Investing in human capital: Building a healthy workplace in a post-pandemic world

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Getting back to work after covid-19

The covid-19 crisis has changed how Americans work, with rates of remote work increasing from 17% to 44% in response to the pandemic1. Conversations are now taking place about how and when to negotiate a return to workplaces. But Gartner research shows two-thirds of organisations are delaying reopening due to concern about covid-19 variants2. Amid an unpredictable future for workplaces and talk of a “great resignation” that saw 4m Americans quit their jobs in July 2021 alone,3 employers are asking how to entice workers back to offices, and how to provide safe places that foster health and well-being.

To discuss this question, on October 20th Economist Impact hosted a fireside chat between Kate Perry, senior director for healthy communities at Independent Financial, a Texas-based financial institution ranked by Forbes as the country’s sixth-best publicly traded bank, and Piers MacNaughton, vice-president for health strategy at View Inc., a manufacturer of smart glass. Together, they have recently collaborated on research into the best investments firms can make in human capital as they prepare for a return to work.

The social determinants of health

The two speakers met during their doctorates at Harvard’s T.H. Chan School of Public Health, where they studied the impacts of the social determinants of health: genetics, behaviours, environments and health care. While employers neither can nor should involve themselves with workers’ genetics, they are uniquely positioned to make a difference to the three other determinants, which combined account for nearly two-thirds of the factors determining health.

During the pandemic, changes to behaviours and the environments where people spend their time have exacerbated health crises related to mental well-being, eating disorders, alcohol consumption and lack of exercise. Even among those fortunate enough to avoid furloughs and layoffs that may have cut off their health insurance, the loss of access to workplaces and the relationships they harboured may have diminished their well-being. Gallup’s most recent State of the Global Workplace Report has linked remote work with an increase in social isolation and overwork\(^4\). And a national-scale survey has found that flourishing, a measure of overall well-being that encompasses happiness, health, meaning, character, relationships and financial stability, saw a moderate decline from January to June 2020\(^5\). Remote work has also reduced employers’ ability to promote well-being through the provision of wellness programmes and healthy workspaces.

“As an employer we play an important role in the health and well-being of our employees and of the larger communities we serve.”

Kate Perry, senior director for healthy communities, Independent Financial

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The link between work environments and social status

In their research, Dr Perry and Dr MacNaughton surveyed over 1,000 employees working in Independent Financial's corporate offices and financial centres, gathering responses from nearly 75% of the company’s workforce.

They discovered that workers at Independent Financial scored highly on all aspects of flourishing compared to the national average and to other corporate workforces surveyed before covid-19. This is due to the investments the firm has made in employee well-being by avoiding furloughs and layoffs, encouraging healthy behaviours through wellness programmes, and designing workplaces to provide amenities that contribute to job satisfaction.

The first of the team’s four main findings from the survey was that workers valued a healthy workplace environment more than wellness programmes. When they examined which wellness perks did most to foster well-being, four of the top five were workplace amenities. Secure parking topped the list, with 85% saying it improved their experience at work, followed by kitchen and break areas (84%), smart tinting windows (70%) and walking trails (69%). A gym subsidy, tied for third place at 70%, was the only wellness programme initiative to make it into the top five.

Four findings about healthy workplaces

1. Creating a healthy workplace environment may be more effective at supporting employee health and flourishing than opt-in wellness programmes.

