Harnessing the Power of Health and Wellness Programs: Multinational Strategies
Globalization is truly the megatrend shaping businesses of the future. In 2010, the world’s multinational corporations (MNCs) together accounted for one-quarter of global GDP; sales by their non-U.S. affiliates totaled a staggering $33 trillion and those affiliates employed 68 million people.¹

But while globalization presents numerous opportunities—from the ability to tap new markets to expanding products and services offered—it comes with a number of challenges. For many employers, understanding how to build and maintain a healthy, committed and engaged workforce, while balancing rising medical costs (estimated to increase at an average of 10% each year)² will be critical to achieving their business objectives.

Many employers are engaged in or considering workplace-based wellness initiatives that support productivity and employee job satisfaction and respond to the preferences of people working in different countries. They are beginning to understand that in addition to building a competitive workforce, health and wellness programs can have a positive impact on an organization’s bottom line.

However, achieving a successful program that delivers on employee health needs and provides a return on investment for multinational companies requires a consistent global vision and framework, with tailored local execution.

Living Longer—But Not Healthier

While there is no question that people are living longer today, they are not necessarily healthier. According to a 2011 study by the World Economic Forum and the Harvard School of Public Health, noncommunicable diseases, primarily cardiovascular diseases, cancers, chronic respiratory diseases and diabetes, cause 63% of all deaths worldwide. One-quarter (25%) of those who die of chronic noncommunicable diseases are under the age of 60.³

Lifestyle issues, such as obesity, lack of physical activity, elevated stress and clinical depression, also are a major concern. Sedentary lifestyles and obesity are key risk factors for diabetes, heart disease and hypertension. Smoking is a major contributor to bladder, pancreatic and lung cancer, as well as premature birth, chronic obstructive pulmonary disease and strokes.⁴ In addition to the psychological impact of stress and depression, these illnesses are also linked to increased incidence of heart disease and other serious medical conditions.⁵
Economic Impact of Lost Productivity

These noncommunicable diseases come at a cost. Employers in the United States, in particular, are keenly aware of the rising direct costs of health care, including medical and pharmacy claims.

However, there are indirect costs that are also part of the equation.

Employers also are seeking to address the costly workplace issues of absenteeism and presenteeism—the lost productivity that occurs when an employee is at work but performs at a lower than usual level because of a health condition or concern about a personal situation (e.g., an ill child at home).

According to a recent study of employees from the headquarters of a multinational consumer goods manufacturing firm in Germany, more than one-third of employees experienced absenteeism, and upwards of three-quarters experienced presenteeism for at least one health condition. The study found that health conditions are responsible for a significant loss in productivity. For this company, the loss was estimated at 12.35% of employee capacity, which equated to 27.16 days per employee and €8.78 million (nearly US$12 million). This trend certainly is not limited to one country or one geographic region.

Combined with disability and absenteeism, the indirect costs of health issues represent more than twice the direct costs associated with health insurance (see the figure). It is also important to note that the health issues that drive medical and pharmacy claims are different than the conditions that have the greatest impact on total costs. While cancer, back and neck pain, and chronic pain contribute the most to direct costs, the conditions with the highest total cost impact are depression, obesity and arthritis.

Health and Wellness: A Critical Business Imperative

Clearly, the health and wellness of today’s global workforce is becoming a critical business success factor. Healthy employees are more engaged, more focused on their customers and less likely to leave an organization. Nearly two-thirds of employees who favorably perceive their employers’ efforts to promote health and well-being intend to stay at least five years with their companies—more than 50% higher than those with an unfavorable impression. And according to MetLife’s Employee Benefit Trends Study, employees who are satisfied with their workplace benefits are three times more likely to be satisfied with their current job and feel more loyal to their employer.

Employers increasingly understand the role that health and wellness programs play in maintaining a healthy,
engaged and productive workforce. According to a 2012 study by the MAXIS Global Benefits Network (GBN), multinational decision makers cited health benefits second only to salary as critical for globalization strategies. And employers are taking action, from broad and deep wellness programs in the United Kingdom, Canada, Scandinavia and the United States to global requirements for a smoke-free or alcohol-free workplace. Anti-smoking programs are the most common health intervention around the world. In Asia, programs are more likely to address physical health, while antialcohol programs are popular in the Middle East.11

There remains a tremendous opportunity to broaden and deepen health and wellness programs, particularly outside North America and the United Kingdom. A 2013 study conducted by MAXIS GBN and the Sloan Center on Aging and Work at Boston College found that while employees place a high value on the importance of health and wellness benefits, many are not satisfied with the current programs offered by their employers. Two-thirds are either dissatisfied or only somewhat satisfied. This gap between the importance employees place on these benefits and their associated satisfaction is greatest for those in developing countries, those in self-reported poorer health and millennials. These three employee categories are also more likely to highly value health and wellness programs.

Opportunities for Multinational Corporations

There is no single path to successfully implementing a health and wellness program. The approach will vary based on the maturity of the markets and the health needs of employees as well as by the specific companies themselves. Whichever approach a company chooses, a holistic strategy may help employees live healthier and impact the bottom line. The strategy and action plan should be driven by data and include culturally adapted, locally appropriate solutions.

Employers should keep several key considerations in mind when designing an effective program.

Think Big

- **Make it global.** The most successful employee health strategies move beyond basic, ad hoc programs to a strategy that creates a consistent global vision. A clear and compelling vision of the company’s commitment to employee health will create a platform that can be used in multiple countries with differing populations, focusing efforts toward achieving a common goal.

