ABSTRACT

THE FUTURE OF EMPLOYEE WELLBEING IN INDIA

DISCOVER UPCOMING INNOVATIONS IN EMPLOYEE BENEFITS AND WHAT IT MEANS FOR YOUR ORGANISATION

A WHITEPAPER IN ASSOCIATION WITH

NHRD BANGALORE CHAPTER

LEGALCARE™

I. INTRODUCTION

The rapid evolution of employee benefits globally and in India reflects a shift from transactional offerings to holistic wellbeing strategies. With Gen Z and millennial employees prioritizing mental health, flexibility, and financial security, HR leaders are reimagining their benefits portfolios to align with these expectations.

This whitepaper is a joint effort by NHRD and LegalCare that explores the transformative role of innovative benefits like legal benefits, alongside foundational benefits like health insurance and mental health support. Drawing from primary research involving 1,000+ HR leaders, secondary research over the history progression of Employee Wellbeing, and in-depth discussion with over 40 HR leaders in the industry, it provides actionable insights and a roadmap for HR professionals to future-proof their Employee Value Propositions (EVP) and Employee Assistance Programs (EAPs). By investing in emerging benefits, particularly legal care, organizations can reduce stress, enhance productivity, and drive long-term loyalty.

THE SHIFT TOWARDS HOLISTIC BENEFITS

EMPLOYEE WELLBEING: MEANING AND IMPORTANCE

Employee wellbeing is a critical strategic priority that drives organizational success by improving productivity, enhancing employee retention, and reducing overall healthcare costs. Data demonstrates that comprehensive wellness initiatives yield measurable benefits for both employees & companies.

Research shows:

6:1

Is achieved as ROI by implementing wellness programs[1]

61%

Reduction in employee burnout is observed on implementing wellness programs in India[2]

65%

Of the workforce feel they are lacking motivation, indicating a need of employee benefits[3]

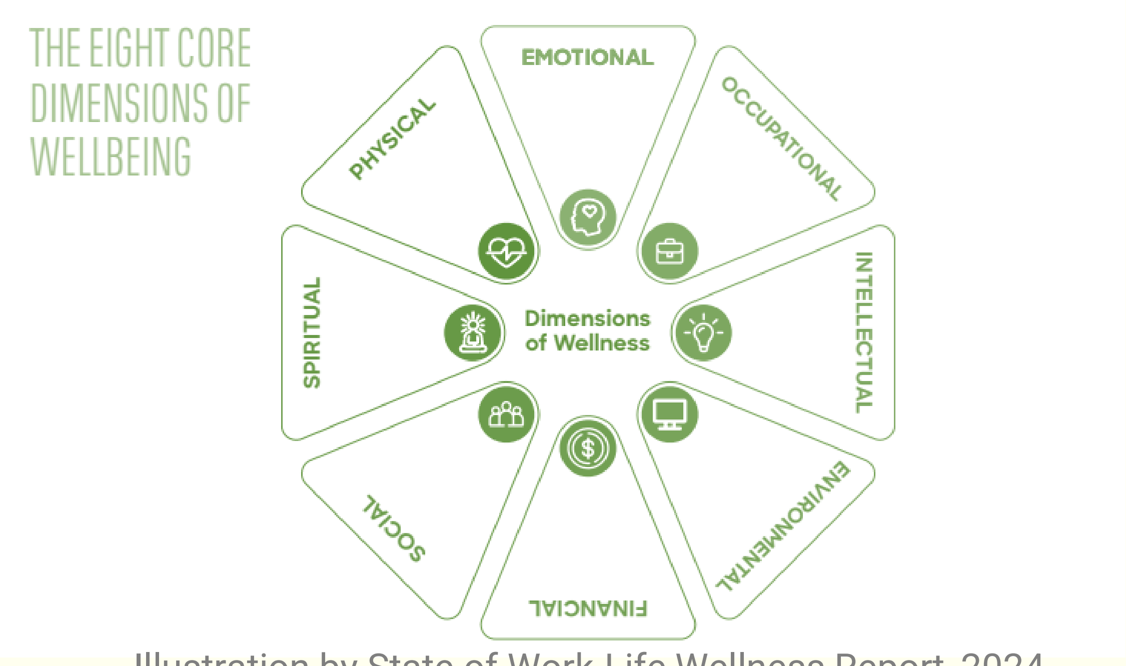


Illustration by State of Work-Life Wellness Report, 2024

1. Source: People Element – Top Employee Wellness Statistics, 2024
2. Gallup – Employee Wellbeing and Engagement Research
3. Randstad – The State of Workplace Wellbeing Across the Globe, 2024

THE SHIFT TOWARDS HOLISTIC BENEFITS

HISTORY OF EMPLOYEE BENEFITS IN THE US & INDIA

Employee benefits in the U.S. have evolved over decades, driven by changing workforce demands, legislation, and tech advancements.