2. Healthy office spaces play an important role in workplace equity.

3. Offices are valued as places to think, create and collaborate.

4. Employees are more likely to want to return if their office is healthy.

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<table>
<thead>
<tr>
<th>Rank</th>
<th>Program or Amenity</th>
<th>% reporting it improves their employee experience</th>
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<tbody>
<tr>
<td>1</td>
<td>Secure Parking</td>
<td>85%</td>
</tr>
<tr>
<td>2</td>
<td>Kitchen / Break area</td>
<td>84%</td>
</tr>
<tr>
<td>3 (Tie)</td>
<td>Smart Tinting Windows</td>
<td>70%</td>
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<tr>
<td>3 (Tie)</td>
<td>Gym Subsidy</td>
<td>70%</td>
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<td>5</td>
<td>Walking Trails</td>
<td>69%</td>
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<tr>
<td>6</td>
<td>Biometric Screening</td>
<td>61%</td>
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<td>6</td>
<td>Educational Webinars</td>
<td>56%</td>
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<tr>
<td>7 (Tie)</td>
<td>Online Health and Financial Wellness Programs</td>
<td>56%</td>
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<td>7 (Tie)</td>
<td>Outdoor Balconies</td>
<td>56%</td>
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<tr>
<td>10</td>
<td>Wellness Challenge Activities</td>
<td>55%</td>
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<tr>
<td>11 (Tie)</td>
<td>Employee Assistance Programs</td>
<td>54%</td>
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<tr>
<td>11 (Tie)</td>
<td>Fitness Facilities</td>
<td>54%</td>
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<tr>
<td>12</td>
<td>Personalized Programs</td>
<td>51%</td>
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<tr>
<td>13</td>
<td>Bike rack</td>
<td>18%</td>
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**Legend**

- **WORKPLACE AMENITY**
- **WELLNESS PROGRAM**

The primacy of workplace environments in supporting wellness ties into the second major finding of the survey, that prioritising amenities supports equity within organisations. Women and workers with lower levels of financial flourishing were more likely to value amenities than their other colleagues. Wealthier employees were more likely to see value in opt-in wellness programmes such as a gym subsidy, which, paradoxically, are used most by those who need them the least. Investing in amenities, conversely, does most to promote the health and flourishing of those most in need of support, including employees who may not have a home environment that is conducive to wellness while working remotely. “People within the company that reported having less financial security were the ones that preferentially ranked physical amenities over wellness programmes,” said Dr MacNaughton.
Healthy environments aid flourishing and business performance

Lower-income workers suffer most from time spent out of the office, due not only to the quality of their home environments but also the eventual effects on morale and their perceived opportunities for professional advancement.

This may stem from employees’ preference for spending time in the office to collaborate, build relationships with their colleagues and get ahead at work. Only 7% of survey respondents rated working from home as being better for relationships with colleagues, while 55% rated the office as better. This sentiment cut across all levels of the organisation.

The built environment of the office also contributes directly to employee flourishing. When designing its new headquarters building, which opened in 2019, Independent Financial invested in office amenities including views of nature, outdoor balconies, smart tinting windows and access to walking trails, all of which featured in the top ten wellness perks identified by the survey. “Air quality, access to daylight and views, acoustics and thermal comfort are all critical to make the office a place that people want to come back to,” said Dr MacNaughton.

Employee access to views offers an intriguing case study in how the office can improve flourishing. The survey results show that employees reporting they are very satisfied with the views from their desk have higher flourishing scores than those who were very unsatisfied with the views. Unsurprisingly, workers with desks next to a window are most likely to be satisfied with the quality of their view. But in a typical office environment, where blinds or shades are used to control light and heat, only 57% of those seated within 0-5 feet of a window report being very satisfied with the view. That drops dramatically to just 8% within 5-10 feet of the window and to zero beyond that.
By contrast, where smart tinting windows are installed rather than blinds, view satisfaction is dramatically higher. Right next to a smart tinting window, 92% of workers feel very satisfied with the unobstructed views, and that satisfaction remains as high as 63%—higher than the highest rating in a building with blinds or screens—even for desks 10-20 feet from a window.
Investing in human capital helps businesses and communities thrive

The case of smart windows shows how creating healthy physical environments for work can have significant and even surprising effects on employee flourishing. “Investments in human capital produce a really strong ROI,” Dr Perry said.

Part of that return will come through encouraging workers back into the office, where their flourishing can be enhanced by a space that is designed and operated well, promoting health, wellness and productivity. Providing a healthy office space made employees 41% more likely to prefer working in the office rather than at home.

In disrupting the connection between worker and workplace, the covid-19 pandemic has shown how the health of people and the economy are intimately connected. “Healthy, flourishing employees are more productive and engaged,” said Dr Perry, so successful leaders will invest in human capital, particularly by creating healthy offices, to strengthen their business fundamentals. “Businesses thrive when their employees and communities thrive,” Dr Perry concluded. “In the post-pandemic world, investments in health and well-being will be core to their resilient business strategies.”

Kate Perry, senior director for healthy communities, Independent Financial

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