

Managing wellbeing across a multi-generational workforce

Maintaining and improving employees' health and wellbeing is desirable for employees themselves and crucial for businesses to get the best out of their workforce.

However, providing for wellbeing is no longer a one-size-fits-all job — the concerns of individual generations within the workforce must be addressed to avoid damaging employee health and engagement.

This white paper will:

Identify generational splits in the workforce and their respective weight of influence on expected services and provisions

Discuss existing knowledge and expectations within each generation

Consider generational responses to the advent of digital media

Discuss the potential of incentivization

Discuss cross-generational considerations

Maintaining and improving employees' health and wellbeing is not only desirable for the sake of the employees themselves, but also from the employers' perspective to get the best out of their workforce.

Unhealthy and unhappy workers cost the companies that employ them. As a small set of examples:

- Mean annual depression-driven presenteeism costs per person are over \$5,500 in the US,¹ with depression rates 25% higher among millennials than among generation X and baby boomers²
- Obese employees are absent more often than non-obese employees, costing the UK the equivalent of 3% GDP per year³
- Every smoker costs their employer on average an additional \$5,816 per year due to increased absenteeism, decreased productivity and the costs of maintaining smoking facilities⁴
- Workplace stress siphons off \$50bn annually from the Canadian economy⁵

The wellbeing of a company's workforce is therefore crucial to the company's performance, but providing for wellbeing amongst employees is no longer a one-size-fits-all job. Failing to take into consideration the varying generational expectations amongst the workforce can lead to certain demographics feeling unaccounted for – a contributing factor to disengagement – and be damaging to their health. A healthy and happy workforce is more likely to fulfil its potential, improving company performance without changing personnel.

Failing to take into consideration the varying generational expectations amongst the workforce can lead to certain demographics feeling unaccounted for – a contributing factor to disengagement – and be damaging to their health.

Weight of influence on expected services and provisions

Much is currently being made of the increasing influence within the workforce of the millennial generation, and rightly so – by 2020, millennials will form 50% of the global workforce.⁶ This generation has significant voting power in the aggregate 'voice of the employee', exerting significant influence on other generations about non-negotiable expectations in a work environment such as flexibility, rapid career movement, learning and transparency. Keeping millennials healthy and happy, and helping them realize their professional potential, should be a long-term goal for any business.

\$50bn – annual cost of workplace stress to the Canadian economy

50% – millennials will form half of global workforce by 2020

25% – depression rates are 25% higher among millennials than among generation X

¹ Sara Evans-Lacko and Martin Knapp, *Global patterns of workplace productivity for people with depression: absenteeism and presenteeism costs across eight diverse countries* (2016).

² Web Psychology, *Depression Amongst Millennials – Why Are They Affected at Higher Rates?* (2016). This research suggests 52% of millennials are at risk of work-based depression.

³ McKinsey Global Institute, *How the world could better fight obesity* (2014).

⁴ Gallup, *Well-Being Index* (2013), p5.

⁵ Conference Board of Canada, *Unmet Mental Health Care Needs Costing Canadian Economy Billions* (2016).

⁶ PWC, *Millennials at work – Reshaping the workplace* (2011), p.3. This is not even to mention the future impact of the cohort following the millennials, generation Z, who currently constitute 25% of the US population (Forbes, *7 Things Employers Need to Know About Gen Z* (2016)) and will become an increasingly influential cohort as the 2020s progress. Presently, however, there is insufficient data for generation Z related to the workplace because the oldest of that cohort is only just entering the workforce.

However, it is crucial that companies do not thereby dismiss the older generations. For numerous reasons including rising healthcare costs, workers aged between 50 and 70, the baby boomer generation, are working longer than previous generations – their influence on the workforce and workplace is not yet over as we see more employees working past the traditional retirement age. Keeping people productive for as long as possible – tapping the full potential of older workers, whose experience and knowledge is invaluable to a company – is becoming increasingly critical. Companies need to use innovative approaches to minimize the impact of the transition to an aging workforce. They should make adjustments to limit the disruption of chronic diseases, such as work-related stress, high blood pressure and high cholesterol, and invest in new innovations to delay and prevent new cases of disease.

