Employee health contributes to organizational health

By Dr. Jay Bhatt
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The commitment to employee health and well-being should start in the C-suite

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We’ve all seen the headlines: Job satisfaction and employee productivity levels are plummeting while cases of burnout and absenteeism are skyrocketing. Employee mental health is declining, and work/life integration is far from balanced. With 4.5 million Americans walking away from their jobs in March alone, the so-called Great Resignation isn’t showing signs of slowing. In many ways, the COVID-19 pandemic sounded an alarm on employee health and well-being, and it’s time we heed the warning.

Issues of this magnitude generally go straight to the top. According to the winter 2022 edition of the Fortune/Deloitte CEO survey—which gathered the perspectives of 175 leading CEOs representing more than 15 industries—nearly 50% of chief executives identified talent-related issues such as “finding/keeping the best people” and “responding to new work paradigms” as some of the biggest challenges their organizations face. When asked to describe 2022 in one word, an equal number of CEOs said “hopeful” and “uncertain.”

To counterbalance the uncertainty, business leaders should shore up their strategic priorities, and improving employee health and well-being ought to top the list. After all, the health of your organization sits squarely on the health and well-being of its biggest asset: your employees.

**Match benefits to employees’ (true) needs so they can bring their best selves to work**

Expanding workplace benefits and programs to meet the needs of today’s employees can give many organizations a competitive edge. And the list of how to stand out is long, from personalizing wellness programs and improving work culture to helping employees succeed at healthy work/life integration. However, it’s not enough to offer great benefits: You should help your employees navigate them. In fact, according to an Employee Benefit Resource Institute survey, just 34% of employees understand their benefits very well.

The trouble is that there’s a disconnect between how employers and employees assess employee well-being—and what can be done to improve it, according to a recent survey of 2,100 employees and C-level executives conducted by Deloitte’s CEO Program in collaboration with research firm Workplace Intelligence. For example, while nearly nine out of 10 executives view their employees’ physical well-being as “good” or “excellent,” just two-thirds of employees have a similar view. Leaders should consider revamping offerings to meet employees’ preferences and listening to their changing needs to uncover ways to help them thrive.

Here’s how many of today’s leaders are bringing a new lens to employee well-being: Employers are going the extra mile by supporting employees who take time off to get preventive and routine screenings or participate in a clinical trial. They’re creating inclusive environments and helping employees feel valued and celebrated. And they’re thinking of new services for employees who have limited access to safe housing, transportation, and child care services.

How can employers help increase their employees’ financial security—which research has shown can directly impact employee well-being—beyond their standard compensation and benefits packages? Consider looking at your employee communications around retirement savings, for example: Some employees might not be contributing to the 401(k) because they can’t afford to, while others might not understand how to access the benefit.

It’s also about making a commitment to diversity, equity, and inclusion. Many employers are learning that small language tweaks can help make their benefits and programs more inclusive across the board. For example, parental leave language can be inclusive of same-sex and nonbiological parents by using gender-neutral phrases such as “primary caregiver” and “secondary caregiver.”

**Support your employees on the road to better health—and reap the returns**

Healthy employees typically have a better quality of life overall: reduced risk of illness, disease, and injury; lower stress levels; and improved mindset. But it’s not a one-way street: Healthy employees can reward their employers with more productivity, fewer sick days, and more organizational and community engagement. So how can employers infuse more opportunities to boost wellness?

In general, if you look at data about employees who use wellness programs, they’re healthier overall than the employees who don’t participate. And when employers explore why employees aren’t engaging, they may find it’s a child care issue, or maybe the program is prohibitive because it requires travel across town. For employers, the trick is to start by solving the common problems likely standing in the way of better employee health—and build from there.

It’s important that employers address all facets of their employees’ well-being. That might mean instituting recognition programs, mental health days, and community volunteer activities; or helping to ensure that employees have a sustainable work/life integration by offering hybrid work environments (when appropriate), health coaching, and onsite trails for lunchtime walks. With the rise in remote workers, employers might find value in establishing rewards programs for gym visits or participating in an online cycle class to help offsite employees create healthy habits.

