTIMENT TO WELL-BEING AND READINESS FOR THE FUTURE**

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>Do you believe your company should be more focused on well-being going forward?</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>How prepared do you feel to tackle the well-being of your employees in the future?</td>
<td>14%</td>
<td>86%</td>
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**Failure to tackle well-being harms productivity**

Ninety percent of human resources (HR) leaders believe there is a close or near-perfect correlation between productivity and well-being. Yet according to the National Alliance on Mental illness, in the past year, 85 percent of employees’ mental health conditions were undiagnosed or untreated. This cone of silence can lead to a loss of productivity and ultimately increased burnout rates. Globally, 615 million people suffer from depression and anxiety, with an estimated cost of $1 trillion in lost productivity each year. Additionally, 75 percent of millennials and GenZers have left roles because of mental health concerns.

**PERCENTAGE OF EMPLOYEES THAT RATED THEIR COMPANY’S HEALTH EFFORTS GOOD OR VERY GOOD**

<table>
<thead>
<tr>
<th>Health Category</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Physical health</td>
<td>63%</td>
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<tr>
<td>Mental health</td>
<td>61%</td>
</tr>
<tr>
<td>Emotional health</td>
<td>49%</td>
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Company efforts around physical health are well established and efforts on mental health have made significant strides in recent years, but there is no doubt both can still be improved, and the failure of companies to address emotional health has become evident during COVID-19. Emotional health can be defined as a person’s ability to accept and manage feelings through challenge and change, with poor emotional health impacting self-esteem, performance and productivity at work. Eleven percent of the leaders surveyed rated their companies efforts
around emotional health as poor or very poor. COVID-19 has accelerated the focus on emotional well-being, with leaders raising concerns about employee health during a prolonged period working remotely. The concept of holistic health and well-being is critical. As companies look to maintain or enhance the productivity of their employees, they must take a responsibility for all elements of their employees’ health.

While there is a clear business case for caring about employee well-being, individual employees are still left to manage these issues largely on their own on a reactive basis. Although many organizations have created cultures that are supportive of mental health and overall wellness, an opportunity remains to fully integrate professional life and personal life in a manner that authentically promotes and supports well-being as a core part of the employment contract. Additionally, organizations need to increase firmwide efforts to eliminate the stigma around mental health. Today, only 11 percent of executives surveyed said their organization’s efforts were very good in regard to the focus on the mental and emotional health of their employees.

The idea of ‘wellness washing’ – that the responsibility of well-being remains with the employee rather than the employer – persists through many organizations currently. By offering opt-in programs and passive support, employers are not taking full responsibility for their employees and are treating wellness superficially. Instead, they need to establish comprehensive well-being programs that span across safety, physical, financial, social, community, and mental/emotional well-being.

The chief talent officer for a global publisher summed up an organization’s responsibility to well-being by saying ‘COVID-19 has made wellness in the workplace hard to ignore’ and stressed the importance of elevating wellness initiatives to the top of companies, while also tying it to bottom-line strategy.

Employee wellness will have a halo effect beyond the workplace and impact your customers

It is not just company employees who benefit from well-being programs. The “halo effect” around well-being suggests that investing in employees has a ripple effect that creates positive momentum onto families, ecosystems and ultimately customers. There is a cascading benefit to the organization in terms of increased retention, productivity and ability to attract top talent.

The link between employee well-being and customer satisfaction has never been more apparent than during COVID-19. Companies, especially those with front-line staff such as retailers and restaurants, have focused heavily on their employee well-being in order to ensure employee and customer safety. Going forward, businesses will need to completely reevaluate the support they provide their employees as a key element of achieving customer satisfaction.

"HALO EFFECT"

**EMPLOYEES:**** Making employees feel comfortable, safe, and supported in the workplace

**CUSTOMERS:** Employers doing the “right thing” is influencing purchasing decisions - influencing customers through social responsibility across industry ecosystems

**COMMUNITIES & FAMILIES:** Offering support to employees' families - demonstrating empathy beyond the workplace
Leadership buy-in and culture are barriers to employee well-being

The lack of awareness, leadership buy-in and infrastructure are all common factors in companies that have failed to address employee well-being. Just 5 percent of companies surveyed had identified a leader dedicated to their well-being initiatives, with 80 percent managing employee wellness through the chief human resources officer.