These evolving labor dynamics will put a strain on labor supply and demand, and thus will dictate what employees in different demographics expect of companies so as to engage, and what companies are willing to provide employees in segments with various levels of supply.⁷

Across all age groups, base pay is considered most important, but after that, older workers value the type of work they do, working for a respectable organization and a retirement savings or pension plan, whilst younger workers care most about flexible work schedules and career advancement. Therefore, wellbeing offerings need to cater for the different perspectives of each generation – for example, 58% of employees agree that they would like to reduce the value of some benefits they receive and increase the value of others, a figure that increases to 70% for 18 to 34 year olds.⁸

Equally, considerations of flexibility are not the sole preserve of the younger generations, however – studies have shown that one quarter of Canadians over the age of 45 provide care to an older person with a chronic health condition or physical limitation, the value of which was between \$24bn and \$31bn to the Canadian economy in 2007.⁹ Interestingly, and to further complicate these considerations, as a generational cohort millennials contribute more hours per person to caregiving

Companies need to use innovative approaches to minimize the impact of the transition to an aging workforce

58% – Six in ten employees want to reduce the value of some benefits they receive and increase others

The issue and expectation of flexibility at work is as nuanced as the different demographics who seek it

20hrs/week – nearly half of caregiving millennials do so for more than 20 hours per week in addition to their employment

⁷ AON Hewitt, *2014 Trends in Global Employee Engagement* (2014), p.5.

⁸ Mercer, *Inside Employees' Minds – The Transforming Employment Experience, Part 1* (20XX), p.17.

⁹ MaRS, *Business of Aging: Wellness solutions for our aging workforce* (2012), p.7.

than the average across all ages – 45% of caregiving millennials who also have a job contribute more than 20 hours of care per week. They are also nearly three times as likely to be caring for an individual who is not immediate family compared to the average.¹⁰

As demonstrated by this example of elder care, the issue and expectation of flexibility at work is as nuanced as the different demographics who seek it.

Existing knowledge and expectations

Each generation grows with a different perspective on health and wellbeing to that of the preceding generation. Wellbeing programs need to address the fact that each generation are possessed of varied existing knowledge sets – for example, some groups may not know the latest discoveries about the long term impacts of chronic conditions and the best way to treat them; others may not have much familiarity with conditions that are perhaps more commonplace in other generations.

Wellbeing content should of course be sourced from accredited experts in the particular field, as well as be comprehensive in nature and should not in any field assume knowledge on the part of all potential users.

Adaptation to digital media

Relative to even a decade ago, the speed at which information can be and is transmitted has increased exponentially. Some employees may feel the information comes too fast and prefer a more traditional conduit of information, be it printed, text, email or app. Employers can cater to employee preferences by making wellbeing-related information easily accessible via different technology platforms and communications channels.¹¹

In a digitally-oriented world, however, it's not always possible to provide printed documents, and some employers and wellbeing providers may operate entirely digitally. This does not mean that older generations' preferences should not be ignored, though; digital offerings need to be as uncomplicated as possible. Further, employers should ensure that each user experience should be individually customizable so as to reduce the likelihood of someone becoming overwhelmed with the information and options available to them.

Studies have shown that millennials in the US, UK and Canada significantly use digital channels of access, whilst the over 50s

Employers should ensure that each user experience should be individually customizable so as to reduce the likelihood of someone becoming overwhelmed with the information and options available to them.

21% – percentage of people in the UK over 65 who have mobile internet access

¹⁰ Ceridian, *Double Duty: The Caregiving Crisis in the Workplace* (2016), pp.6-7.

¹¹ Gary Cassidy, *The critical role of demographics in employee health and wellness program messaging* (2014).

age group largely uses traditional channels of access. To emphasize this point, only 18% of over 65 year olds in the US and 21% in the UK have internet access via a mobile device.¹² Internet usage is increasing but the trend for using it on a mobile device is delayed; telephone services remain as important as ever for those with less inclination towards utilizing online live chat opportunities or browsing online wellbeing information repositories.

