

# **A Guide To Workforce Resilience**





# Why Workforce Resilience Is a Critical Issue

An organization is only as resilient as its people. The Great Convergence is testing businesses' resilience. To navigate these pressures, protect revenue and hit growth targets, leaders need to focus on their people.

# Contents

- 1** What Is the Great Convergence?
- 2** What Are the Major Issues Organizations Are Facing?
- 3** What Are the Opportunities Created by These Issues?
- 4** Why Is it Imperative To Act?
- 5** What Should Be Done Immediately?
- 6** What Should Organizations Be Doing Long-Term?
- 7** Resilience Is Everyone's Responsibility
- 8** Further Insights



# What Is the Great Convergence?

Today's business climate is dominated by complexity and change. Converging challenges are impacting organizations globally:

- **Digital convergence:** Changing consumer demands and evolving business models are bringing companies closer together
- **Skills convergence:** The growing focus on transferrable skills across roles, businesses and industries
- **Social and work-life convergence:** Employees' focus on both work/life balance and their own wellbeing is helping to drive a tight labor market
- **Stakeholder and macroeconomic convergence:** This is driving the need to balance the needs of shareholders, customers, employees and communities



# What Are the Major Issues Organizations Are Facing?

## Attracting and retaining the right talent is more difficult than ever

86 percent of HR leaders say that a talent shortage is their top concern.

Attrition is part of what is driving a significant loss of skills being reported by more than three quarters of employers<sup>1</sup>. High turnover is associated with decreased performance<sup>2</sup>. When a company loses talent, it's more than just the skills that are walking out the door. The resulting pressure on remaining employees to compensate for the loss of skills causes more stress, burnout, and loss of productivity which directly impacts profitability.

## Employee expectations are expanding, thanks in part to a tight labor market

Firms are learning that benefits that used to be cutting edge, such as an Employee Assistance Program, are now the bare minimum. Employees now require support for their entire life experience — at home, at work, and in the community.

If that support isn't there, employees will go elsewhere. 65 percent of employees say they have stopped a hiring process because of an unattractive employee value proposition<sup>3</sup>.

<sup>1</sup>Global HR Pulse Survey: Managing the Great Resignation (aon.net)

<sup>2</sup>Managing the Impact of Employee Turnover on Performance: The Role of Process Conformance - Article - Faculty & Research - Harvard Business School (hbs.edu)

<sup>3</sup>Aon Client Insights: Over 800 companies responded in Dec. 2021: Aon Global HR Pulse Survey Results – 8th Edition



### The health and wellbeing of employees remains on a steady decline

At any given time, 1 in 6 working-age adults have symptoms associated with mental ill health<sup>4</sup>. Alongside rising mental health concerns, long-term illnesses continue to directly impact employees. Cancer affects 1 in 2 people — potentially half the workforce<sup>5</sup>.

Employees are emotionally exhausted and more than a quarter of employees say that concerns about their financial wellbeing affect their work.

Non-resilient employees are 27 percent more likely to have trouble concentrating, and 39 percent less likely to have good energy levels, impacting their productivity<sup>6</sup>.

Consider how many employees may require long-term leave and how this could impact business performance.

# 86%

of HR leaders say that a talent shortage is their top concern<sup>7</sup>

# 1 in 6

working-age adults have symptoms associated with mental ill health<sup>4</sup>

# 1 in 2

people are affected by cancer — potentially half the workforce<sup>5</sup>

<sup>4</sup>Mental Health Statistics - MHFA England

<sup>5</sup>Cancer Research

<sup>6</sup>Aon-The Rising Resilient-eBook

<sup>7</sup>Aon Client Insights - Global HR Pulse Survey 8th Edition



### **The cost of and access to care are driving many employees' concerns about their health and wellbeing**

Health disparities are being exacerbated by employees who are delaying or avoiding care because of the high costs, and companies are scrambling to ensure that care is being delivered in inclusive and personalized ways. Having the right health and interventions in place can directly reduce staff absenteeism, not only creating a stronger and more resilient workforce, but reducing medical costs and supporting the bottom line.