In speaking with HR leaders, one of the other major barriers to well-being was culture. Many organizations’ cultures have not fully evolved to recognize wellness and well-being as integrated elements of the day-to-day cultures. Related to the notion of “wellness washing,” many cultures are encouraging of individuals’ personal health journeys and may encourage healthy behaviors. However, there is more work to be done to fully recognize the aspects of organizational culture that result in a true partnership with employees as part of a well-being journey.

A leading mental health advocate at a Fortune 500 company has been championing wellness in the workplace for years. In collaboration with the CEO, the two have acted as champions through the organization – sharing personal experiences and recognizing that inclusion is not just about race, sexual orientation, or religion but it’s about how you bring people to be their most authentic selves. By integrating an employee-first mindset from the top down, the organization has ignited a cultural shift across the organization by promoting inclusivity and conversation.

- **Appointing a Well-Being Leader**
  Executive leader who can spearhead/build out firmwide efforts & initiatives

- **Transforming Leaders into Allies**
  Engage leaders to share stories, participate in workshops, and demonstrate vulnerability

- **Investing in Culture**
  Investing in organizational culture, bringing in culture carriers

- **Getting Educated**
  Understanding benefits packages and learning to name, navigate and normalize mental health
Well-being transformation needs a dedicated leader

Through the appointment of an executive leader dedicated to health, wellness, and well-being, firms can choose to recognize that humans work and operate at their ‘best’ in different ways. They are giving employees the opportunity to work in their optimal manner in a destigmatized environment with organizational support. Companies must recognize that employees are not always conscious of their own well-being and by dedicating an executive leader to focus on well-being, they are being proactive in addressing their employees’ needs and offering a more interventional approach to leadership.

Well-being, like diversity and inclusion or sustainability, does not have a one-size-fits-all solution. Firms need to recognize that there are multiple factors contributing to employee well-being. As companies look to evaluate their well-being needs, or scope the potential responsibilities for a chief well-being officer, there are four main areas to address:

<table>
<thead>
<tr>
<th>TRANSACTIONAL MINDSET</th>
<th>ORGANIZATIONAL RESISTANCE</th>
<th>ORGANIZATIONAL RESTRUCTURING</th>
<th>WELL-BEING FOCUSED</th>
<th>WELL-BEING CENTRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company doesn’t invest in employee well-being/wellness beyond standard benefits or third party solutions.</td>
<td>Company is aware they need to focus on employee well-being but they are unsure of why and how.</td>
<td>Company wants to change and focus on the wellness, however are not set up for new talent.</td>
<td>No debate about what to do or where to focus, the C-suite has bought-in and is ready to develop a wellness-focused strategy.</td>
<td>Built as a wellness-orientated company, but currently lack the right talent to enable them to integrate this mindset throughout the org culture and mission.</td>
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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>A complete shift in mindset is required.</td>
<td>Buy-in is required from the top down to change the mindset of the company, requiring a change in structure and talent.</td>
<td>Need support not only finding talent, but also restructuring the organization to accommodate new talent.</td>
<td>Require advice on identifying and evaluating the right talent.</td>
<td>Shortage of talent in the market means they mean support finding a ‘unicorn’ that keeps them ahead of the curve.</td>
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<th>Potential Scope</th>
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<tr>
<td>Work Environment: Working spaces, open spaces, office ergonomy, additional services (food/drink)</td>
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<tr>
<td>People Management: Career management, managerial relationships, leadership exemplarity, D&amp;I</td>
</tr>
<tr>
<td>Health &amp; Safety: Health habits, mental health, special diseases prevention, medical support</td>
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<tr>
<td>Work/Life Balance: Workplan organization, communication tools, travel guidelines, support services</td>
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As with many other core business issues, COVID-19 has accelerated the need for firms to focus on employee well-being. Failure to address well-being now will have irreversible consequences on organizations’ productivity and ultimately profitability. It is the duty of executive teams to provide their HR leaders with the right tools to support their employee needs and to address these within their organization, rather than through a third party support network.
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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 46 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today’s challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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