

Becoming an 'employer of choice' through state-of-the-art wellness benefits:

The case of Europebank

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EuropeBank³ is an international financial services company based in continental Europe and operating in more than 50 countries. A few years earlier the company had aligned its three revenue divisions - private banking, asset management and investment banking - in order to create operating efficiencies and offer a unified brand in the marketplace. This alignment did not happen overnight as the three divisions were operationally and culturally distinct organisations. By 2011 it became clear that further advantages would be realised if the company were to offer a consistent experience not only for EuropeBank customers but also for its over 50,000 employees around the world.

Two men were instrumental in this effort to optimise the employee experience. Roger Davies was tasked with the challenge of reviewing the diverse panoply of benefits offered to employees and developing a more coherent global benefits strategy. At the same time, Keith Thompson, UK Head of Services, was intent on identifying and providing those services that would make EuropeBank the undisputed "employer of choice" for financial services professionals in the UK. Both men had previously worked at an international company considered a leader in the area of employee health and well-being and brought a strongly positive experience from their exposure to that company's wellness approach. Discovering that they had congruent experience and objectives, Roger and Keith joined forces to determine how EuropeBank could offer an employee wellness proposition that was state-of-the-art and seamless.

The current status of health and well-being in EuropeBank

Roger began his particular task by researching and reviewing the current range of benefits offered to employees. He discovered that the company's approach to wellness had been essentially an organic and localised one. In each of its key geographical markets, different initiatives had been implemented and a distinct array of wellness benefits offered.

EuropeBank was divided into four regions for operating purposes. The largest region was continental Europe, and here wellness programmes were driven by strong employment laws and longstanding cultural traditions. European employees expected to have sit-down meals at lunchtime and take advantage of programmes that kept them fit and healthy. In the UK and US, on the other hand, employees were more likely to ignore issues of work-life balance and spend lunchtime eating take-out sandwiches at their desks. Rising obesity rates, musculo-skeletal injuries

and stress-related conditions were significant concerns in these countries. The wellness offerings in other markets such as Asia, the Middle East and South America were similarly defined by local conditions and circumstances.

Digging deeper, Roger found that several factors were driving decisions about wellness offerings in the regional and country operations. One key factor was, of course, local employment law governing employee relations on the one hand and health and safety conditions on the other. Another key factor was remaining competitive in the employment marketplace, which meant keeping pace with local competitors in terms of employee benefits and incentives. Rising employee expectations was a third factor, which was driven by employer competition but could also emanate from long-term demographic forces, such as new and more demanding generations entering the workforce. Last but certainly not least was consideration of how to get the best from employees individually and collectively. Employees were one of the company's main assets, the other being financial capital, and as such required attention and investment to keep them productive and functioning at their best on an ongoing basis.

The good news from Roger's perspective was that wellness initiatives in regional and national markets were operating well and generating value. However, it was also clear that the company was not maximising the employee proposition and deriving the greatest value from its employee investment through such a fragmented approach. He concluded that the company could reap significant benefits if it continued to respond to local markets within a more comprehensive and coherent global wellness strategy.

While Roger was discovering "a big hole in our employee proposition" at the global level, Keith was coming to the same conclusion about the experience offered to EuropeBank employees in the UK. Employees faced an impressive array of wellness offerings, including health insurance, access to a state-of-the-art health facility run by Nuffield Health, tutorials on various topics related to health and well-being, nutritional offerings in the company cafeteria and even onsite access to health professionals. Yet these offerings were not 'joined-up' in a way that made them easy for the individual to access or to use in pursuing a personal wellness strategy. Although wellness offerings were driven by employee responses to an annual survey, such services were not as fully utilised as Keith and his team expected. There was therefore a clear opportunity to join these services such that employees were more aware of the options available to them, better informed about the benefits they could reap from using them and, as a result, better motivated to take advantage of them.

³This case has been anonymised and pseudonyms have therefore been given to the bank and its employees.

The evolving wellness marketplace

Now that they were clear on what was available to employees across EuropeBank, Roger and Keith wanted to understand what was possible beyond the company's current offerings. Even more importantly, if EuropeBank were to be an 'employer of choice', they needed to understand the state-of-the-art in the area of employee wellness as well as where the marketplace was likely to be heading in the future.

