

A Whole-Person Approach to Employee Wellbeing

Why employers are taking a more holistic approach to healthcare and wellbeing



Gallagher

Key Insights

1

Medical benefit costs continue to rise, but employee engagement and health outcomes are not improving.

2

Employers are thinking differently about health and wellbeing amid changing workforce demographics and expectations.

3

Prevention is better than cure. Effective healthcare moves beyond short-term fixes to tackle the root causes.

4

A holistic approach to healthcare focuses on the “whole person” and their physical, mental, social and financial needs.

5

Demonstrating Return on Investment (ROI) requires expanding traditional metrics and recognizing wellbeing as a strategic asset, not a cost center.

Health at Work: Symptoms of a Perfect Storm

Rising healthcare costs, shifting demographics and mental health challenges are converging to create a perfect storm.

Alongside physical health, mental health and financial wellbeing are suffering amid high stress and burnout, the cost-of-living crisis and [AI-fueled job insecurity](#). Among the many workplace trends:

- “Quiet Quitting,” “Bare Minimum Mondays” and the “Great Resignation” have entered the workplace lexicon in recent years. Together, they are indicative of the [pressures facing many employers](#).
- The pandemic’s lasting impact continues to [reshape the workplace](#). Hybrid models are now standard, impacting traditional benefit structures and influencing how organizations communicate, build culture and engage their staff.
- The workforce itself is changing, with issues such as longevity and later retirement shaping health and wellbeing priorities. In this evolving landscape, the question isn’t just how long employees live — but how well they live.



“We must consider two concepts: lifespan, which is predominantly genetic, and healthspan, how long one stays active and vital. Proactive, preventive care extends that period of vitality.”



Bill Bower
Healthcare Vertical leader
at Gallagher Bassett

At the same time, employers are facing significant challenges due to the rising cost of medical services and specialty drugs.

[Gallagher’s 2025 Benefits Benchmarks Report](#) shows that while 31% of US employers enhanced medical benefits in 2025, just 12% improved pharmacy benefits, reflecting the tough decisions firms are having to make.

The research also highlights a growing trend among employers to adopt holistic approaches that encompass physical, emotional, career and financial health.

“As employers and organizational leaders, we are at a pivotal moment — a moment where we can have a significant opportunity to reimagine the employee care experience,” says John Tournet, US CEO of Gallagher’s Benefits & HR Consulting division.

“Knowing that care encompasses all aspects of an employee’s wellbeing, from physical to emotional and financial needs, ensuring leaders have the right data to make informed decisions is more critical than ever,” he adds.

Taking a Whole-Person Approach to Health and Wellbeing

Many leading organizations say employees' emotional wellbeing is a [top priority in 2025](#), acknowledging the urgent need to address the effects of stress factors on individuals and their impact on overall organizational resilience.

At the core of this philosophy is a holistic view of healthcare, which recognizes the interdependence of physical, social, financial and emotional wellbeing.

The Four Pillars of Employee Wellbeing



Source: "Employee Wellbeing: Why It Matters and How to Improve It," *IMD*, Aug 2025.

A disruption in any of these pillars can harm a person's overall health and workplace performance.

Jennifer Cogbill, senior vice president of GBCARE Client Services at Gallagher Bassett, advocates for understanding "the broader context of the individual's wellbeing, including their behavioral health."

This holistic healthcare approach recognizes that someone who maintains a positive outlook on life, eats a balanced diet, effectively manages stress and has strong interpersonal relationships will recover faster from injury and be more productive overall. An example of this approach in action is the Clinical Concierge model created by Gallagher Bassett. It assesses an injured worker's risk profile, home support systems, personal concerns and any preexisting conditions and uses the information gathered to provide personalized support.

In implementing this model, organizations have reported a [25%](#) reduction in average medical costs per workers' compensation claim, and a ten-day decrease in injury duration and employee return-to-work time.

The model is designed to guide individuals through the healthcare system while helping them understand the broader impact of their injury.

"We are now in the early stages of expanding this model for group health, as we believe it can also benefit individuals in this sector," says Cogbill. "For instance, if someone receives a cancer diagnosis, it can be a life-altering event. They must navigate the healthcare system while worrying about financial issues and their career. Having a dedicated professional available to assist them in managing their injury and understanding other available resources would be incredibly valuable."