With many of the pandemic’s workplace impacts likely here to stay, it’s time to put employee health and well-being at the top of the C-suite’s strategic agenda. What might you do differently with your strategies, policies, and programs if employees’ health and well-being were primary decision-making criteria? Do you have the data and analytics to identify gaps and opportunities to improve employee health and well-being? Have you sought employees’ input on what’s working and what isn’t to overcome barriers to better health and help boost morale?

The organizations that figure out how to address the physical, mental, spiritual, and emotional needs of their employees—alongside their commitment to health equity and sustainability—could see higher workforce retention rates, better employee health outcomes, and a boost in productivity. But the biggest rewards come from the potential to put your employees, their families, and their communities on a path to better health.

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Dr. Jay Bhatt
jaybhatt@deloitte.com

Dr. Jay Bhatt is executive director of the US-based Deloitte Center for Health Solutions and the Deloitte Health Equity Institute.

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Access more insights on health equity at www.deloitte.com/insights/health-care-equity-steps
Endnotes

P16 Where global execs stand on making health equity a business priority


P17 The potential impact of a broken DEI promise

1. Jennifer Tonti and Jill Mizell, “95% of Black Americans agree that it’s important for companies to promote racial equity. 80% believe they can do more,” JUST Capital, April 1, 2021.

P20 Addressing the link between financial, physical, and emotional health

4. According to the 2017 FDIC National Survey of Unbanked and Underbanked Households, “underbanked” are defined as those who have a checking or savings account and used one of the following products or services from an alternative financial services provider: money orders, check cashing, international remittances, payday loans, refund anticipation loans, rent-to-own services, pawn shop loans, or auto title loans.
6. Megan Leonhardt, “Payday loans can have interest rates over 600%—here’s the typical rate in every U.S. state,” CNBC, February 16, 2021.

P23 Climate change breeds climate anxiety

3. Leon Pieters et al., Who is setting the pace for personal sustainability?, Deloitte Insights, April 4, 2022.

P24 Making smartphones live longer—and greener

1. We have used a range of publicly available information to arrive at this prediction. For CO2e emissions per device and the split by production, use, transport, end-life processing, see Apple, iPhone 12 product environmental report, October 13, 2020; Huawei, “Product environmental information,” accessed April 25, 2022; Google, Pixel 5: Product environmental report, accessed October 6, 2021. For 2022 smartphone shipments information, see International Data Corporation, “Smartphone shipments to grow 5.5% in 2021 driven by strong 5G push and pent-up demand, according to IDC,” March 10, 2021.
2. The market for mobile phone insurance is forecast at US$29.5 billion globally in 2022, with a base value of US$23.3 billion in 2020, and a CAGR of 12.6%. Grand View Research, Mobile phone insurance market size, share & trends analysis report by coverage, by phone type, by region, and segment forecasts, 2021–2028, April 2021.

P25 Data-protection tech that helps AI fulfill its potential

1. This article and Deloitte Insights Magazine are independent publications and have not been authorized, sponsored, or otherwise approved by Apple Inc.

P26 Automation won’t end the labor shortage

2. Ibid.
3. Ibid.

P28–31 The new supply chain equilibrium


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P35–37 Why reporting workplace well-being metrics is a good idea


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5. Steve Hatfield, Jen Fisher, and Paul Silverglate, The C-suite’s role in well-being:
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Smart cities, smarter public health

5. United Nations, “68% of the world population projected to live in urban areas by 2050, says UN,” May 16, 2018.
10. Ibid.
11. Ibid.
15. Antunes, Barroca, and de Oliveira, Urban

future with a purpose.
16. Ibid.
17. Ibid.

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Thinking about investing in the metaverse?
Let history be your guide

2. US Census Bureau, Quarterly retail e-commerce sales: 4th quarter 2021, February 18, 2022, pp. 1–3.

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The importance of sharing success—and stress—metrics

3. Ibid.

P48-61

Incentives are key to breaking the cycle of cyberattacks on critical infrastructure

7. For a description of how increasing tech balkanization encourages nation-state cyberattacks, see Jesse Goldhammer et al.,
26. Examples of such exercises and tools include those from the E-ISAC (Maggie Miller, “Hundreds participate in electric grid cyberattack simulation amid increasing threats,” Hill, November 18, 2021) and FS-ISAC (FS-ISAC, “Exercises: Build stronger plans and a more resilient business,” accessed May 12, 2022).


