



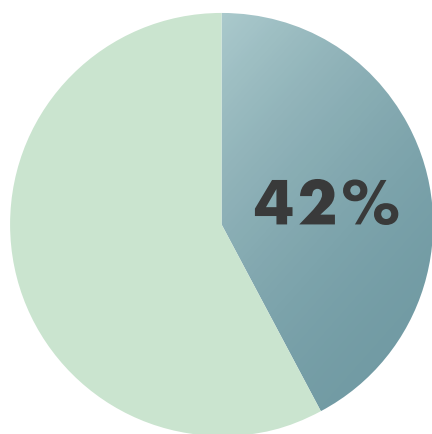
LOOKING AHEAD AT 2023:

INDUSTRY TRENDS REPORT

Across a year that began with the Great Resignation and is closing out with conversations about Quiet Quitting, WELCOA and [Koa Health](#) have partnered to assess the cultural shifts and industry trends that will set the stage for workplace well-being in 2023. Read on for insights into how you and other corporate well-being leaders like you have responded to another year of crises, as well as best practices for tackling emerging needs of employees.

A SHIFT IN STRATEGIC FOCUS

42% of employers that have invested strategic effort in the form of evidenced based practices rank cost containment as one of their top two strategic focuses for their well-being programs in 2022. Over the last 10 years, a common strategy for cost containment has been outcomes-based health behavior tracking programs, typically tied to extrinsic incentives. However, the industry has learned the hard way that participation in this kind of “traditional” well-being alone (behavior tracking and biometrics) cannot be fully embraced or sustained without physical and psychological safety within the employer’s culture. In other words, compliance is not engagement. This theme will continue to gain traction in 2023 and beyond.