The Prevention Paradox

There is a growing focus on physical and mental health, and there have never been more data and metrics available on employee wellbeing and engagement. And yet, early intervention is still the exception.

Andrew Drake, area executive vice president and market leader at Gallagher, puts the challenge in stark terms, pointing out that in the UK, the National Health Service (NHS) spends around 90% of its budget on cure rather than prevention. “The NHS is heavily weighted in the wrong direction, and I know many corporate setups are similar,” he says.

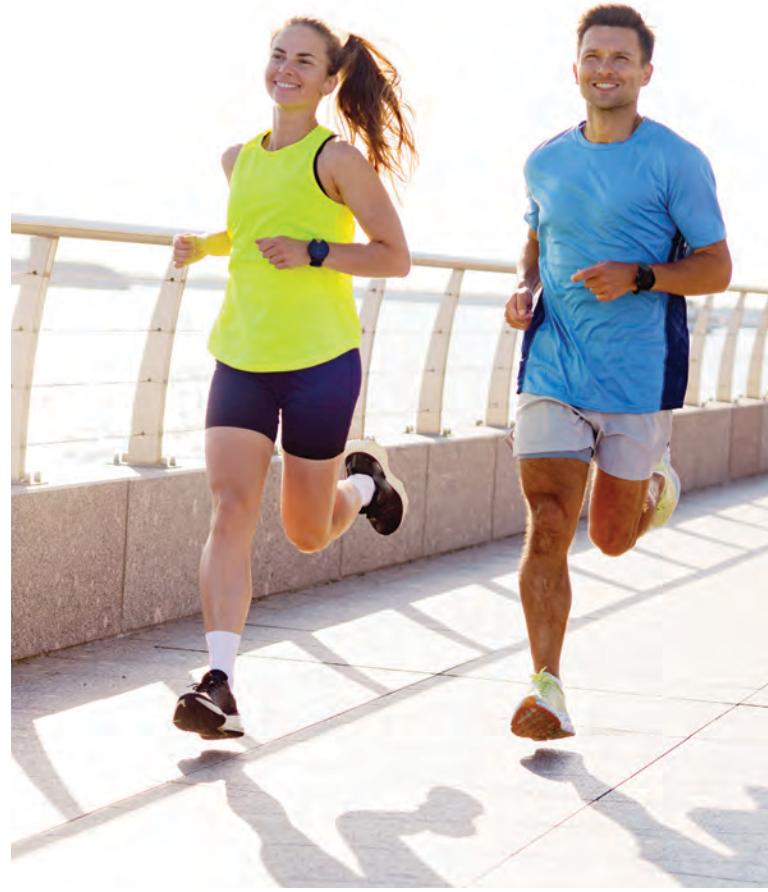
The misalignment of resources leads to a cascade of issues. Organizations often resort to what Drake describes as “temporary fixes to the symptoms without addressing the root cause.”

For instance, depression and anxiety cost the global economy USD1 trillion each year,¹ predominantly from reduced productivity, making mental health claims a major contributor to rising medical costs. Other root causes of ill health where earlier interventions may be possible include obesity, stress, depression, substance abuse, loneliness and financial strain.

In tackling poor mental health, there is a heavy reliance on point solutions — such as mindfulness apps, meditation programs and counseling services. A more effective approach requires the right benefits alongside effective internal communication via a range of channels.

For instance, when a global market research company proactively addressed mental health by removing stigma and promoting early intervention, it found “there was a higher frequency of cases, but the claims costs were lower,” Drake explains.

By intervening earlier with counseling and medical support, the total costs to the employer were significantly reduced, showing that prevention is also more financially sustainable.



Amanda Cran, healthcare proposition leader and principal at Gallagher, emphasizes that the focus should be “on sustainability rather than just reducing costs, prioritizing longer-term value over immediate cost savings.”

“Many decision-makers typically hold their positions for three to five years and want to make a meaningful impact,” she explains. “However, this short-term focus often prevails, especially as budgets continue to be squeezed. As a result, many preventative measures, such as screening, are often overlooked.”