In the U.S., the concept of employer-provided benefits emerged in 19th century, as companies began offering “welfare capitalism” programs to their workers. These early initiatives laid the foundation for development of employee benefits.

As the 20th century progressed, the world witnessed an expansion of employer-provided benefits. Medical benefits became mainstream during World War II, while mental health services gained prominence in 1970s with the rise of Employee Assistance Programs (EAPs).

Today, benefits in the U.S. are comprehensive, covering not just health and insurance but also legal aid, retirement plans, and wellness initiatives, often supported by digital platforms.

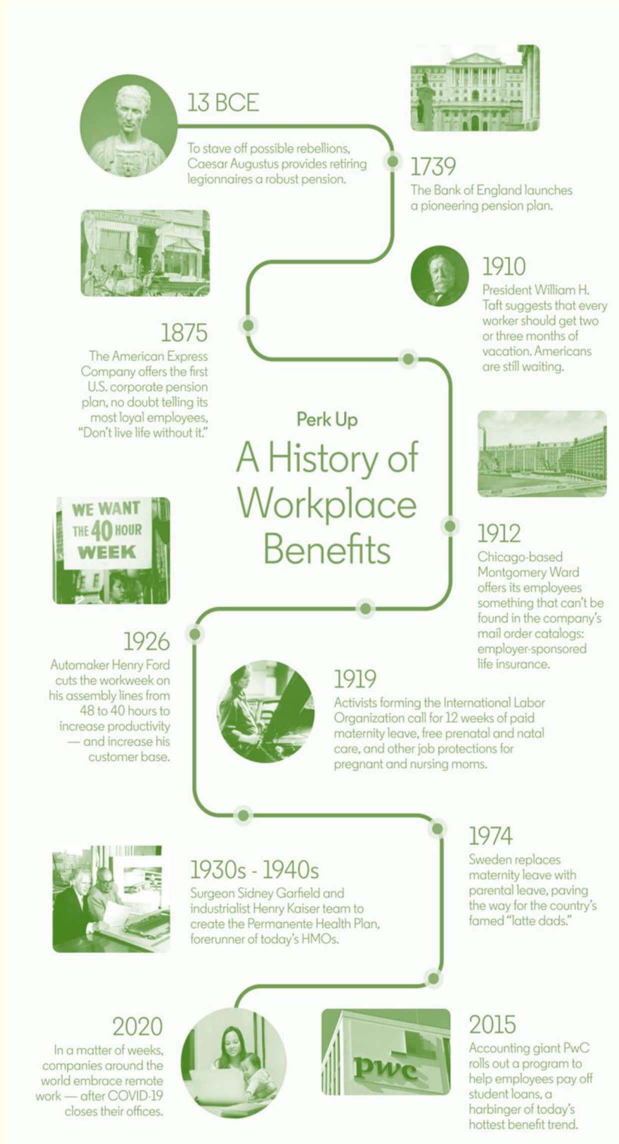


Illustration by LinkedIn

Over time, U.S. employee benefits have evolved from basic offerings like pensions and health insurance to comprehensive, personalized packages that serve as strategic tools for attracting and retaining talent. Modern benefits now encompass flexible work arrangements, mental health support, and tailored wellness programs, reflecting a shift from being mere cost centers to integral components of a company's competitive advantage.

