



HEALTH & WELL-BEING: AN EMPLOYER'S PERSPECTIVE



Introduction

Organisations provide employee benefits for a variety of different reasons. For some, it's to reward employees. For others, it's to keep up with competitors and provide the reward package expected in the industry.

An attractive benefits package will also help to attract and retain key talent. Knowing they receive valuable benefits will engage and motivate employees.

Employee benefits can also be used more strategically. Used correctly they can help an organisation perform more effectively.

Sickness absence remains a major headache for many businesses. The average employee is absent from work 7.6 days a year, costing their employer £595¹. But a carefully constructed health and well-being programme can help manage absence and drive productivity.

But are employers taking full advantage of the benefits a health and well-being programme can offer? Or are other pressures facing the business taking the spotlight away from employee benefits?

To find out, we teamed up with YouGov for our biggest employer needs study to date². UK employers of all sizes responded to our survey. We explored the challenges facing employers and the resulting impact on the benefits package offered to employees.

Here are just some of the interesting findings to come out of the study:

- Maintaining a motivated workforce is a challenge for up to **a third** of UK employers.
- As many as **three quarters** of employers already offer their employees a benefit package.
- Employee health and well-being is not even a consideration for over **a third** of organisations.
- However those which do consider it a priority are clearly recognising the benefits - with **4 in 10** looking to make further investment in health and well-being benefits.
- Less than **a quarter** of employers are switched on to the health challenges associated with the ageing UK workforce.
- More than **a quarter** of employers have experienced employees off work for extended periods while they wait for NHS treatment.
- However less than **a third** believe they have a responsibility to help employees address this issue.
- Over **a quarter** of employers would consider extending existing medical benefit coverage to more of their workforce.

Workforce woes



Maintaining a motivated workforce is a challenge for up to

a third

of UK employers.

The UK economy is showing strong signs of recovery with unemployment falling and growth forecasts upgraded. And while this eases some of the financial pressures facing British businesses - employee issues continue to concern HR departments across the UK.

Workforce motivation was highlighted as an issue by a quarter of respondents to our survey. This is particularly the case among larger employers, where the proportion rises to a third.

Tackling employer pressures

We understand that creating a compelling business case for investment in an effective employee benefits package isn't always straightforward. Especially when there are a number of other business challenges competing for resources. But the fact of the matter is employee benefits can actually address some of these wider challenges.

Providing an attractive benefits package can help an organisation stand out from the competition as an employer of choice. And in many cases, adding to an existing employee benefits package with a dental insurance plan, for example, can be an affordable alternative to employee pay rises.

And when you consider that the top three longer term priorities for businesses are to grow, retain staff and maintain a productive workforce - the case for investing in employee benefits becomes even stronger.

Of course the financial pressures facing many organisations have not disappeared entirely. But a carefully constructed benefit package can deliver a significant return on investment through increased productivity and employee engagement.

