



Three reasons why
companies **focused on wellbeing**
are winning the war for talent

Throughout 2021 we've seen numerous reports of labour shortages across industries like retail and hospitality. In May an [article in SMH](#) called it a critical shortage while another [article in the ABC](#) in July said things were on a knife's edge.

More recently, a host of CEOs [told the AFR](#) they're hiring but growing increasingly frustrated. There are a number of factors creating this competition for talent, including a lack of international travel and also concerns about job security during the pandemic.

As Australia reopens and we move into the busiest time of year for many industries, businesses are thinking about what they can do to attract the best talent and how to do it quickly so they're prepared for a festive season that's fully open. It's a problem that spans a range of industries including [aged care](#), [trades](#) and [tech](#).

At Wagestream, we've seen a similar story play out with our customers in the UK. And while predicting anything at this point can feel like a fool's errand, one thing that has become abundantly clear is that businesses focused on the wellbeing of their people are thriving, while those that aren't are being left behind.

This report explores three reasons why wellbeing strategies are delivering key business outcomes and positioning leading businesses as employers of choice.

01 Wellbeing is becoming one of the most important elements of work

Our idea of wellbeing has evolved over the past few decades to now include mental, physical and financial wellbeing. In their book, *Wellbeing: The five essential elements*, Tom Rath and James Harter define wellbeing as:

"all the things that are important to how we think about and experience our lives."

With broader recognition of this holistic idea of wellbeing, leading employers have made wellbeing the focus of all parts of their organisation rather than just the HR team.

Similarly, the demand for wellbeing across the board is growing from employees. The lockdowns and restrictions of

Covid-19 have seen a reevaluation of the working experience for many and the idea of work-life balance and importance of supportive employers has only increased.

A [survey from Harvard Business Review](#) showed that 85% of workers felt their wellbeing had declined throughout the pandemic and such a notable shift has led to organisations like [Black Dog Institute](#) saying:

“Workplace mental health is an emerging public health crisis and requires immediate attention from both industry and policymakers.”

It's something employees recognise too. A [study from PwC](#) found that the wellbeing initiatives a business offers are almost as important as remuneration, with 22% of workers saying the top thing they look for from an employer is a wellbeing program that includes things like mental health support, lifestyle benefits and financial support programs. In comparison, 25% of workers said the main thing they look for is remuneration.

“We used to think about an employer's duty of care ending the moment someone walked out the door, but now it's so much broader and less easily defined.

“Employees expect more from their employer. And beyond it being the right thing to do, there is a clear return to the organisation. For every dollar spent by businesses on successful mental health programs, organisations can expect a return on investment of between \$1 and \$4 for an average return of \$2.30.”

What workers want, PwC

A Wagestream study of 900 job ads on Indeed.com found that employers that listed Wagestream as a financial wellbeing in their job ads filled open roles on average 27% faster than competitors who had no financial wellbeing offering.

So rather than a nice to have for employers, wellbeing programs now completely shape the employee experience and are a must for those looking to attract the top talent. Leading businesses understand that improving wellbeing is a key lever that can also drive business performance by ensuring employees are thriving at work and at home.

02 Wellbeing programs can focus on prevention, not just the cure

The way employers deliver wellbeing initiatives is maturing. Only a number of years ago many employers believed that offering an Employee Assistance Program (EAP) was sufficient to address the mental health needs of their employees.

But with the average take up rate below 10%, it's clear that programs that only focus on addressing symptoms of mental, physical and financial issues aren't the answer. There's a greater need for programs that focus on prevention.

While there is still a taboo around acknowledging poor mental health and financial stress in the workplace, many are likely to continue to be reluctant to come forward through EAP channels. Even when they do, it can be too late.

Now it's understood that mental wellbeing exists on a spectrum and is sensitive to fluctuations. And programs that focus on prevention can support a broader population by helping those on both the lower and upper end of the wellbeing spectrum to build resilience.

It's a similar story for physical wellbeing initiatives. Occupational health has historically been concerned with addressing issues as they occur. But in recent times there has been a greater focus on preventing these issues before they occur. Employers have begun to implement benefits like subsidised mindfulness apps and gym memberships.

While the conversations around mental and physical wellbeing have matured, the concept of financial wellbeing is still often misunderstood. Many organisations have wellbeing programs that focus on mental, physical and emotional health, but financial health can be missed. This means employee financial wellbeing doesn't get the focus it deserves.

Historically, workplace financial wellbeing support has been limited to employers paying a wage at least and providing bonuses or discount platforms at best. But encouragingly, leading employers are now offering solutions that tackle the key behaviours to financial wellbeing, underpinned by innovative technology.