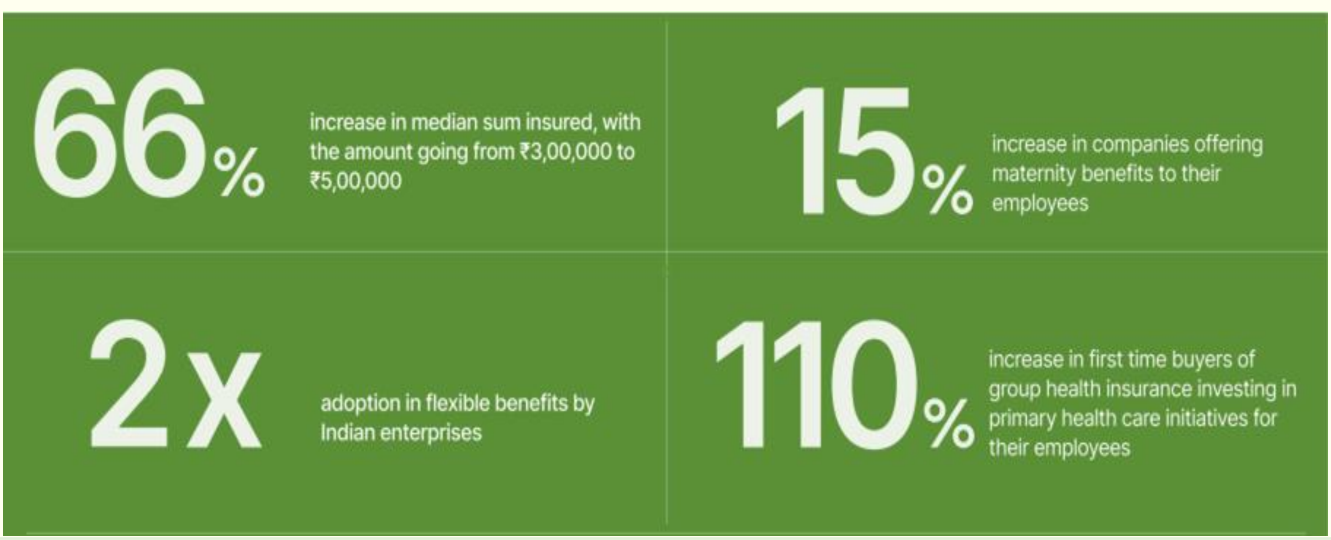
HISTORY OF EMPLOYEE BENEFITS IN THE US & INDIA

In India, the journey began much later, primarily with government-backed initiatives like the Employees' State Insurance Act (1948). Until the 1990s, private sector benefits were minimal, focusing on basic medical coverage.

However, globalization, economic reforms, and the rise of startups have spurred interest in offering competitive benefits. While India still lags behind the U.S. in scope and adoption, emerging trends are reshaping the landscape, often inspired by practices already prevailing in the U.S.

In today's workplace, employee benefits have transitioned from being a cost center to a strategic advantage. As per the State of Work-Life Wellness Report 2024, Wellbeing across organizations is looked at from the lens of Eight Core Dimensions as highlighted in the illustration below. Since the State of Employee Benefits 2023, companies have improved the kind of benefits they offer their employees across primary, preventive, and in-patient care.

Growing trends in employee benefits in India[1]



1. Source: State of Employee Benefits Report by Plum, 2024
2. Source: Mercer 2023

MAJOR TRENDS IN EMPLOYMENT BENEFITS OFFERED

Companies are investing in programs that support physical, mental, and financial wellbeing, driven by changing workforce demographics and increasing pressure.

70% of the Global workforce is comprised of GenZ and Millennials who are preferring custom, transparent, and digital first wellness solutions[1]

Companies offering innovative benefits report much lesser attrition, leading to HR leaders increasingly citing wellbeing as a core differentiator in talent acquisition.

35% Lower attrition rate[2]

70% HRs cite benefits as differentiator [2]

This shift highlights the need for HR leaders to identify emerging benefits that align with employee needs while ensuring measurable ROI.

Nupur Nagpal
Former CHRO, Myntra

"The needs of employees are constantly evolving, so it's important to always be innovating when it comes to employee benefits. We do multiple such activities today at Myntra. I remember in my time at Amazon earlier , we started offering ergonomic support as a part of the benefits package."

1. Source: State of Work-Life Wellness Report, 2024
2. Source: Mercer 2023

MAJOR TRENDS IN EMPLOYMENT BENEFITS OFFERED

Some of the major trends in the employment benefits space offered by organizations to Indian employees are notes as below

Trending: Digital-First Healthcare Platforms

India's startup ecosystem has catalyzed the rise of platforms like Onsurity, Loop Health, and Pazcare, which cater specifically to SMEs and startups. These platforms offer not only group health insurance but also additional features such as telemedicine, mental health support, & wellness programs.