Benefits package



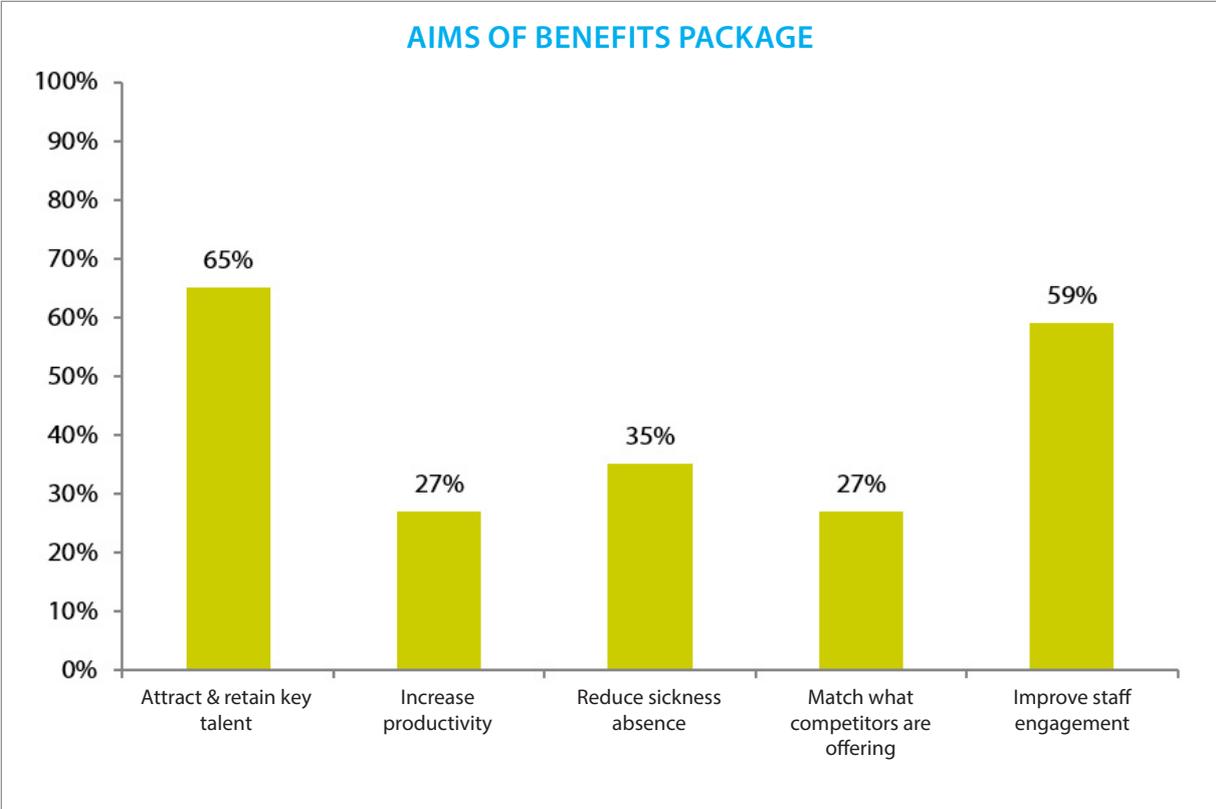
As many as **three quarters** of employers already offer their employees a benefit package.

Our findings tell us that at least some of the advantages offered by an employee benefits package are being recognised by employers.

Almost two thirds already offer some form of benefits – rising to almost three quarters at the larger end of the market.

And 1 in 10 of those who don't currently provide benefits have plans to introduce them in the future. Mid-market employers - who told us that benefits aren't necessarily commonplace - show an increased likelihood to be considering implementing benefits. Perhaps recognising the competitive advantage it could help them achieve.

When asked why they provided employee benefits, two thirds of respondents said it was to attract and retain key talent. Employee engagement was also high on the priority list with 59% of respondents stating this was a key aim.



Pension auto-enrolment

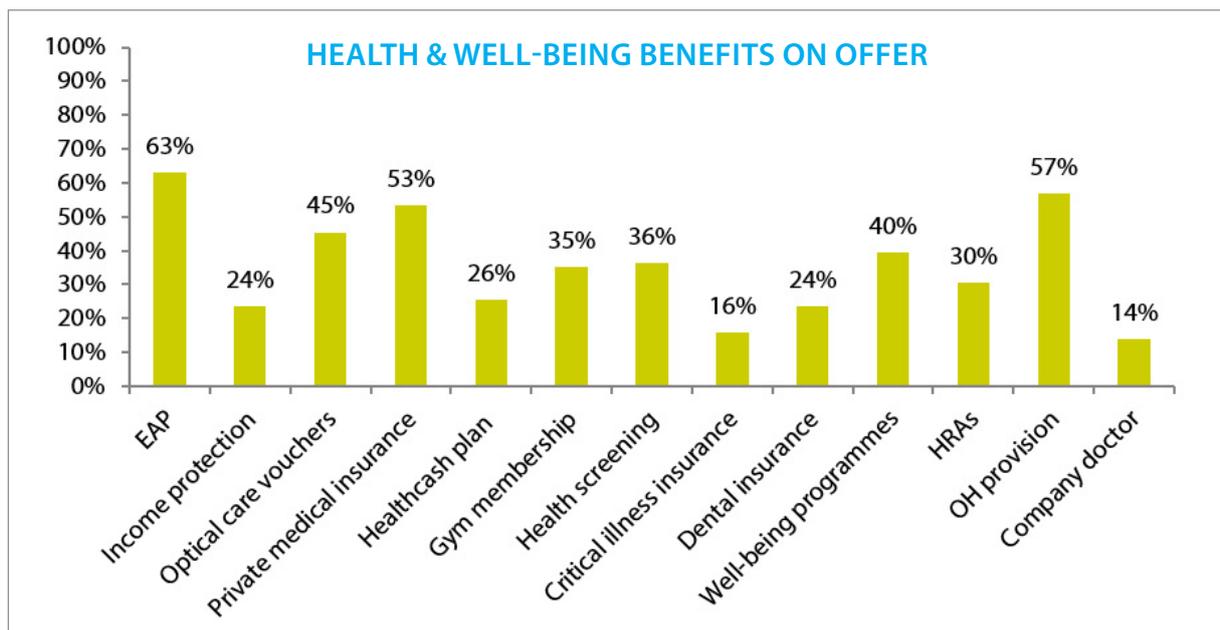
Pensions are the most common component of an employee benefit package. Nine out of 10 respondents offer one to their workforce and this figure will rise as auto-enrolment deadlines reach more organisations.