- **Create a flexible framework.** Different populations have different needs. Culturally adapted, locally appropriate solutions coupled with a flexible global framework will allow employers to link global strategies with local implementation. Companies should consider the interests, habits, time, attitudes toward health and fitness, and cultural norms of key populations. Programming and resources do not have to be expensive—Relevancy to the audience is what really counts.

- **Demonstrate top-down commitment.** Employees must feel that management supports their efforts to improve their health. Manager buy-in at all levels of the organization is critical. A supervisory culture that takes accountability for employee engagement will pay dividends in many respects. Managers can help increase understanding of the value of health and wellness programs by offering training on how to support workers when using these new benefits.

Think Small

- **Complicated is not always better.** Wellness does not need to be complicated. Sometimes simple solutions are very effective. For example, flu shots may be a good way to get started along with basic health and education campaigns or on-site biometric screenings. The key is to ensure that the benefits are part of an overall holistic strategy.

- **Leverage data.** A data-driven approach enables programs to focus on the key health issues and cost driv-
ers of a population. Whether through employer-specific claims, absenteeism data or external sources, an evidence-based health and wellness benefit design will lead to better outcomes. Global oversight with supporting data will allow employers to monitor programs and drive decision making. Companies do not have to wait for perfection to get started—There nearly always is sufficient data to identify key issues and opportunities to improve employee health.

**Think Different**

- **Go beyond traditional solutions.** Understanding the most important local health and well-being issues and developing innovative, pragmatic solutions is key, particularly in emerging markets. As an example, providing bed nets in countries with a high risk of mosquito-borne diseases may be a very effective and appreciated benefit that falls outside the traditional definition of health and wellness programs.

- **Consider various communication methods.** In some countries, not all employees will have Internet access at the worksite or at home. In other countries, cultural norms influence how, when, where and with whom issues can be discussed. Finding the most effective way to communicate with employees will enhance understanding and usage. Employers can try different communication approaches and observe what drives participation. Social media, face-to-face counseling, wellness champions and short message service (SMS) technology may be good options.

**Gaining Feedback From Employees**

Most importantly, gathering data and requesting input can provide a framework for developing highly satisfactory health and wellness resources. The best way to understand employees’ needs is to gain input from the targeted groups before, during and after implementing health and wellness programs. While no program can meet all needs, ongoing feedback will ensure a better match between expectations and reality. Among the ways employers can get input from employees:

1. **Gather data around employees’ priorities.** Many employee surveys are constructed so that employees report the importance of existing or potential benefits one at a time. While this approach has some real advantages, employers might not get a true understanding of employees’ ranking of the importance of specific types of benefits and programs. One way to get an understanding of the fit between employees’ priorities and the health and wellness resources provided is to ask them to allocate a set number of points to specific options. For instance, employers might ask, “If you had US$1,000 to spend on the following health and wellness options, how would you allocate those dollars?” It is also important to gather input on an ongoing basis as needs change.

2. **Invite employees to make suggestions about low-cost/no-cost ways to expand the health and wellness resources available at the workplace.** Organizations can be very creative about ways to foster employee suggestions for innovations in health and wellness initiatives. While some organizations might want to use internal social media to generate ideas, others might find that customer satisfaction surveys and suggestion boxes are effective.

3. **Gather data about employees’ satisfaction with health and wellness resources at the same time that information is collected about business-relevant outcomes.** Many employers conduct employee surveys that include
questions about employees’ assessments of their work experiences, such as job satisfaction, on an annual or bi-annual basis. However, these surveys might not include items that gauge employee satisfaction with specific types of benefits, such as health and wellness programs. When it is possible to include both sets of these questions, managers will be able to get better insights about the extent to which resources, such as health and wellness activities, contribute to a range of business-relevant outcomes.

A Strong Case for Employee Health

Improved health and business outcomes are strongly linked. And there is clearly interest and activity in health and wellness among employers. Still, there is tremendous opportunity to do more. While many multinational companies have health and wellness programs in some local operations, few have a global health and wellness strategy and even fewer have linked their global strategy to local initiatives.

By taking a more holistic view of health and wellness, employers have the opportunity to not only attract and retain talent, support productivity and improve employee job satisfaction—but also to increase shareholder value.

A recent article in the *Journal of Occupational and Environmental Medicine* reported a correlation between companies that build a culture of health and the value that they provide to their investors. Researchers found that the stock performance of companies that focus on the well-being and safety of their employees consistently outperformed the S&P 500 Index average.12

Furthermore, Towers Watson research has demonstrated that employers with highly effective health and productivity programs generate 20% more revenue per employee, realize a 16.1% higher market value and deliver 57% higher shareholder return.13

Investing in the health of employees makes good business sense. Employers need not wait for the perfect data or the perfect opportunity to get started or to expand their current offering. Health and wellness programming and resources do not have to be complicated or expensive as long as they are relevant to each audience. A simple yet well-directed approach can go a long way.

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### Endnotes

6. Ibid.
8. Ibid.

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### Takeaways

- Noncommunicable diseases, primarily cardiovascular diseases, cancers, chronic respiratory diseases and diabetes, cause 63% of all deaths worldwide.
- Combined with disability and absenteeism, the indirect costs of health issues represent more than twice the direct costs associated with health insurance.
- Antismoking programs are the most common health intervention around the world.
- The three groups most likely to value health and wellness programs highly are those in developing countries, those in self-reported poorer health and millennials.
- Companies should consider the interests, habits, time, attitudes toward health and fitness, and cultural norms of key populations.
- Understanding the most important local health and well-being issues and developing innovative solutions is especially important in emerging markets.
- Ongoing feedback from employees will result in a better match between expectations and reality.