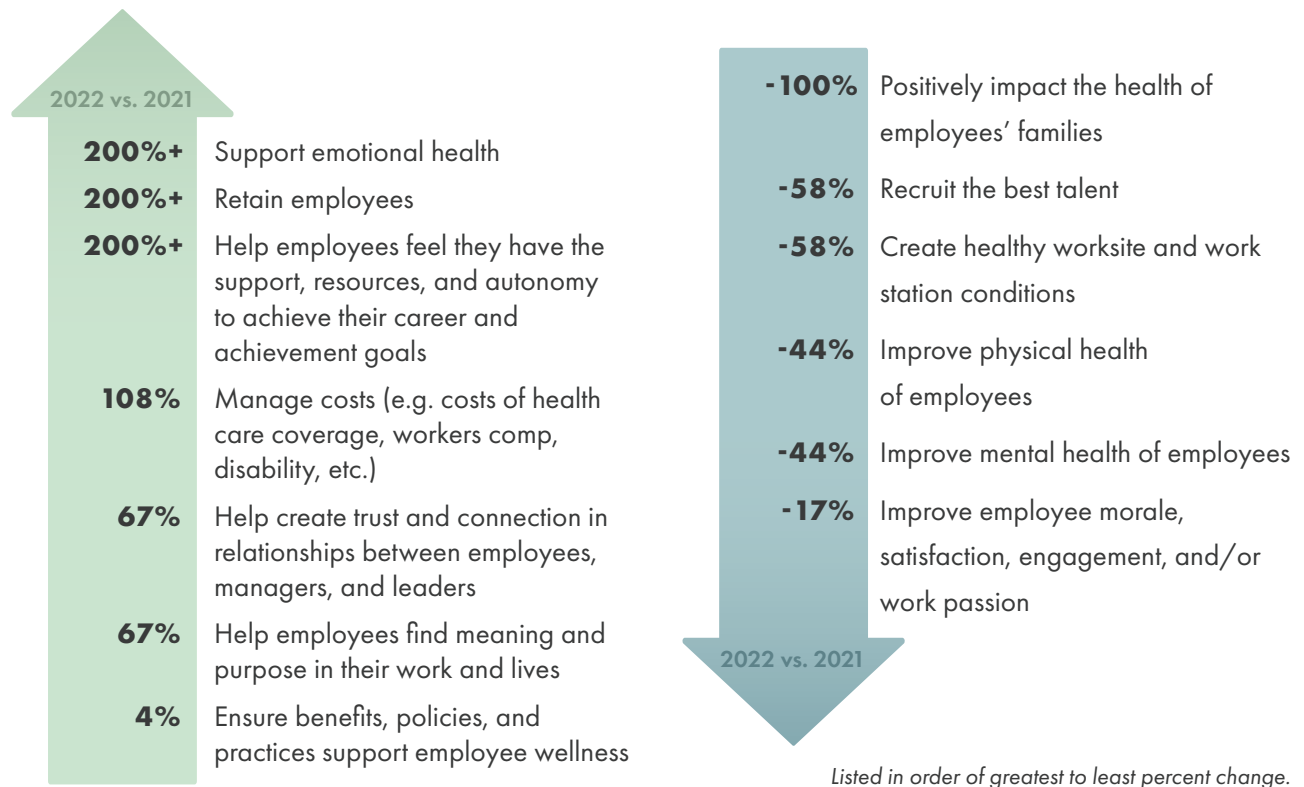


Cost containment is the primary or secondary strategic focus of our well-being program

While cost containment still takes the cake for most common primary or secondary focus (and was important to even more companies in 2022), the top two strategic focuses are shifting away from holding employees personally accountable to their physical well-being, and toward employers looking inward at their locus of control. Employers have the agency to create environments and cultures that support employee well-being in a more broad sense. Support for emotional health, helping employees feel they have what they need to achieve goals, and creating trust and connection in relationships at work are among the strategic focuses of companies going into 2023. (See Figure 1)

“Strategic focuses are shifting away from holding employees personally accountable to their physical well-being, and toward employers looking inward at their locus of control...”

Figure 1: Top 2 Strategic Focuses



[Learn more about shifting away from outcomes-based well-being »](#)