Although auto-enrolment has its advantages, as it is being rolled out it has the potential to impact broader employee benefit decisions. The amount of time required to implement the new pension regime means some organisations, especially at the smaller end, are putting their benefit reviews on hold.

Providers and brokers have an important role to play in making the benefit review process as straightforward as possible for HR professionals during this busy time.

Health and well-being benefits

Health and well-being benefits such as Private Medical Insurance (PMI), Employee Assistance Programmes (EAP) and gym memberships are also popular. More than half of those surveyed offer employees a health-related benefit. This rises to 7 in 10 amongst larger employers.



Employers are also looking to health and well-being benefits as a means to improve their reward package. Four in 10 employers said they were looking to invest further in this area with 44% planning to reallocate budget from another area and 42% making new budget available to support the investment.



Four in ten

employers are looking to make further investment in health & well-being benefits.

Employee health and well-being

Offering health and well-being benefits because they are commonplace in a particular industry does have its benefits. It will help an organisation to attract and retain the best talent.

But the real benefits come when they are used to improve the health and well-being of the entire workforce. But do employers have a clear understanding of the health and well-being issues facing their employees? And do they have clear priorities for addressing these issues?

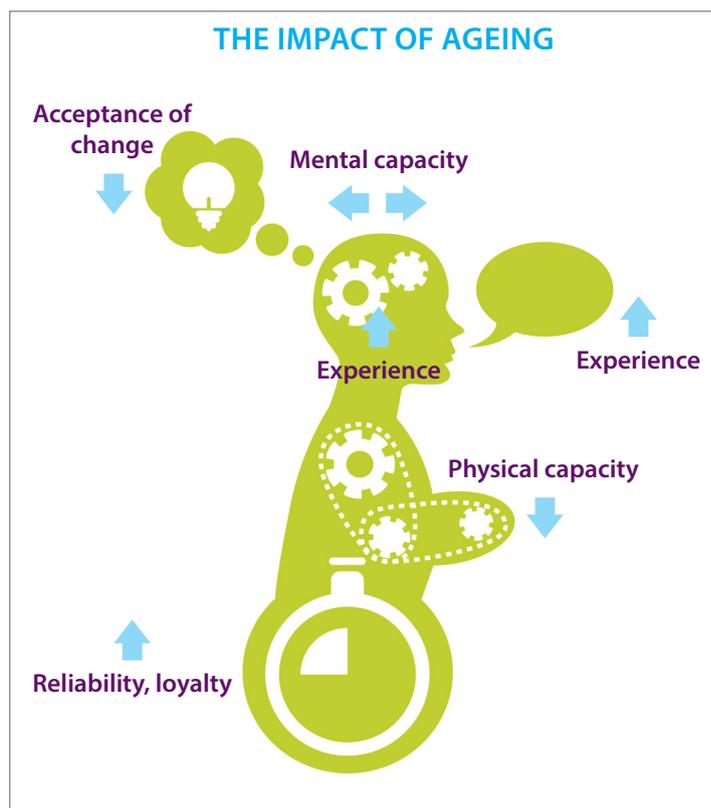
Health and well-being priorities



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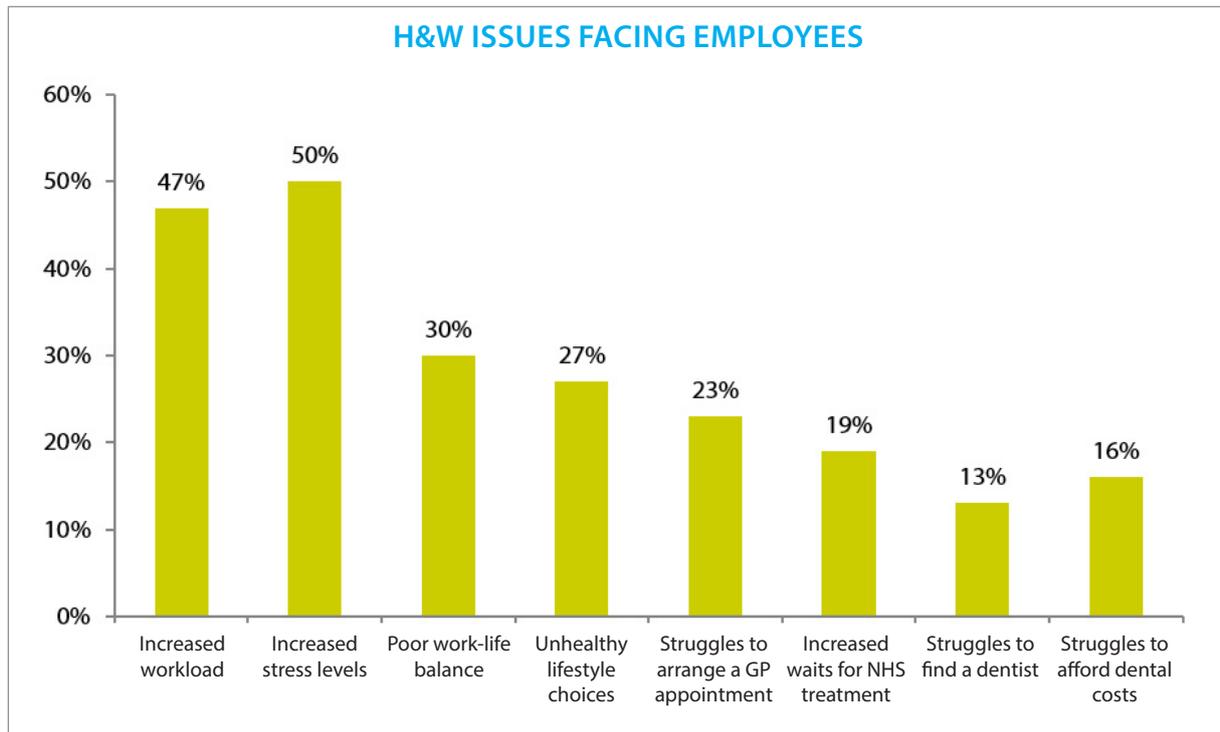
One of the more concerning findings to come out of our research was that for over a third of organisations, employee health & well-being is not even on the agenda. This key failure can have much wider implications for an organisation.