Incentivization

The provision of a wellbeing program does not automatically lead to uptake on the part of the workforce for reasons each of which is particular to a generation.

Leading on from the topic of digital media, we know that millennials are more likely to readily engage with digital solutions; they will therefore expect an engaging user experience from wellbeing program apps, because so much of their life is already digitally based. By way of example, in the smartphone use for adults across all age ranges in the US in 2015 was up to 2.8hrs per day, a figure that would be higher for the millennial generation.¹³

Wellbeing programs centered around physical offerings may not be as appealing to older generations. Many wellbeing programs are geared towards those who are already interested and involved in health and fitness; providing no hook for those who are not as interested in fitness. Older employees are the least likely to participate in such narrowly-focused schemes. However, it has been shown that older employees are more likely to enrol in coaching programs when offers such as biometric screenings are included in an overall wellbeing program¹⁴ – incentives should be age-appropriate for all generations.

In the long run it is more beneficial both healthwise and economically for employee and employer that wellbeing programs should take a preventative stance, to tackle issues before they escalate. This will mean different offerings are required for different ages, rather than simply a physical exercise program that might not suit those facing mental issues.

Cross-generational considerations

Thought should be given to many facets of wellbeing programs in respect of their reception by each generation within the workforce. Yet, there are other areas that may once have been viewed as the sole preserve of a particular generation but now resonates across all demographics – previously age specific issues such as the onset of chronic diseases are becoming general across more age demographics.¹⁵ Once thought a

Many wellbeing programs are geared towards those who are already interested and involved in health and fitness; providing no hook for those who are not as interested in fitness.

2.8hrs/day – smartphone use for US adults of all age ranges

Once thought a problem of older generations, there has been a shift towards chronic disease onset during Americans' working age.

¹² Pew Research Center, *Older Adults and Technology Use* (2014); Statista, *Share of individuals who accessed the internet via a mobile phone in Great Britain in 2016, by age and gender* (2016).

¹³ Kleiner Perkins Caulfield & Byers, *2015 Internet Trends Report* (2015).

¹⁴ Jessica Grossmeier, *How Workforce Demographics Affect Your Wellness Program* (2013).

¹⁵ RAND Health, *Workplace Wellness Programs* (2013), p.xiii.

problem of older generations, there has been a shift towards chronic disease onset during Americans' working age. This adds burdens for both employer and employee due to the associated decrease in productivity through increased both absenteeism and presenteeism.

The increased cost of healthcare is another such issue, and inextricably linked to the above discussion of early onset chronic disease. According to the Bureau of Labor Statistics, US Department of Labor and Employment Cost Index, the increased costs of healthcare benefits have outpaced wage growth for more than a decade.¹⁶ Previously, the younger cohorts of the workforce might not have given as much thought to health costs or considered it an issue to put off for later years. Now, however, employers ought to communicate the message that appropriate, proactive wellbeing initiatives not only prevents chronic health issues developing, but also helps them manage costs better.

Finally, the user experience for any wellbeing program or solution, especially digital offerings, should be integrated and straightforward for the purposes of simplicity for all generations. This is to ensure ease of use for the less tech-savvy and to avoid the utilization problems associated with multiple point solutions.

Concluding thoughts

The most successful wellbeing programs will be those that recognize the challenges posed by the coexistence of increasingly segmented generations within the same workforce, and the opportunities that arise from meeting those challenges head on. Wellbeing program offerings must not favor one generation at the expense of another through its plan or content, and employers must be sufficiently flexible to cater for the varying outlooks of a workforce that can span 50 years in age, not only at the point of implementing a wellbeing program but also going forward as each generation ages. A nuanced wellbeing program that recognizes the differences and commonalities between generations can allow a company to get the best out of its workers, whether they are 25 or 65.

The user experience of any wellbeing solution, especially digital offerings, should be integrated and straightforward. This ensures ease of use for the less tech-savvy and avoids the utilization problems associated with multiple point solutions.

If you would like a demo of the LifeWorks solution to see how the platform would work for you, please [click here](#) or visit www.lifeworks.com

¹⁶ Cassidy, *The critical role of demographics*.