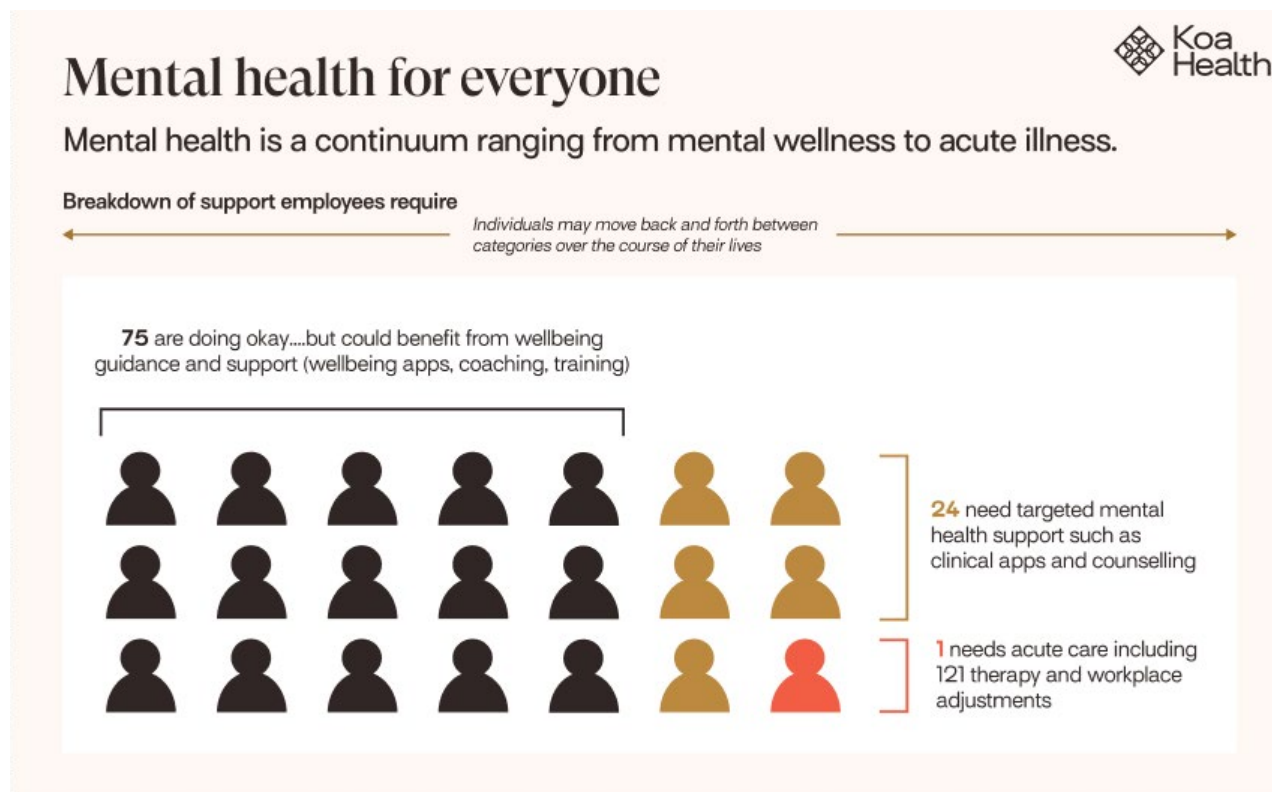
THE HUMANITY OF WORK

The underlying crises exposed and exasperated due to the COVID-19 pandemic include, but are not limited to, substance use disorder, depression, anxiety, and PTSD. In response, spending on mental well-being apps has seen such [strong growth globally since 2019](#). The recent release of the [Surgeon General's framework for mental health](#) is a further call for employers to be an active part of the solution. The shift in strategic focus (*Figure 1*) is evidence that employers have already begun to respond to the priorities within the Surgeon General's framework.

In a recent survey of 500 business leaders from across the United States and United Kingdom, [Koa Health](#) found that the majority (61%) agreed mental health was a priority at their organization and planned to do more to support employee mental health, but a similar percentage (58%) said they had no plans to increase budget. Given the current economic climate and businesses' focus on cost-containment, this is far from surprising, but is reason for serious concern, as many employees are not receiving the support they need.

Many employers and the majority of survey respondents offer mental health care through their EAPs and private medical insurance. However, while useful, these resources are designed to cover care for people with a clinical diagnosis and tend to work reactively. In addition to the many people who experience clinically significant symptoms, a large portion of the working population—estimated at a staggering 75%—would benefit from proactive mental well-being support prior to acute need. [Koa Health](#), who offers an evidenced-based digital mental health platform, refers to this large cohort of employees as the “missing middle”. These individuals, who represent the vast majority of employees, experience temporary periods of overwhelming stress, overwork, apathy, and discontent that impact their quality of life and ability to thrive at work and at home. The reality is that employees’ needs vary over time, with most people moving between levels of need throughout the course of their lives. (See Figure 2)

Figure 2



Employers must take into consideration recent research from [Deloitte](#) that points to a significant gap between leadership’s perception of employee mental health and the resources offered by employers compared to employees’ self-reported needs and experience. Both employees and leaders are finding it difficult to prioritize their well-being, with members of the c-suite struggling with mental health issues at similar rates to their workforce.

[Gartner’s 2021 Hybrid and Return to Work Survey](#) underscored the paradigm shift employees have experienced over the last few years. Due to the COVID-19 pandemic, at least 50% of employees are rethinking the place work should have in their lives, are questioning the purpose of their day-to-day job, and/or have shifting expectations and perceptions of their employer. Employers should be reflecting similarly on the value proposition they offer to and relationship they have with their employees:

- What **place** does your workplace have in the lives of the people clocking in?
- In what ways can your company contribute to a **sense of purpose and meaning** for employees?
- Are your well-being initiatives designed to help employees **understand their purpose and find meaning** in their work and lives?
- Are your well-being initiatives and success metrics designed to support employees **along a spectrum of well-being**?

Assess how optimized your organization is to deliver well-being for modern work.