### **Creating a diverse business**

The emerging focus on diversity, equity and inclusion (DE&I) and understanding the future potential of the workforce is a growing pressure for organizations globally. In order to be resilient, workers need to be equipped with the right skills, capabilities and feel a sense of belonging; they must feel accepted and appreciated for their whole selves with a seat at the table. Diverse businesses, both demographics and mindset also perform better. A recent study found that more diverse companies are 36 percent more profitable than those that are less diverse<sup>8</sup>.

### **Measuring the return on investment and return on value**

“

It's natural to ask, “What's the ROI on resilience?” But, again, that philosophy assumes a discrete investment in resilience, whereas we take a broader view. If resilience drives opportunity in times of volatility, then it's not ancillary to the core business. Fundamentally, resilience is the business. Having the ability to quickly take action at scale while others are struggling to mobilize opens doors.

Leaders who are unable to link the two may be less resilient than they think in times of unexpected volatility. Those who clearly establish how resilience fits into their core business—and use that understanding to inform better decision making—can most effectively protect and build their businesses.

— **Greg Case, Chief Executive Officer, Aon**

<sup>8</sup>Diversity wins: How inclusion matters (mckinsey.com)



# What Are the Opportunities Created by These Issues?

30 percent of employees identify as being resilient<sup>9</sup>, leaving a massive untapped potential to change how people perceive their work.

A resilient workforce is one that can withstand the unpredictability of major events and come out stronger on the other side. This ensures businesses continue to deliver value for their customers, key stakeholders and shareholders.

**An improvement of only a few percentage points in employee wellbeing can boost a company’s bottom line.**

While these may seem like small increments, imagine the impact of this across a global company. Even if we assume an annual revenue of \$12 billion per annum, 5% represents a \$600 million impact. These also can be compounded as these initiatives can be linked to key cornerstones of an effective employee value proposition.

<sup>9</sup>Aon-The Rising Resilient-eBook  
<sup>10</sup>2021 Global Wellbeing Survey | Aon

Better wellbeing performance leads to better business outcomes, including<sup>10</sup>:

Business Outcome	Increase in Wellbeing Performance	Increase in Business Outcome
Customer satisfaction and retention	3%	1%
Employee satisfaction and customer acquisition	3.5%	1%
Company profit	4%	1%
Commitment to innovation net promoter score employee engagement	5%	1%
Decreased employee turnover	4%	1%

Source: Aon Rising Resilient Report

A significant majority of companies are taking another look at these elements:



Flexible working



Work/Life Balance



Career Development



Benefits



Compensation

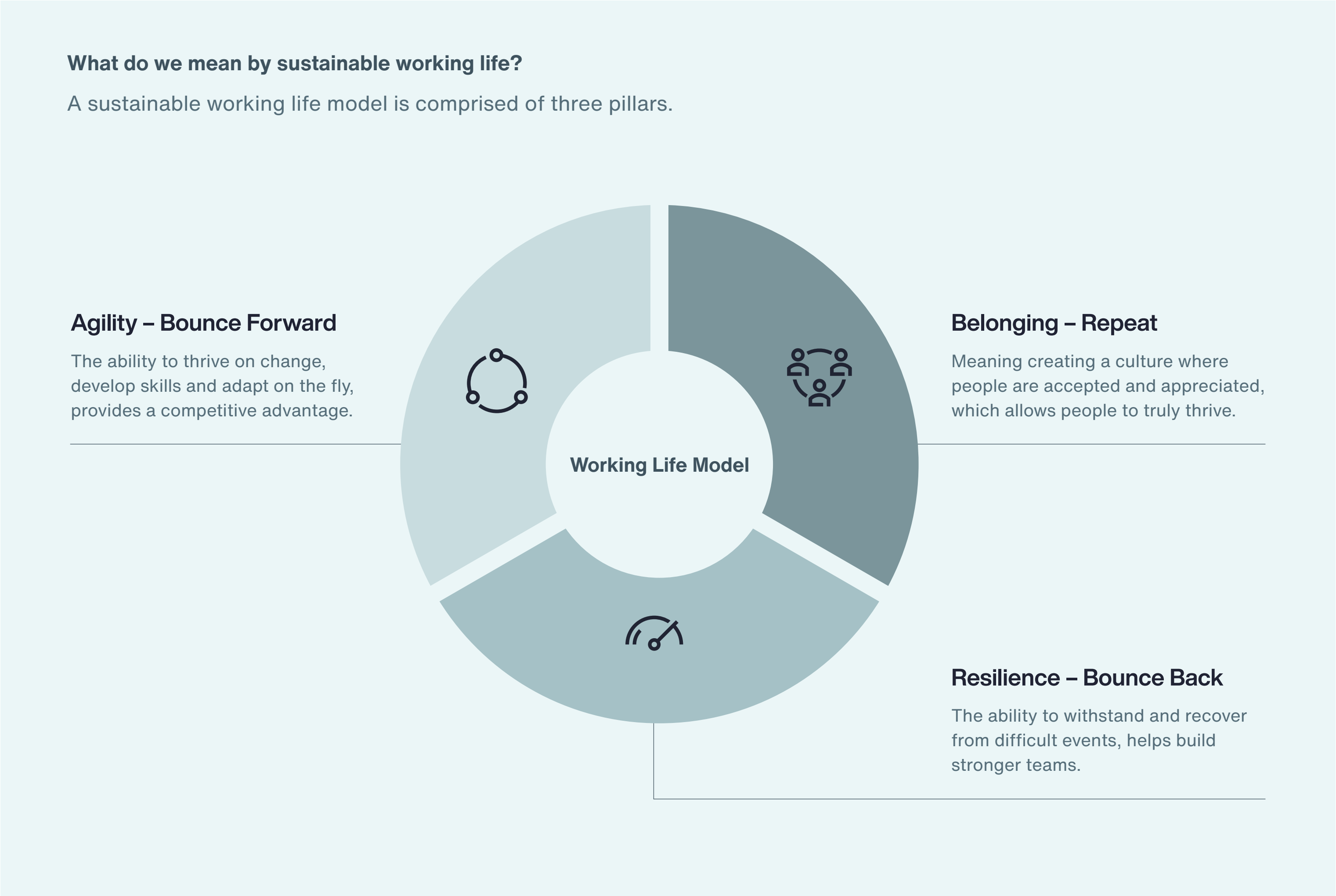


Recognition<sup>11</sup>

<sup>11</sup>Aon Client Insights: Over 800 companies responded in Dec. 2021: Aon Global HR Pulse Survey Results – 8th Edition

Building a sustainable working life

Organizations now can work toward building a sustainable working life. Companies that invest the time and resources in building a sustainable working life for their employees will have a competitive advantage.



# 4 Why Is it Imperative To Act?

## 41% of employees worldwide plan to leave their jobs this year<sup>12</sup>.

If this number includes some of your most skilled employees, how will this impact your organizations' operational and financial performance?

Resilient people make stronger teams. Resilient teams deliver stronger business performance.

Resilient employees are more likely to be enthusiastic about their work and report better concentration and satisfaction, translating into loyalty. 93 percent of resilient employees say they want to remain with their current employer for the foreseeable future, compared to about half of employees who are not<sup>13</sup>.

### Quantifying Workforce Resilience

Often, the challenge for many workforce-based initiatives is quantifying the return on investment. The impact of intangible factors such as employer brand, employee wellbeing and engagement are difficult to quantify, but there are several measurable levers which can help leaders build a resilient workforce:

- Growing financial wellbeing
- Encouraging physical and mental health
- Minimizing people risk
- Develop future skills
- Provide structure and control
- Optimizing people spend and investment
- Creating value
- Fostering adaptability
- Developing capability

Importantly, all the above can also be measured to help prioritize where to focus and provide an understanding of what impact may be gained.