Keith met and compared notes with friendly peers at other financial services firms, as well as observing what other competitors were doing. He also discussed possible new services that EuropeBank could offer with current and potential suppliers such as Nuffield Health. Together, Roger and Keith went to Edinburgh to visit the state-of-the-art wellness facility of the Royal Bank of Scotland (RBS). Although EuropeBank would be unable to replicate this sprawling countryside facility in the land-starved financial districts where it operated, the company could learn from how RBS had "connected the dots" and offered a more holistic approach to employee wellness. The ideas and aspirations they garnered at RBS were supplemented with seminars that expanded their sense of what was possible and helped them to understand how to make the business case for what could end up being a significant corporate commitment.

Through this research the two men identified the critical assumptions and drivers that they believed should determine the company's wellness strategy. First, they assumed that the environment in which the company was operating would continue to be unstable and uncertain. The economy no longer adhered to the normal business cycle of expansion and contraction, as EuropeBank discovered when the US and Europe did not recover from the credit crisis as expected and thousands of jobs had recently had to be cut from worldwide staff. In this "roller coaster" environment employees would be subject to even greater pressures than were already the norm in the financial industry, making wellness offerings even more important. But beyond that, competition for the best employees would become even more fierce, as those who could thrive and produce in this volatile environment would rise above the pack and expect the absolute best in employee benefits.

Historically EuropeBank was known for running a tight ship in terms of how it managed capital and risk, and this approach had served it well over the decades and even through the recent credit crisis, which it weathered without the need for the government support that other financial institutions had required. But in this new world characterised by an unpredictable environment and finite resource capability, EuropeBank could no longer rely on this traditional strategy. The company needed to attract 'talent' who could be empowered to respond to the market and entrusted with the freedom to deliver what customers needed. Such high-calibre talent could only be attracted, engaged and retained if the company cultivated its reputation as an 'employer of choice' that cared about its staff and did 'the right thing' by them. EuropeBank also needed to be seen as leading the pack rather than following, by offering a package that was not only competitive but also distinctive from its competitors. Roger and Keith believed that the wellness package could be a defining reason for

employees choosing to join EuropeBank rather than another financial services company.

A number of characteristics would make this wellness package valuable and distinct. First, it needed to be a comprehensive global package offering the same core benefits no matter where the employee worked, with any benefits specific to a particular region or country seen as 'supplements' to the main package. It also needed to be 'positive and seamless' such that employees knew exactly where to go for help and were able to access what they needed quickly and easily. Beyond the benefits package, Keith believed that a distinguishing feature of the EuropeBank wellness offer should be defining and treating employees as 'clients' subject to the same level of care - the same 'defining client experience' - as that experienced by the company's customers.

In terms of determining the specific wellness offerings that should be included in the global benefits package, Roger believed that it was important to identify employee needs and the gaps in current coverage. The company already conducted worldwide employee surveys on an annual basis, which were confidential and which employees were strongly encouraged to complete. These surveys produced voluminous data that were used to inform strategic direction and were taken very seriously by top management. This data could inform benefits planning and help plan wellness offerings as well. Although local governments often encouraged the company to engage in activities that supported and enhanced government policy, such as local events on smoking or measuring employee stress, Roger was convinced that the corporate wellness strategy needed to be driven by what was efficient and 'made sense' for EuropeBank employees. The defining question, in his view, was "does it fit with our objectives?".

Developing a wellbeing strategy

Based on the copious research conducted inside and outside the company, Roger identified four areas of wellness that the company needed to support and promote in its employee population through its global benefits package. These areas were: physical, financial, emotional and environmental.

In terms of physical wellness, like most employers EuropeBank had focused more on curative rather than preventive health care. This was an area in which the company could significantly enhance its offerings in ways that reaped greater benefits for employees while reducing overall health care costs. For example, musculo-skeletal conditions could be avoided if people were encouraged to take regular breaks from their computer and stretch their muscles throughout the day.

Financial wellness was another area ignored by most companies and an obvious area in which a company like EuropeBank could distinguish itself. Even in financial services companies employees struggled with managing and controlling their finances. The company could provide tools to help employees make appropriate and informed financial decisions and could support them in cases of financial stress. As Roger had learned, the key to making this work was providing employees with choice as well as education and advice.