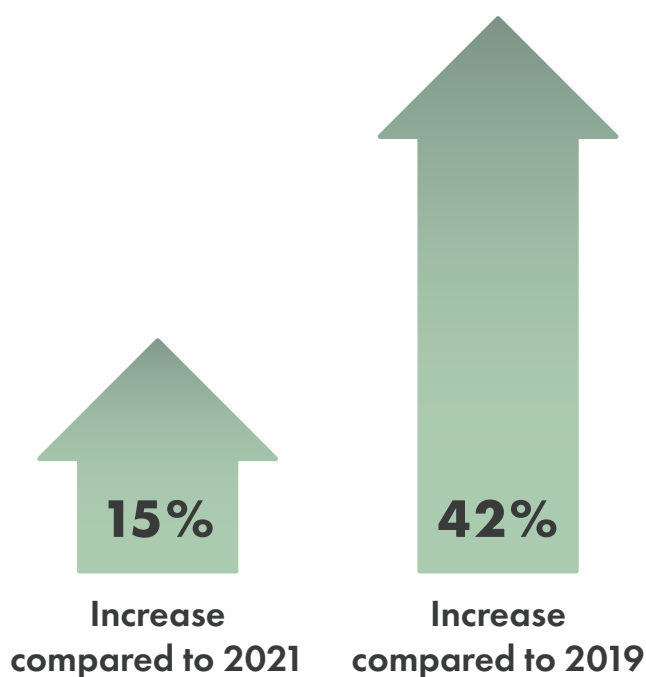
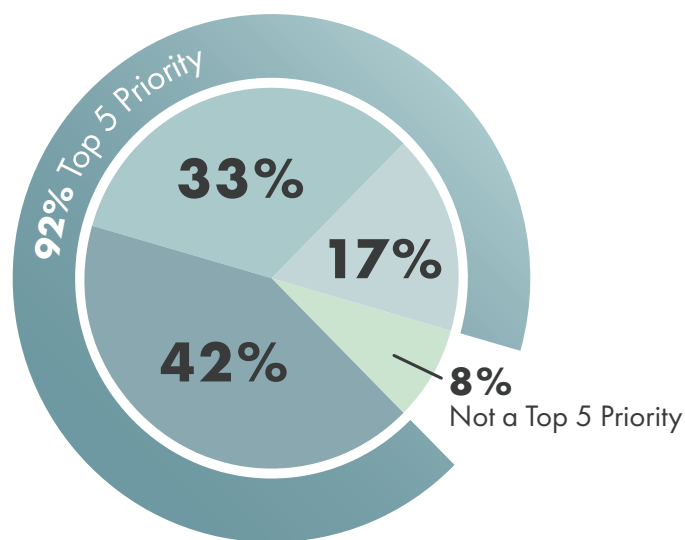
[Complete the WELCOA Checklist »](#)

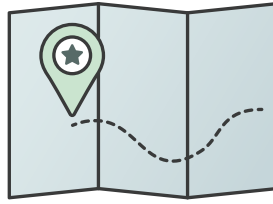
DESIRED OUTCOMES

In 2022, when employers were asked to rank the top five desired outcomes that they want to achieve overall with their well-being approach, 92% of employers cited “attract and retain the best talent”, with the majority of those ranking it as one of their top two desired outcomes. According to the [US Bureau of Labor Statistics](#), an average of 4.2 million people quit their jobs every month from May through August 2022. Businesses must quickly understand and respond to plummeting retention rates with solutions that are most likely to have an immediate and lasting impact, hence a notable increase in employers paying attention to how well-being and employee retention are closely connected.

However, in a WELCOA survey conducted in 2019, less than one well-being professional was allocated per 1,000 employees. The evidence in this report should quell any uncertainty that adopting a non-medicalized, employer-focused approach to employee well-being is mission critical for companies to shift more resources to.

Desired Outcome: Attract & Retain the Best Talent





YOU ARE HERE

To lead employee well-being in 2023 is to understand the way that the organization will develop to support employee thriving. Given that employee well-being has conventionally been situated in a physical health strategy, many experts have cited feeling “out of scope” or outside their expertise within their role.