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Investing in creative potential

1. An ecological approach is one that is focused on the relationship between the individual and the systems in which they act, a relationship that is seen as interdependent. Ecological psychology is an embodied, situated, and nonrepresentational approach pioneered by J. J. Gibson and E. J. Gibson.

2. The Four P’s framework—where creativity is framed as an emergent property of person, process, place (in the original), and product—was first discussed in M. Rhodes, “An analysis of creativity,” The Phi Delta Kappan 42, no. 7 (1961): pp. 305–10.

3. Rhodes’s original article calls this setting “press” rather than “place,” the idea being that there are pressures (or influences) on our behaviors. While it’s true that the social and physical context we find ourselves in influences our creative behavior; it is also true that some of these influences are not necessarily environmental. Consequently, it is common for press to be replaced by place, as we have throughout this essay, as place is a more intuitive term; ibid.

4. A useful, and short, definition for innovation is “the economic exploitation of creativity.”


7. Problem-posing is a technique where an issue is framed and reframed to try and identify and define the core challenge. It is commonly used in both education pedagogy and design.

8. It’s for this reason that the 1978 Superman film has a long section at the start showing the challenges Clark Kent faces when trying to fit into society while having superpowers.


10. What we have referred to as “cognitive diversity” is often called “functional diversity” in the literature; ibid.

11. Thanks to Peter Williams—a charted accountant—for the analogy.

12. Traditionally, this has been approached through office-space design, from inspirational decor to collaborative tools such as stages, small auditoriums, and floor-to-ceiling whiteboards. But increasingly, space can be just as much virtual as physical as organizations invent new ways to collaborate digitally, perhaps even in the imagined metaverse of coming years.

13. The first report in this series, Unshackling the creative business, discussed how creativity in business is contingent, in that the creativity of one team depends on the creativity of others; see Peter Evans-Greenwood et al., Unshackling the creative business: Breaking the tradeoff between creativity and efficiency, Deloitte Insights, April 9, 2021.


15. The authors developed on “investment opportunity” in the previous essay in the series Setting the stage for creative performance. The intention with “investment opportunity” is to put creativity on an equal footing with efficiency in an organization’s operating model by creating a metric for creativity to balance cost-benefit; see Peter Evans-Greenwood et al., Setting the stage for creative performance: Improving creativity in business by measuring creativity, Deloitte Insights, October 29, 2021.


20. We might compare this to the Four-C Developmental Trajectory for creativity, which breaks the development of creativity into a journey from Mini-C (personal creativity) through Little-C (everyday creativity) and Pro-C (professional creativity) to Big-C (legendary creativity). See Ronald A. Beghetto, James C. Kaufman, and John Baer, Teaching for Creativity in the Common Core Classroom (New York: Teachers College, Columbia University, 2014), pp. 21 and 27.

21. Such as a pandemic. Indeed, this series was triggered by the observation (toward the end of the first year of the pandemic) that many otherwise “creative” organizations struggled to respond creatively, while some organizations not particularly known for their creativity provided creative and innovative responses.

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Renewable transition: Separating perception from reality


2. Deloitte analysis of data from Table 1.1 from EIA, “Electric power monthly,” accessed May 10, 2022.


7. For global cost decline, see International Renewable Energy Agency (IRENA), Renewable power generation costs in 2020, June 2021, p. 3; for US cost decline, see Mark Bolinger, Utility-scale wind and solar in the US: Comparative trends in deployment, cost, performance, pricing, and market value, Electricity Markets and Policy Department at Lawrence Berkeley National Laboratory, December 8, 2020, p. 21.

8. Digitalization refers to applying information and communications technology to the electric grid. This may involve connecting smart meters, sensors, and other devices to monitor grid activity, analyzing the data collected, applying AI, and using software to manage, control, and automate operations.