For the remaining two thirds unsurprisingly the number one health and well-being priority is managing sickness absence. 4 out of 10 in this category regard this as a key issue in their organisation. However over a quarter of employers do not measure levels of sickness absence in their organisation – a vital first step in managing employee absence.



The workforce in the UK is ageing. The removal of the default retirement age means people are working longer than ever. And these employees present different health related challenges for employers. However less than a quarter are switched on to this and actively addressing the issues associated with an ageing workforce.

Employee health and well-being issues



Employees face a range of different health and well-being challenges at different stages in their lives. Some of which will be obvious to their employer - others less so. Developing a full understanding of this may be challenging for an employer but it will prove invaluable in designing an effective health and well-being programme.

Our research found that increased stress levels are an issue in half of the organisations surveyed. Heavy workloads also affect employees, with just under half of employers reporting this as a concern.

A poor work-life balance is also cited as an issue facing employees. A third of employers recognise this as a problem in their organisation.

Importantly, employers are not just aware of these issues, a high percentage also feel a responsibility to support employees with these. 93% felt a duty to step in when employees were suffering from increased levels of stress and 79% wanted to help employees achieve a better work-life balance.

However there are some important issues which evidence would suggest are impacting individuals which employers appear less aware of. These include struggles to arrange an appointment with their GP and struggles to find a dentist and afford the cost of private dental treatment.



Less than **a quarter**
of employers are switched on to the health challenges associated with the ageing UK workforce.

Sickness absence

There has been a lot of research conducted exploring the causes, costs and implications of sickness absence - with groups such as CIPD & CBI carrying out annual surveys on the subject.