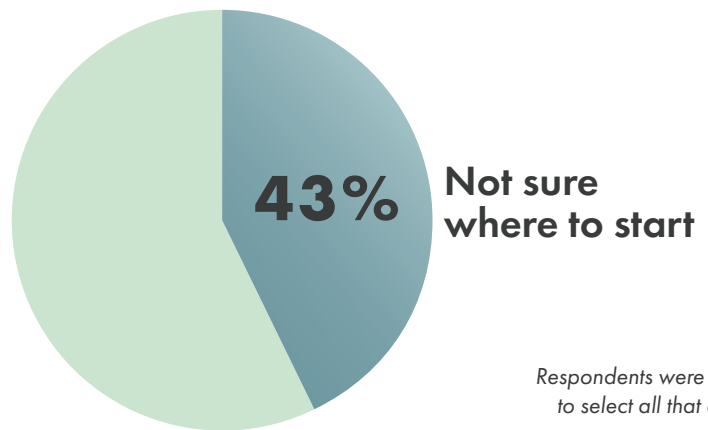
“The new well-being expert is not expected to be an expert in all dimensions of well-being, but that doesn’t mean that those who have traditionally led are not the right experts at this time. These experts know intimately the needs of their employees and the dysfunction of the companies they work within.” says Maggie Gough, COO of WELCOA. “Don’t step away. This is a call to step into your leadership and for you to be an advocate of the work being done.”

In particular, addressing psychological safety and mental well-being in the workplace is complex, both in implementation and in how to appropriately define and measure outcomes. When asked about top challenges of responding to issues of safety in the workplace, 43% of HR and well-being professionals stated they were not sure where to start.

Like much of the workforce, HR and well-being professionals have been wearing many hats for a while now and they must actively seek to up-skill in order to meet the demands of their evolving roles.

In 2022, the [WELCOA Institute](#) saw a 237% increase in professionals achieving faculty status—a designation that demonstrates an exceptional commitment and dedication to pursuing excellence in employee well-being via the completion of 24 hours of training. Among the most popular topics for those who achieved faculty status this year are tactical solutions for fostering psychological safety, transitioning away from outcomes-based well-being, and leveraging emotional intelligence to influence change. Similarly, LinkedIn reported the most popular [LinkedIn Learning courses taken by HR leaders in 2022](#) included talent development, operations, and leadership skills topics.

What are your top challenges to addressing issues of physical and psychological safety in the workplace?



Dramatic increase in pursuit of [faculty status on WELCOA Institute](#) in 2022

Savvy professionals also leverage technology and partnerships to guide strategy when internal resources are thin. Market research conducted by WELCOA and [Archetype](#), a corporate well-being investment and consulting firm, revealed that employers are relying more heavily than ever on consultants and brokers to help aggregate, analyze, and interpret the vast amount of data available to ensure their decision making is founded. Despite the resources and hours required to continuously deliver insights to employers, consultants and brokers often provide this additional support. Given the effort it will take to achieve change, WELCOA anticipates continued increase in demand for well-being support for organizations.

WHEN LEADERSHIP ENGAGES

When polled, employee well-being professionals stated as many as seven separate departments may be involved in developing and implementing policies and practices to support the safety and well-being of vulnerable employees. While well-being and/or HR departments are typical key stakeholders, other departments must take an active role. As businesses widen how they define well-being and it becomes a priority for multiple stakeholders within the organization, who is the ultimate champion? When well-being belongs to everyone, who leads the work?

“...that’s a sign you’re doing something right.”

—Sara Martin, CEO of WELCOA

“WELCOA’s Checklist is [a powerful analytics tool](#) that allows companies to measure the extent to which they have built well-being into their corporate DNA,” says Sara Martin, CEO of WELCOA. “WELCOA helps companies measure the alignment between the business goals of the organization and the goals of the well-being strategy. If your organization is feeling the strain of having many cooks in the kitchen - of having many departments and leaders at all levels who are passionately expressing the need to care for employees in better ways—that’s a good sign that you’re doing something right. Keep going, and consider giving well-being a seat in the c-suite on your org chart next year.”

Is your organization ready for a Chief Well-being Officer?