“Companies may or may not have the budget to invest in new approaches, but many are hesitant to disrupt the traditional models they have been using.”

¹“WHO Sounds Alarm as Mental Health Conditions Soar Past One Billion Worldwide,” *UN News*, 2 Sep 2025.

Catering to the Needs of a Diverse Workforce

With retirement ages increasing, five generations — Baby Boomers, Gen X, Millennials, Gen Z and Gen Alpha — are now working side by side. This mix of generations, with its unique needs and expectations, is prompting organizations to rethink how they better support employees.

The solution lies in moving toward more targeted, demographic-specific benefits. This requires **leveraging data** and technology to give individual employees access to benefits they will find most valuable for their circumstances. Since people are not static, such offerings will need to evolve with the employee.

An aging workforce means that a growing proportion of adults (currently around one in five in the UK) are working with long-term health conditions. Employers require dedicated frameworks to tackle ill health and support wellbeing.²

This has financial implications. Many workers live well beyond average life expectancy, yet **retirement strategies** often fail to account for longevity. Instead, organizations must help employees plan for how long they could live, not just how long statistics suggest they might.

Effective communication is essential to helping employees navigate the benefits on offer to them, says Cran. “It’s understandable that many individuals feel overwhelmed when it comes to making decisions about their benefits, especially given that the digital market has exploded since COVID-19.”

“There is a growing number of providers offering solutions for challenges such as menopause and fertility, each with unique offerings. It’s essential to identify the right solution that aligns with the common life stages of the client’s workforce while complementing the existing benefits provision. This must be carefully balanced with both budgetary constraints and cultural objectives.”

As budgets are squeezed, employers can add value by being more targeted, rather than introducing more products, she thinks.

²“Health Conditions Among Working-Age People,” *The Health Foundation*, 16 Sep 2024.

Using proxy data to understand what your workforce needs

One issue to overcome when designing more bespoke offerings is a lack of data and the need to respect people’s privacy, explains Andreas Hunter, head of Wellbeing, Employee Benefits, at Gallagher in the UK. “There are lots of different reasons that impact your productivity at work that are none of your employer’s business,” he says.

The way around this is to take proxy data from the general population and map that against workforce demographics. This way it is possible to make certain assumptions without being overly intrusive.

“We can show clients what proportion of their workers are likely to have high levels of alcohol use or have a BMI level that would categorize them as obese or overweight,” says Hunter. “We can show them roughly how many people are sandwich carers [a working-age person that provides care both to children and to an older adult, for example, an infirm parent], or how many people are looking to buy a house: these are things that standard benefit data will not show.”

From this foundation, Gallagher creates personas based on workforce demographics and business size to better understand employee needs. For instance, a 20- to 24-year-old early-career employee might value healthcare access and workplace culture more than long-term benefits. These personas help employers tailor wellbeing strategies to reflect the priorities of different groups.

Such an approach typically goes beyond benefits. “It leads to conversations about the other parts of people strategy, about culture, change, the employee value proposition and communications,” says Hunter. “It might start off from a benefits point of view, but it very rarely ends there.”

This perspective reframes wellbeing as a connective tissue that binds together benefits, culture and the broader people strategy. By aligning wellbeing initiatives with the Employee Value Proposition (EVP, or the unique combination of values, benefits and experiences that define the employee experience), organizations can ensure their offerings reflect who they are and what they stand for.

Insights that Drive Action: The Australian Case

For the fourth consecutive year, GBS Australia has delivered one of the country's most comprehensive studies on employee wellbeing, capturing the voices of 2,500 workers across various industries. The findings reveal a nuanced picture:

Thrivers 34%

Are highly engaged and satisfied.

Survivors 58%

Over a third are showing signs of burnout.

Strugglers 8%

The most vulnerable group, faces serious risks, including workplace violence and disengagement.

There was a slight dip in overall wellbeing, from 53% in 2024 to 51% this year. The message is clear: employees want action, not just awareness. An overwhelming 75% say wellbeing should be a priority, yet satisfaction with employer efforts has dropped by 6%. Flexible work remains the most valued benefit, but access is shrinking.

Employees with higher wellbeing stay and contribute more, with energy and purpose. When organizations make wellbeing a priority, they head off the costs of stress-driven absences and the disruption that comes when valued people leave.