So for our latest research we decided to focus specifically on the impact increasing NHS waiting times are having on sickness absence.

The NHS

The NHS is going through a period of unprecedented change. Measures being put in place to cut costs are unsurprisingly having an impact on access to treatment. And this is not going unnoticed by employers.



More than **a quarter**
of employers have experienced employees off work for extended periods while they wait for NHS treatment.

More than a quarter have had employees off work for extended periods as they wait for treatment on the NHS. This is having the biggest impact on mid-market employers. However less than a third believe they have a responsibility to help employees address this key issue.

Extended waiting periods are particularly an issue for elective surgery and diagnostic tests, reported by 56% and 45% of employers respectively.

Waiting lists for treatment of the two most common causes of long-term absence - musculoskeletal and mental health conditions - were also reported as affecting employee absence. More than a third of respondents said they had experience of employees being absent whilst waiting for treatment for these conditions.

And these findings reflect the latest NHS statistics which show that waiting times for cancer diagnostic tests are on the increase³, access to treatments such as knee and hip replacements are being rationed⁴ and that more than half of patients referred for talking therapies are waiting more than three months for an initial assessment⁵.

Having to wait for treatment can have more serious consequences than being off work for an extended period. Without early intervention, many conditions, especially musculoskeletal and mental health, become more difficult to treat.

In addition, the longer someone is off work, the harder it becomes to return. Someone who has been off work sick for six months or longer has an 80% chance of being off work for five years⁶.

Tackling waiting times

Benefits such as Private Medical Plans are an ideal way to offer employees quick access to treatment – especially for conditions where NHS waiting times are longest. Unfortunately these benefits are often reserved for the more senior staff in organisations. Meaning the employees who could benefit most are not offered any cover.

And with NHS waiting times expected to increase further employers can no longer ignore the important role they can play in helping employees' access treatment in a timely manner.

There are an increasing number of products available in the benefits market aimed specifically at the groups of employees who typically do not receive a medical benefit from their employer.

The products, a more affordable alternative to full PMI, are often designed to tackle the key causes of absence. They are invaluable to employers and employees alike by countering long waits for NHS treatment and keeping individuals fit and productive at work.



Over **a quarter**

of employers would consider extending existing medical benefit coverage to more of their workforce.

And employers are acknowledging that gaps in their current medical benefit provision exist. When the question was put to them, over a quarter said they would consider extending medical benefit coverage to more of the workforce. This is an important development in attempts to grow the market for employee benefits and offer more employees access to valuable medical benefits.

How Cigna can help

Cigna is one of the UK's leading providers of managed employee healthcare benefits and services. These include medical insurance, dental insurance and well-being services.

We understand that employers have differing needs when it comes to addressing employee health and well-being. And [HealthCare Choices](#) is our comprehensive range of medical benefits designed to meet these needs.

- [CompanyHealth](#) - gives employers the confidence of offering a fully comprehensive private medical benefit. With flexible choices of benefits and client management, this plan can be tailored to meet each company's reward strategy and budget.
- [EssentialHealth](#) - is a focused plan, covering musculoskeletal and mental health conditions. It offers an affordable way to address key drivers of workplace absence for employees who do not already have a private medical benefit.
- [YourHealth](#) - helps employers offer a valuable reward to employees who do not already have a private medical benefit, balanced with careful cost control. Options include diagnostics only, through to cover for day case treatment.

These products are also backed up by our excellent customer service which includes:

- [Our care management approach](#) - our nurses are actively involved in helping your employees get the most suitable treatment in the most appropriate setting while managing your healthcare claims and costs.
- [Comprehensive management information](#) - to help you assess the Return on Investment of your health and well-being spend and identify key issues affecting your workforce.
- [Simple plan administration](#) - whether you are setting up a plan for the first time or switching from another provider, we make the process as straightforward as possible.
- [Connect](#) - through our preferred partners we can offer your employees access to a range of additional health & well-being services, including EAP, health assessments and discounted gym membership.

And the numbers speak for themselves - [97%](#) of our members who have used our services are satisfied with the service they received⁷.

For more information about how Cigna can help you improve employee health and well-being, please contact our Commercial Business Centre on 01475 788 779.

References

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- 6 Nice, long-term sickness absence and incapacity for work - Costing report
- 7 Cigna, Medical Claimant satisfaction survey, 2013, 2437 responses



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