

BUILDING THE CASE FOR INVESTMENT IN HEALTH AND WELL-BEING: A 5 STEP CHECKLIST FOR HR AND BENEFIT PROFESSIONALS

Introduction

Whether you're on a recruitment drive or looking to keep hold of your current employees, you'll want them to know that you care about their health and well-being. After all, happy and healthy employees are the driving force behind every successful business.

Like two thirds¹ of employers you may be looking to increase investment in health and well-being benefits. However, as you may have experienced, making the case for change isn't always that straight forward.

"Only 36%¹ of HR professionals say that Health and Well-being is recognised as an integral part of their organisation's people strategy."

For this reason, we've developed a checklist for HR and benefit professionals like you. The following steps are designed to help you build the case for investing in an effective health and well-being strategy.

Step 1 – Know your audience

The first step in building any business case is to think about what's important to your company and in particular, what motivates those with spending power.

Research² shows that, in the recovering economy, attention is shifting to longer term objectives such as growth, staff retention and maintaining a productive workforce. Findings³ also reveal that CEO's acknowledge the importance of a people strategy in helping them to achieve these objectives. Equipping employees with new skills is high priority. In fact, 81% of CEOs surveyed³ plan to invest in continuous learning or mobility programmes.

Whilst employee health and well-being might not be the current focus of your management team, this is where you can make the connection. Your business case should clearly show a direct correlation between investment in employee health and well-being and corporate performance, productivity and profitability.

Connecting to your business objectives will help make your case relevant to your audience.

Step 2 – Know your pain points

A compelling business case is founded upon measured health statistics and quantified areas of risk. There are plenty of published statistics⁴ on the financial cost of absence and ill-health e.g. PwC states £29bn per annum for UK employers. Bringing this analysis closer to home will really support your case for employee well-being.

You can start with the data you have to hand. For example:

- Sickness absence figures
- Staff turnover
- Staff engagement/satisfaction scores

As well as asking your benefit providers for:

- Medical/health plan claims statistics
- Group income protection
- Health risk assessments

Wherever possible look at data over the last few years to see what the patterns are over time. Your benefit providers can also help you interpret the data and highlight any areas of concern.

Once you've gathered your data, it can also be helpful to benchmark this against your competitors. If you're concentrating on employee absence, you might want to compare your results with a similar sized employer. Your medical/health plan provider (if you have one) can also provide benchmarks.

Knowing your employees health issues will help you to target your well-being strategy.

Step 3 – Know your benefit options

Having identified the employee health issues you want to tackle, your business case should highlight where's best to invest.

A good place to start is assessing your existing health and well-being spend - bear in mind that this may involve budget across different departments. 44% of employers we surveyed suggested that further investment for health and well-being initiatives would be re-allocated from another area of the business². By assessing your existing spend you'll be able to identify any duplication and show how you can optimise it. Don't forget to look into and highlight any additional 'free of charge' benefits, for example gym subsidies or health advice via a medical provider. You can achieve a quick win just by promoting what's already on offer.

Again, it makes sense to benchmark. What are other companies investing in and what results have they seen? From our own employer research², we've seen that many employers are investing in health risk assessments, occupational health programmes and physical activity initiatives.

Look out for special features in HR or benefits magazines and annually published reports⁵ which will support your case.

Knowing which benefits perform best will help justify your strategy recommendation.

Step 4 – Know the ROI

The final piece of the puzzle is to work out the return on investment (ROI) you would expect from your recommendation. Using the costs of employee health in step 2, you can set targets for improvement (using the benchmark data where relevant). For every £1 you want to invest in employee well-being you should be looking to generate £2 in savings or productivity improvements.

There is a large amount of independent research, published in reputable journals, that carefully documents how various health risks affect the productivity and absence of individuals in a workforce⁶. These results provide indicative figures of the potential return and as such could be used to back up your case study.

Knowing the potential return on investment will help you demonstrate the business benefits.

Step 5 – Pull it all together

Once you've gathered business insight, collected relevant data and calculated the return, you're ready to bring your business case together.

Key sections you might want to include are:

- a) Set out the challenges and opportunities you're facing today and state where you want to get to.
- b) Clearly identify the relevance of employee well-being to meeting your business goals and set out the key challenges you're facing using objective quantified measures.

- c) Clearly state what you see as the priorities for investment. Depending on what stage of the journey you're on, this might be about gathering the baseline data, aligning your existing resources more effectively or re-allocating spend into support that you believe will make a difference to employee well-being.
- d) State the benefits in terms of how your well-being programme will help you deliver against the business priorities. Don't forget to include all the items that may not require significant investment. These all help to justify your case.
- e) Detail the role that education and communication will play – these are critical success factors in creating a culture that values health and well-being. Consider the geography of your employee base – how will you make the programme accessible to all?
- f) Highlight how the data will be collected and analysed so that improvements can be measured. Ongoing measurement is where many companies fall down and this could be detrimental for any future business case.
- g) Anticipate and prepare for major objections. Consider options and risks to give the CEO trade-offs to consider.

More reading

You may also be interested to read our latest whitepaper ['Health and well-being - an employer's perspective'](#)

Sources

- ¹"Health & Well-being at Work – The Need for Cultural Change" (Edenred Insight, 2015)
- ²"Health and well-being, an employer's perspective" (Cigna, 2013)
- ³"18th Annual Global CEO Survey" (PWC, 2015)
- ⁴"The rising cost of absence" (PWC, 2013)
- ⁵"Healthcare Research" (Employee Benefits Magazine, 2013)
- ⁶"The impact of a health promotion program on employee health risks and work productivity" (American Journal Health Promotion, 2007)

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