[Access the toolkit to find out »](#)

THE SOLUTIONS LANDSCAPE

Market research conducted by WELCOA and [Archetype](#) also revealed an increased desire for specialized well-being tech. Mobile apps and services that focus solely on mental health, financial well-being, chronic conditions, care navigation, and resilience skill building, for example, focus on one narrow pillar of well-being. The Well-being Trailblazer Awards are designed to highlight companies who are disrupting the market and breaking ahead of the pack. The fact that nearly 80% of applicants for the [2022 Well-being Trailblazer Awards](#) were specialized vendors speaks for itself. Award winners are selected based on demonstrated measurable impact, achievement and growth, innovative vision, and market leadership. All four award winners were specialized tech.

Do you know an employee well-being vendor who is blazing the trail for how work is designed for well-being?

[Nominate them for the award »](#)

While employers see the impact that specialized tech is delivering, according to PitchBook.com, a primary struggle for these vendors is in maintaining quality and depth of service while achieving the scale required to lead in the marketplace. Employers are ensuring employees feel cared for and heard as the ups and downs of being human unfolds for each individual by providing a variety of supports that offer a spectrum of care as needed. However, in order to create a seamlessly integrated employee interface and understand the complete employee well-being journey through aggregated insights, one needs only to look at creative vendor partnerships and [recent mergers and acquisitions](#) which are likely to continue in the next year.

Browse hundreds of vendors on [WELCOA Select »](#)
The first and only well-being vendor selection tool that leverages insights from the WELCOA community.

2023 RECOMMENDATIONS

For organizations who are ready to take action, this report reveals a few key tactics to take into consideration.

- **Keep learning**
94% of well-being professionals believe they can build a better workplace and 96% feel they have leadership buy-in to address issues of psychological safety in the workplace. Employee well-being professionals who grow their expertise in organizational development and effective leadership will continue to make strides toward desired outcomes in the workplace.
[Sign Up for 2023 WELCOA Events »](#)
[Subscribe to WELCOA to access toolkits and trainings only available to subscribers »](#)
- **Define outcomes and design ways to measure those outcomes**
72% of business and HR professionals agree that accountability is critical for business success. The disconnect is that only 25% of businesses are tracking business outcomes as they relate to the organization's well-being strategy. Work collaboratively with your consultants, vendors, and internal teams to clearly define and measure the metrics most important to your organization.
[Read more in the 2022 Workplace Well-being Best Practices Study »](#)
- **Onboard evidence-based specialized solutions**
Of more than 20,000 mental health apps available today ([Deloitte](#)), just 3% have the evidence to back them up ([The Lancet](#)). Fewer still have clear ethical commitments in place.
[Learn more about identifying evidence-based health solutions »](#)
[Learn more about vendor ethics »](#)
- **Self-care**
As employee well-being professionals, your journey through the pandemic has been long and arduous. You are part of something bigger than yourself. Your work matters. Check-in with yourself. Are you caring for yourself in the ways you would want your employees to care for themselves? Where are the gaps? Most likely, the resources you need for self-care would benefit the population you serve.
[Read more in WELCOA's Definition of well-being »](#)
[Sign up for WELCOA's mailing list »](#)

ABOUT WELCOA

For 30+ years, WELCOA has served as the source of information and inspiration to propel the employee well-being profession forward. We offer inclusion in a thriving community of well-being enthusiasts, comprehensive training led by the nation's top experts and access to an expansive library of effective tools and templates.

WELCOA's mission is to be a transformative force that improves the health and well-being of all working people. As a purpose-driven, nonprofit organization, we are squarely and solely focused on generating health and prosperity for our Subscribers, their companies and the places we all call home.



ABOUT KOA HEALTH

Koa Health offers integrated mental health solutions, from improving wellbeing to supporting treatment for a range of common mental disorders. Grounded in science and clinically validated techniques, our solutions are accessible and personalized to users and their unique circumstances.

Backed by investors including Telefónica, Ancora Finance Group, Wellington Partners and MTIP, Koa Health leverages technology and research to enable people to change their behavior with effective support that adapts to their individual priorities. Koa Health has operations in Spain, the US and the UK and partners with leading clinicians and academics including Massachusetts General Hospital, University College of London, the London School of Economics, Birmingham and the Solihull Mental Health NHS Foundation Trust.