<sup>12</sup>35 Great Resignation Statistics in Australia for 2022 | Employment Hero

<sup>13</sup>Becoming a rising, resilient business – Aon Rising Resilient



# What Should Be Done Immediately?

Leaders have the opportunity to use data, to stand back and see the trends across the whole organization.

## Things to consider:

- It's a workers' market. Demand is high and a skilled worker will have more choices available to them. How does your employee value proposition hold up across pay, total rewards, flexible working and other key factors?
- How is the great resignation impacting our company? What are the biggest risks?
- Do we know what skills and capabilities are most in-demand? What are we paying for these skills vs. the rest of the market?
- What will automation and technology cost? In automating certain roles, hiring skilled professionals - with a higher market value - to implement and manage new technologies can outweigh the savings made by reducing the original headcount.
- What are the most important health- and wellbeing-related workforce drivers for your organization?
- What programs do you currently have to address mental health, substance abuse, cancer, diabetes, obesity, MSK and other high-cost claimants?
- How are you currently addressing healthcare cost pressures and/or employee affordability concerns?

**The sooner these questions can be answered, the sooner leaders can make better decisions for the long-term.**



# 6 What Should Organizations Be Doing Long-Term?

Building a resilient workforce isn't an event; it's a process. Leaders must be adaptable, able to respond to changing conditions, and willing to adjust course. A roadmap should include:

## Discover

- 1. Quantify the opportunity.** There are many levers that could be used to build workforce resilience, which ones will have the greatest impact both financially and intangibly? Harnessing data will enable organizations to measure resilience, compare the opportunities and focus on where impact will be most felt.
- 2. Initiatives** such as focus groups, workshops and 1:1 sessions are critical to long-term sustainability. The c-suite has an important role to play in connecting with leaders who are actively engaged in workforce resilience to understand best practices and amplifying them across the business.
- 3. Supporting this with quantitative surveys** can also help give employers an understanding of where their employees' needs are not being met.

## Develop and Deliver

- 1. Range is key.** Initiatives must be designed with inclusivity in mind.
- 2. Remain receptive** to how the initiatives are being received. Consider the employee engagement and collect feedback.
- 3. Sharing information** is vital to the success of these programs, as more informed decisions are likely to lead to more successful outcomes.

## Review

- 1. Review the success** of each initiative against success criteria, identify any lessons learned and act on them.
- 2. Keep the return on investment in mind** to align next steps with strategic priorities.
- 3. Embrace change.** Programs may need to be altered, or scrapped completely in favor of competing priorities.

# Resilience Is Everyone's Responsibility

Building resilience demands engagement from leaders and employees across the entire organization as a collective.

Resilience does not exist in isolation, and leaders should focus on driving connections across the business to share activities, experiences and opportunities across risk, finance, people and operations.

## Conclusion

VUCA-based disruption has become the standard business operating environment; economic and social pressures, a complex and volatile geopolitical status quo, and other operational demands will continue to cause disruption, meaning companies need to be ready for anything.

An increase in resilience can have meaningful and measurable impact and directly translate into profit growth. By focusing on workforce resilience, organizations have an opportunity to boost business performance and make better decisions for long-term sustainability.



**Assess Your Workforce Agility**

[Aon Workforce Agility Assessment Tool](#)

**Assess Your Workforce Resilience**

[Aon Workforce Resilience Assessment Tool](#)

**Thought Leadership**

[Accelerate your workforce into the future](#)

[Location strategy and remote working](#)

[Future of pay](#)

[Diversity equity and inclusion](#)

[Future skills](#)

[Becoming a rising resilient business](#)





## Contact Us

Pete Bentley  
Chief Innovation Office  
Human Capital Solutions  
+65 94 52 63 27  
[pete.bentley@aon.com](mailto:pete.bentley@aon.com)

Stephanie DeLorm  
Global Advisory and Specialty Go-to-Market Leader  
Health Solutions  
+18 474 423 309  
[stephanie.delorm2@aon.com](mailto:stephanie.delorm2@aon.com)

[aon.com](https://aon.com)

## About

Aon plc (NYSE: AON) exists to shape decisions for the better—to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

©2022 Aon plc. All rights reserved.