Some of these solutions include microsaving platforms, app-based financial coaching, debt consolidation and tools to

track or access earned wages to reduce financial shortfalls and help employees budget. The best of these offerings track and measure the impact they make to employee financial wellbeing.

The move from addressing symptoms to building resilience through preventative measures can have positive ripple effects across an organisation. Wagestream data captured in June 2022 found that having access to earned wages helps one in two people to feel their financial wellbeing has improved and four in ten to feel less distracted at work.

When an individual has positive financial wellbeing, they're able to make positive money decisions, feel less stressed and less anxious. This can only have positive flow on effects for organisations, reducing the business cost of workers with financial stress, which is estimated to cost an average of \$420bn (\$300bn US) each year.

What does all this mean for talent attraction? Well, employers that offer preventative and nurturing benefits across all wellbeing domains will genuinely have a long-term positive, compounding effect on their people – and once people have experienced this, it'll be very hard to accept going to an employer that does not provide the same sort of all-encompassing 'springboard' to long-term thriving.

03 Wellbeing programs can drive company performance

More than ten years ago, the link between an individual's wellbeing and their performance was being established, so it's no surprise that with only more evidence, leading employers continue to invest in building happy, healthy teams.

In 2009, researchers Heinen and Darling had found:

"the evidence base supporting the economic and health impacts of employer-sponsored health promotion and wellness is growing."

Recent research has found that when employees experience even a one point increase in reported wellbeing (measured on a seven-point scale), their likelihood of staying in the job doubles. Employees who score low on job satisfaction and wellbeing, on the other hand, have been found to be less likely to stay on the job.

Replacing people costs businesses significantly, so investing in their wellbeing makes a lot of sense.

In industries where employee-to-customer interactions are essential to sales, investing in employees' long-term wellbeing can help drive business success. Research has found positive workplace feelings and perceptions are not only correlated with productivity and reduced rates of attrition but with higher customer loyalty and profitability too.

For example, as retail brands have digitised, bricks-and-mortar locations have needed to provide a differentiated customer experience to compete as a relevant sales channel. Bricks-and-mortar locations have found they can keep their original competitive edge when employee wellbeing has been prioritised and staff are switched on and present.

With more businesses placing an emphasis on employee wellbeing, the type of benefits they offer has continued to mature. Leading organisations have begun to focus on offering solutions that establish long-term employee wellbeing and resilience, rather than one-off singular-focused wellbeing interventions.

It makes sense that investing in employee wellbeing results in a happier and healthy workforce, which can translate into strong organisational performance and business success. It's the high performing organisations with engaged and happy employees that tend to attract the best talent. More and more, organisations that don't invest in wellbeing are likely to find it difficult to compete against those organisations that have a compelling narrative and superior results.

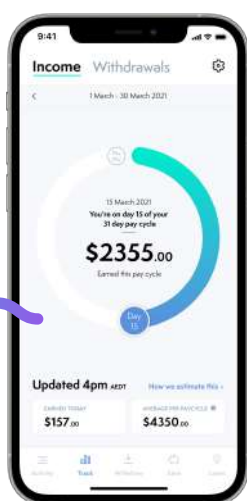


Build your financial wellbeing program

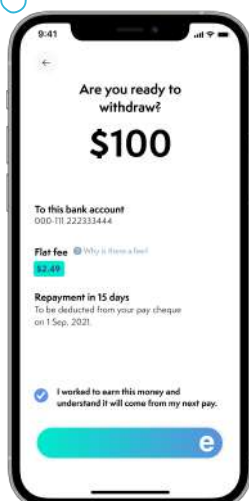
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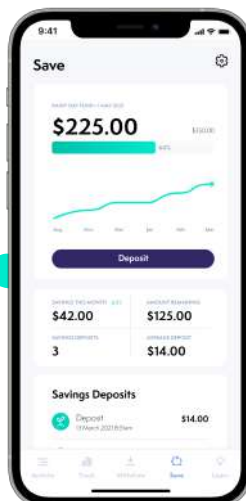
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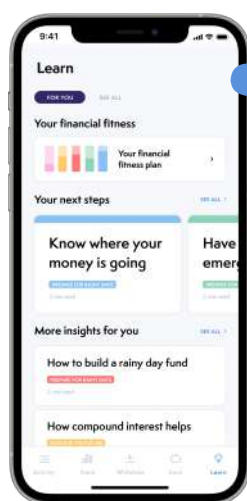
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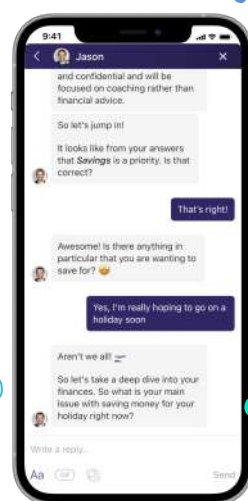
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