The third area, emotional wellness, involved helping employees to deal with pressures and stresses and addressing issues related to emotional stability. The utilisation of the Employee Assistance Programme (EAP) was traditionally quite low because of the 'high performing' culture characteristic of financial services companies. Managers were often unable to tell when an employee was in need of emotional support and unskilled in offering help. Thus there was considerable scope for making emotional resources more accessible, more palatable to the typical financial services employee and easier to access. For instance, the company could offer more education around how employees could take better care of their own emotional needs, the symptoms that should trigger them to seek help and the services they could access when feeling overwhelmed or out of control.

The final area was promoting overall employee well-being and work/life balance. Employees could be encouraged to take advantage of on-site and local services, such as using the local GP around the corner rather than missing half a day trying to see their doctor at home. Managers could be encouraged to support their employees in using the company gym during the workday when their energy and motivation were higher, rather than insisting that they wait until non-working hours when they were often too tired to go. The challenge would be giving managers the proper incentives to create a workplace environment that supported rather than impeded employee utilisation of wellness activities and offerings and promoted general employee well-being.

In identifying these four areas of wellness, Roger had discovered two significant obstacles to the overall effectiveness of the wellness strategy, which would need to be addressed if the strategy were to fully succeed. One obstacle was that some human resources policies and managerial practices made it difficult for employees to take advantage of wellness offerings. For instance, managers were discouraging their employees from using the local doctor because the cost was charged to their department, when the cost of the employee taking half a day to see their GP at home was costing the company far more in lost wages and productivity.

Another obstacle was the practice of offering services to people but then placing barriers to their use in order to control costs. For example, employees were offered health insurance but then faced frustrating procedures or expensive deductibles in getting treatment and making claims. These barriers appeared to be a false economy for the company, because although the employee might not get treatment and incur the health care cost, they were likely to suffer lower productivity and possibly presenteeism (working while sick) and absenteeism. In other words, the expense was simply being shifted elsewhere and often costing the company far more as a result. These obstacles to the effectiveness of the overall wellness strategy would need to be considered in the construction of the detailed plan, i.e. specific programmes and offerings, for the global wellness approach.

The wellness strategic decision-making process

The development of the company's global wellness strategy was driven by the Benefits function in the Human Resources department. This made sense because the Benefits team contracted with suppliers for the provision of health and wellness programmes as well as being the area of the company intimately concerned with employee attraction and engagement.

The Benefits function had several key stakeholders at the corporate and regional levels. At the regional level, the stakeholders consisted of the Corporate Services functions that created the client and employee experience, such as the one managed by Keith in the UK, and the Health and Safety functions that ensured compliance with local labour laws and other regulations governing employee relations. The global benefits function was in a position to help these stakeholders get the data and resources they needed as well as to help them make their offerings more attractive and effective. Of course the other key stakeholders at the regional and national levels were the Human Resources departments, being the parts of the company that would directly implement the global benefits strategy in each of its geographic areas.

At the corporate level the issue of employee attraction, engagement and retention was receiving a great deal of attention from senior management. The issue of how to reward and incentivise employees, including what benefits to give them, was perceived as an especially important one. The Compensation Committee for the global Board of Directors was the body specifically tasked with making decisions on salaries and benefits, and it was to this particular committee that the proposed corporate wellbeing strategy was presented. The arguments for pursuing the new strategy were simple and straightforward: "it's the right thing to do"; we already have the building blocks in place in our current operations to make it work; for that reason it won't require significant initial investment; and it is projected to save a substantial amount of money down the line. The Compensation Committee was duly convinced and approved the branded wellness strategy, to be implemented by Roger and his colleagues in the first half of 2012. The Committee asked for a presentation on its implementation and results at its Board meeting in July.

Rolling out the global wellness strategy

The branded global wellness strategy was translated into a five-prong approach, to be rolled out between April and July 2012. The first prong was the introduction of health risk assessments in the five largest locations. Employees would be incentivised to encourage their immediate take-up of this new offering.

The second prong was hosting global events that presented the new global strategy and connected local programmes and offerings with this strategy in the minds of employees.

The third prong was streamlining operations to reduce fragmentation and the overlapping of services and to produce economies of scale. The company expected to significantly reduce the number of wellness providers and suppliers and to establish closer working partnerships

with the ones that remained. Providers would be actively encouraged to showcase their expertise and allowed to brand their equipment and brochures within the company.