Strategic Add-ons:
Incorporating **legal support** for personal employee issues, such as claims denial on injury, or medical negligence, can add an extra layer of employee satisfaction. Employers like **TESCO**, are partnering with legal service providers like **LegalCare** to offer employees quick and discounted access to legal advice.

Trending: Wellness linked Insurance Plans

Indian insurers are introducing wellness-focused policies that reward employees for maintaining healthy lifestyles. For example, insurers like **Aditya Birla Health Insurance** offer premium discounts or reward points for fitness activities tracked through apps. Insurtech platforms like **Plum** and **PolicyBazaar** are further simplifying access to group health and life insurance for startups and SMEs. Wellness-linked insurance has been popular in the U.S. since the late 2000s, with companies like **UnitedHealthcare** and **Aetna** incentivizing physical activity and preventive care through wearable integrations and rewards programs.

Strategic Add-ons:
Employees increasingly face legal challenges such as navigating complex disputes over denied insurance coverage. Service providers like **LegalCare** offer a legal support app integration for insurance-related issues to enhance overall employee well-being.

MAJOR TRENDS IN EMPLOYMENT BENEFITS OFFERED

Below are the upcoming employee benefits that are prevalent in the U.S. and fast-rising in adoption in India.

Upcoming: Financial Assistance for Employees

Financial assistance for employees is emerging as a crucial benefit in India's Employee Assistance Programs (EAP). With rising living costs & unexpected financial burdens, companies are integrating salary advances, low-interest loans, & counseling into their EAP to reduce stress & enhance productivity

Strategic Add-ons: A strategic add-on to this is legal benefits for personal use cases, such as legal consultations for property disputes, family matters, or consumer rights. Providing access to legal assistance not only empowers employees but also fosters loyalty and trust, positioning organizations as holistic supporters of their workforce's financial and personal stability.

Upcoming: Legal Assistance for Employees

While still emerging in India, legal care solutions are becoming more relevant as employees seek support for workplace disputes, harassment claims, or personal legal needs like drafting wills and managing contracts. Platforms like **LegalCare** are making legal assistance accessible, but adoption by employers remains limited to larger organizations.

Legal benefits have been part of EAPs since 1980s, with providers like **ARAG, LegalEase** and **Rocket Lawyer** offering subscription-based access to legal services / insurance coverage for employees. These solutions cover a range of issues, from workplace grievances to family law.

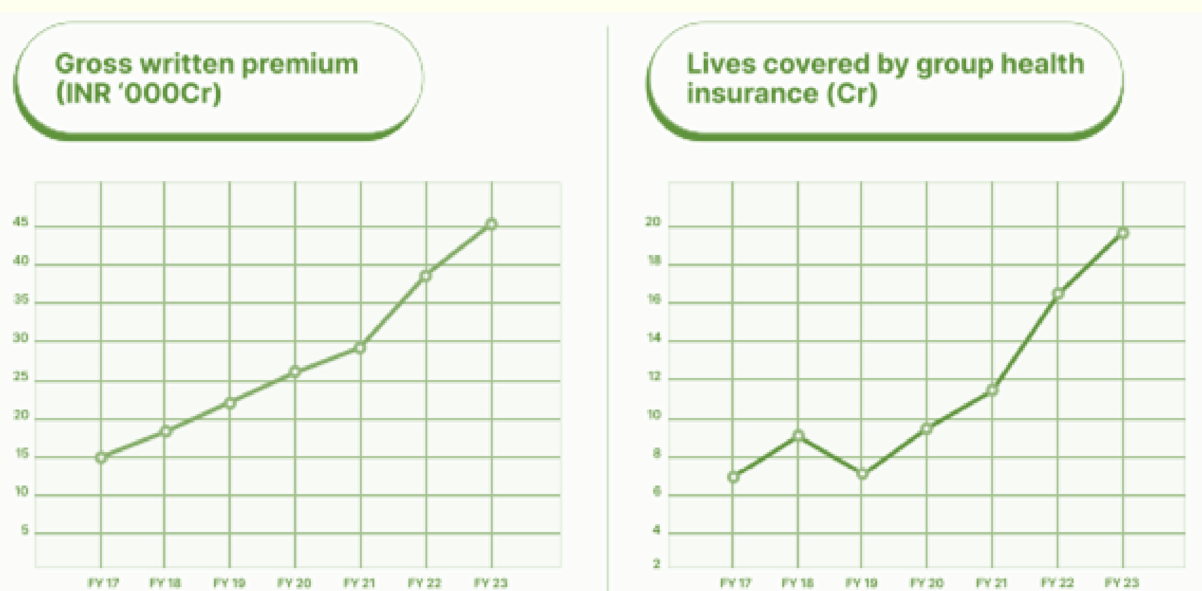
Strategic Add-ons:
Integrating legal support with existing EAPs and benefits platforms are helping Indian employers build a competitive advantage and thereby demonstrate a commitment to holistic employee well-being.