Practical Workplace Solutions to Support the Four Pillars of Wellbeing

1

Healthy competition to promote physical wellbeing

Peer-led initiatives have greater success. Instead of top-down mandates, employee-driven activities — like step challenges or sports meetups — foster authentic engagement and meaningful outcomes.

2

Scheduled time off to prioritize emotional wellbeing

Dedicated time off for emotional wellbeing signals that mental health is a priority. Company-wide wellbeing days, after-hours rules and "no-meeting Fridays" reflect leadership's commitment to work-life balance.

3

Making connections: Building social wellbeing together

As hybrid work reshapes interactions, it is important to balance flexibility with in-person engagement to combat loneliness. This can be achieved by hosting events, designing collaborative spaces and training leaders in open communication styles.

4

Financial wellbeing through education and in-house support

Providing budgeting, investing and pension planning support can reduce financial anxiety. Quality-of-life products like pet insurance, discount programs, legal plans and identity theft protection can further build financial wellbeing.

Demonstrating Value – Going Beyond Traditional Healthcare Metrics

When it comes to employee health and wellbeing, traditional ROI calculations can miss the broader organizational impact and [other positive outcomes](#), like engagement, productivity and staff retention.

“While we may see financial benefits from a specific claim, we should also consider how offering this resource impacts an employee’s perception of their employer,” says Cogbill. “How does it contribute to their overall productivity, helping them return to work and stay engaged?”

The evidence supports this broader view. According to [Gallagher’s 2025 Workforce Trends Report](#), organizations implementing comprehensive wellbeing strategies with a whole-person approach see improvements in:

- **Employee retention:** Engaged employees are more likely to recommend their organization and stay longer, reducing recruitment and training costs.
- **Productivity and engagement:** Employees who feel supported during health challenges maintain higher performance levels.
- **Organizational resilience:** Companies with strong health cultures are better prepared to cope with disruptions and change.
- **Talent attraction:** Comprehensive wellbeing packages differentiate employers in competitive markets.

“Finding that direct line to ROI is extremely hard to evidence,” acknowledges Andreas Hunter. “So, pounds and pence, dollars and cents — the ROI is tough, but with other metrics it’s easier.”

“We’re carrying out a wellbeing consulting project and one of the things to establish is, ‘What dials do you want us to measure?’ While we can’t necessarily prove a direct impact on clinical health costs, we can show that engaging more with health and wellbeing offerings is likely to lead to better outcomes than before in areas like engagement and utilization.”

These outcomes are recognized under a more expansive framework known as Value of Investment (VOI).

Unlike ROI, VOI captures less tangible, yet powerful, results that may not immediately appear in a financial ledger but are critical to long-term success. By embracing VOI, organizations can shift the conversation from cost containment to value creation. This way, employee wellbeing becomes a strategic asset that drives performance, culture and competitive advantage.





Measuring Outcomes the Healthcare Sector Way

Demonstrating the true ROI of holistic healthcare investment requires **collaboration** between the enterprise risk, benefits and people strategy functions within organizations, as well as constant feedback and open communication with the workforce.

In the healthcare sector, this integrated approach is already well established. Preventative programs and proactive risk management are central to protecting talent, maintaining safe operations and addressing workforce challenges like skills shortages and burnout.

Yet, as Elizabeth Salvia, healthcare and clinical risk leader at Gallagher, points out, the financial impact of these strategies isn't always immediately visible.

To truly understand impact, healthcare organizations go beyond "lagging indicators," which reflect outcomes after harm has occurred, to encompass "leading indicators," which signal risk before a loss occurs.

Salvia highlights how this shift in measurement also supports stronger engagement with insurers and underwriters, who increasingly look for evidence of proactive risk management.

"Workplace violence prevention is a good example of how committees use data to drive action," she continues. "A lagging indicator in this area might be the number of reported workplace violence incidents. In contrast, leading indicators could include the percentage of employees who have completed de-escalation training or the number of units conducting regular safety huddles."

By focusing on leading indicators, organizations can identify gaps, take corrective actions and reduce the likelihood of adverse events and associated liability.