9. IRENA, Renewable power generation costs in 2020, p. 11.


11. IRENA, Renewable power generation costs in 2020, p. 18.


13. IRENA, Renewable power generation costs in 2020, p. 18.


16. Electric power systems in regions with high wind-power contributions have operated reliably without added storage and with
little or no increase in generation reserves (see American Clean Power Association, AWEA US wind industry annual market report, year ending 2013, 2013). MISO has been able to integrate huge amounts of wind without adding power plants to back up its renewable energy production, partly because MISO is a large balancing area with many different energy resources available (see Glen Anderson, “Integrating renewable energy,” National Conference of State Legislatures, June 20, 2016). The IEA could not be any clearer: No additional dispatchable capacity ever needs to be built because VRE is in the system. On the contrary, to the extent of the capacity credit of VRE, its addition to the system reduces the need for other capacity (see American Clean Power Association, “News roundup: A carbon-free Iowa energy boom, renewable integration is easy, wind and solar work together,” March 5, 2014).

17. Variable renewable energy (VRE) refers to utility-scale wind and solar resources as well as distributed solar PV. Distributed wind is also a VRE, but volumes are low, and data was not available for this analysis.


19. Ibid.


30. MISO, “Corporate fact sheet.”


32. Ibid.


35. California ISO, Root cause analysis: Mid-August 2020 extreme heat wave, January 13, 2021. While some have attributed California’s electricity supply shortages to VRE, the causes appear more related to demand surges from unprecedented multistate heat waves coinciding with wildfires that constrained transmission and triggered systemwide failures (for more details, see Ken Silverstein, “Green energy is not among the culprits behind California’s energy crisis,” Forbes, September 8, 2020). Nevertheless, California’s plans to prevent future shortages include accounting for the state’s changing generation mix.


43. The White House, “Executive order on improving the nation’s cybersecurity,” May 12, 2021.


45. Ammar Frangoul, “Renewable electricity generation is growing—but it’s not enough to meet rising demand, IEA says,” CNBC, July 15, 2021.


51. Joseph Rand et al., Queued up: Characteristics of power plants seeking transmission interconnection as of the end of 2020, Lawrence Berkeley National Laboratory, May 2021, p. 3.


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The end note: The shifting balance between health, safety, and financial concerns


2. Ibid.

3. Ibid.
We’re still in a dual-front crisis, according to the Deloitte Global State of the Consumer Tracker. However, after lagging behind for the better part of two years, financial stress is now overpowering health and safety concerns as the primary determinant of consumers’ decision-making by quite a strong margin.

Following omicron, global pandemic anxiety subsided dramatically among the 23,000 respondents across 23 countries who participated in our monthly consumer survey. Consumers’ perceived safety of doing everyday things like going to the store quickly reached two-year highs, and it continues to improve with each passing month.1

At the same time, record inflation continued unabated, exacerbated by geopolitical conflict. And with government stimulus programs no longer around to help consumers make ends meet, financial sentiment metrics have begun flashing warning signals. Globally, financial anxiety is high—as is concern around inflation, and consumers’ level of savings and credit card debt.2 In some countries, including the United States, China, and England, discretionary spending intentions are weakening.3

In many ways, consumer businesses face similar challenges compared to early pandemic days. They still need the agility to respond to rapidly changing consumer behavior. And few can predict the extent of the financial headwinds that lie ahead.

Even as the pandemic gradually fades, many companies are finding that prepandemic financial and forecasting models no longer work. The “new normal” remains elusive.4

The shifting balance between health, safety, and financial concerns

Some research and insights have a short shelf life, while others continue to gain color and context. In each issue of Deloitte Insights Magazine, we look back on research we published and ideas we pitched, and evaluate whether they’ve stood the test of time.

By Stephen Rogers
Managing director of Deloitte’s Consumer Industry Center

What we said then

“In the span of a few months, what started as a global health crisis morphed into an economic one as well. It’s been more than a century since the world has seen these two forces so intertwined. We do not expect to see a return to normal, or even a new normal, until total concern descends from its elevated level and financial concerns overtake those of immediate health and safety.”

What we say now

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In the throes of a dual-front crisis: Establishing the road to a global consumer recovery, Deloitte Insights, April 2020.