The fourth prong was the establishment of a wellness portal that served as a 'focal point' for information on employee wellness. Through this portal the employees would be able to see the employee proposition not as a collection of separate and disconnected offerings but rather as a well-considered and comprehensive investment by the company in the employee's overall career and their health and well-being. The portal would be the place where employees registered for wellness services, got information on the full range of wellness issues and viewed available services and offerings. It would communicate the company's intent and desire to help the employee and to answer any questions they might have in an easily accessible but low-key and non-intrusive way.

The last prong, as mentioned earlier, was the provision of preventive and not just curative health care. The company recognised that the prevalence of medical conditions varied significantly from one region and country to another. However, there were substantial benefits to be derived in providing a global approach to preventive health care, including reducing the overall suffering of employees through earlier treatment and lowering the overall costs for the company. The company believed that there was significant potential to implement a preventive health care approach that was both sensible and productive.

Keith was equally excited about this strategy and making concrete plans to implement it within the UK operation. He wanted employees to be able to see 'the full journey' available to them in terms of the diverse and rich array of wellness services. The health club had already been outfitted with more consultation rooms and the staff trained to better deliver that journey. Keith was also making plans to get providers to work together to encourage and enable healthier lifestyles, e.g. by forging direct connections between offerings involving nutrition, exercise and other aspects of wellness and well-being.

Future challenges in wellness

Roger and Keith knew that there was a lot of hard work ahead in terms of listening to employees, working more closely with suppliers to offer streamlined and joined-up services and bringing about this more comprehensive and coherent global strategy. They looked forward to the opportunity and challenge this involved.

As they moved forward, they identified some areas in which the wellness industry as a whole needed to develop and mature in order to better support EuropeBank and other companies in their wellness efforts.

Keith wanted providers to be able to 'show me the journey' at two different levels - corporate and individual. For EuropeBank as a whole, Keith desired a presentation or portfolio of services that showed the 'whole jigsaw' in one comprehensive overview. For individual employees, he wanted providers to map out their individual journey to wellness for them. He believed that each individual employee should have a book showing them what the provider could do for them and a plan outlining how they could traverse from 'you are here' to "we can take you

there'. This plan would be highly individualistic, as some employees would want a full health MoT and a rigorous wellness diagnosis whereas others would prefer to focus on specific needs or conditions. Keith believed that providers who could illuminate the journey for the organisation and its employees in these ways would position themselves ahead of their competitors.

For Roger, the key challenge now facing the wellness industry was the development of a suite of metrics to measure success. Current metrics were useful in tracking the expenditures and usage rates for various services, and could be deployed to create a dashboard to measure improvements and identify issues and needs. However, he believed that such metrics did not go far enough. Metrics also needed to be developed to measure the value or benefit produced by each service, for combination of services used together and for the wellness programme as a whole. The questions that needed to be answered by such metrics included: how did specific services or interventions affect medical claims? were some interventions more effective than others? were people healthier if they used the services more? did certain combinations of services, e.g. better nutrition combined with exercise, have a greater effect than the sum of the services utilised alone, e.g. was the sum greater than the parts? where were the best outcomes for individuals?. Roger intended to bring vendors together and pose this measurement challenge to them. He believed that an effective approach or system would not be built overnight but rather would need to be experience-based and iterative. But he did believe that, if they could crack the measurement 'nut', EuropeBank would have the data it needed to achieve an employee wellness proposition that was state-of-the-art and seamless and cement its standing in the marketplace as an 'employer of choice'.

Key features of Europebank's approach

- The well-being offerings had developed in an organic and localised fashion, requiring rationalisation and integration to develop a company-wide strategy and maximise the overall value derived from corporate investment in this area.
- In order to position themselves as an employer of choice, they researched competitor offerings and talked with providers to understand the state-of-the-art and where the wellbeing market was heading.
- To appeal to talent, they believed that the wellbeing package should be positive, easily accessed, and "doing the right thing" for employees.
- Their definition of wellbeing included not only physical, emotional and environmental wellbeing but also financial.
- Obstacles to the effectiveness of the wellbeing strategy included policies and practices that interfered with employee access.
- They believed that employees would take better advantage of wellbeing offerings if they were able to see "the full journey" available to them.