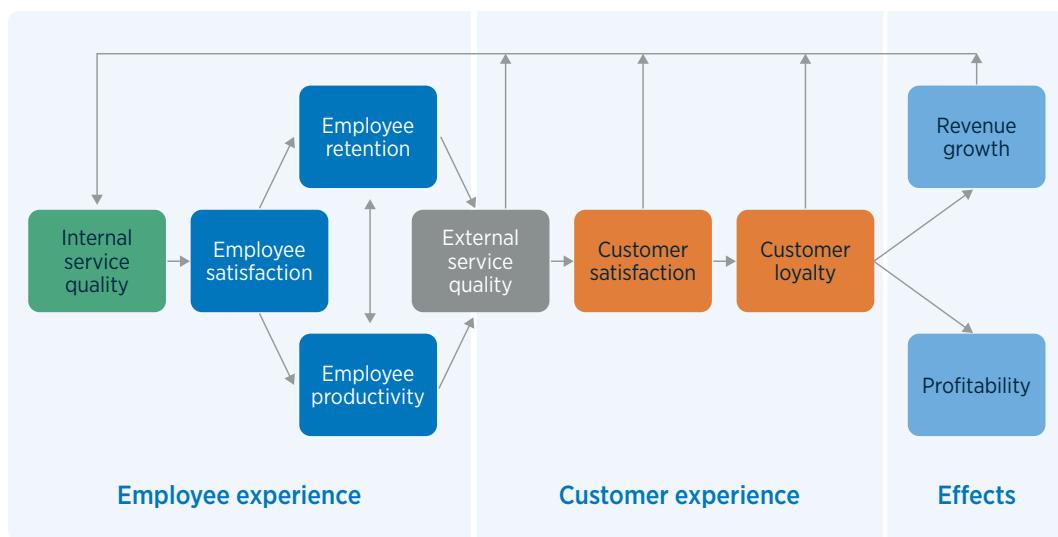
There is only so much an employer can do, cautions Patrick Marlow, area executive vice president at Gallagher. "Despite our efforts to promote wellbeing and engagement, it can be challenging to motivate healthcare professionals to adopt healthier lifestyles," he adds. "Researchers have noted that wellbeing programs have failed to meet their desired outcomes.³ Those that take advantage tend to be on the healthier end of the spectrum, while the largest drivers of healthcare costs don't engage. Healthcare providers who are dealing with long shifts, stress and burnout don't take care of themselves like they take care of their patients."

Currently, Marlow is seeing an increase in claims frequency and severity linked to poor mental health, including more Post-Traumatic Stress Disorder (PTSD)-related claims across the country. "California recognizes work-related stress as a valid workers' compensation claim," he says. "One of my hospital clients reported that among their top 20 claims, two are related to work-related anxiety or stress disorders, each exceeding USD100,000."

³"Why Workplace Well-Being Programs Don't Achieve Better Outcomes," *Harvard Business Review*, 18 Oct 2024.

This graphic illustrates the Service Profit Chain, a framework that explains how internal workplace conditions influence business outcomes. When employees are supported through wellbeing strategies, they are more likely to be engaged and productive. This, in turn, improves the quality of service they deliver, which improves customer satisfaction.

The Service Profit Chain Model



Source: "Supply Chain Management: Putting the Service-Profit Chain to Work," HBR, Jul-Aug 2008.

Staying Fit for the Future

Addressing the root causes of ill health, such as obesity and depression, ensures long-term sustainability and impact. In an era of increasing healthcare costs and evolving workforce expectations, taking a whole-person approach isn't just a good policy; it's an essential strategy.

Organizations are redesigning their approach around three core principles:

- **Prevention over cure.** Investing in keeping people healthy rather than treating illness.
- **Integration over isolation.** Connecting physical, social, financial and emotional wellbeing.
- **Personalization over standardization.** Tailoring benefits to demographic needs and individual circumstances.

Holistic healthcare helps everyone. "It should be better for the individual, better for your company, and better for your customers," says Andrew Drake.

The organizations that thrive in the coming decades will be those that understand that employee wellbeing isn't a cost center to be managed but a strategic asset to be cultivated.

The whole-person approach to healthcare provides the framework for that, delivering measurable returns while creating workplaces where people can wholly flourish.

Spotlight



Gallagher

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