MEDICAL BENEFITS – OVERVIEW

EVOLUTION OF MEDICAL BENEFITS IN THE U.S. AND INDIA

The concept of employer-sponsored medical benefits in the U.S. took root in the 1920s but gained momentum during World War II. Employers began offering health benefits to attract workers, laying the foundation for medical benefits as a standard part of compensation. By the mid-20th century, labor unions played a key role in negotiating health coverage for workers. The 1960s brought landmark changes with the establishment of Medicare and Medicaid, which provided health benefits to seniors and low-income individuals. In the 2010s, the Affordable Care Act (ACA) expanded access to medical benefits, making it mandatory for employers to offer health insurance and incentivizing smaller businesses through tax credits.

Medical benefits in India were first formalized by the Employees' State Insurance Act (ESI) of 1948. This provided medical coverage for workers in organized sectors but excluded the unorganized workforce. Economic liberalization in the 1990s opened the door for private insurers and group health insurance plans. Over the last two decades, startups and SMEs began adopting medical benefits, particularly with the rise of insurtech platforms like Onsurity and Pazcare.



Source: State of Employee Benefits in India Report, 2024

MEASURING ROI OF HEALTH BENEFITS

As employee wellness moves from being a cost center to a strategic advantage, HR leaders must quantify the Return of investment (ROI) of medical benefits and evaluate the financial impact of healthcare programs on workforce productivity, retention, and overall cost savings.

We conducted secondary research and robust, discussions with 50 HR leaders to identify the key factors assessing the ROI. These are specified below:

Factors to assess ROI

Utilization

Utilization is the #1 reliable factor to assess the ROI of introducing any new benefit in the org. and holds similar weight for health benefits

Employee Satisfaction

Organisations conduct multiple initiatives to assess employee satisfaction, i.e. by checking Absenteeism, Retention rate, and conducting Employee Satisfaction Surveys

Cost Savings

Organizations rely on market research to understand the cost savings of using preventive care & add tax savings by the employees to calculate total monetary returns

Our studies indicate, in India

8%

Is the average utilization of the health insurance coverage in India[2]

25%

Is the average reduction in total absenteeism due to health benefits[1]

35%

Is the net cost savings from medical expense by adopting insurance[1]

1. Source: State of Work-Life Wellness Report, 2024
2. Source: State of Employee Benefits Report by Plum, 2024

LEGAL BENEFITS – OVERVIEW

EVOLUTION OF MEDICAL BENEFITS IN THE U.S. AND INDIA

Legal benefits emerged as a formal offering in the U.S. during the 1970s and 1980s, as companies began recognizing the value of providing employees with access to legal services. These benefits initially focused on workplace disputes, contracts, and compliance issues but soon expanded to cover personal legal needs like estate planning, property disputes, and family law. Legal service providers such as LegalShield and LegalZoom played a pivotal role in making these services more accessible to both employers and employees. By the 2000s, legal benefits had become a common part of comprehensive employee assistance programs (EAPs), particularly in large organizations.

In India, legal benefits have traditionally been limited to large corporations and government organizations addressing labor disputes and compliance issues. Unlike the U.S., where legal benefits are often bundled with EAPs, India has seen slower adoption of this practice. Startups and SMEs have largely focused on health and wellness benefits, with legal support primarily offered through ad hoc arrangements. However, as the workforce becomes more aware of their rights, there is growing interest in integrating legal benefits into employee support programs. Platforms offering affordable legal counsel and services for businesses and individuals are beginning to gain traction.

Today, Legal benefits address the growing complexity of legal challenges faced by employees, from consumer disputes to family law issues. Despite their critical nature, they remain underutilized in India.

Global Organizations offering Legal Benefits to its employees

accenture | Microsoft | TESCO | CISCO | Qualcomm

+350 of Fortune 500 organizations, globally

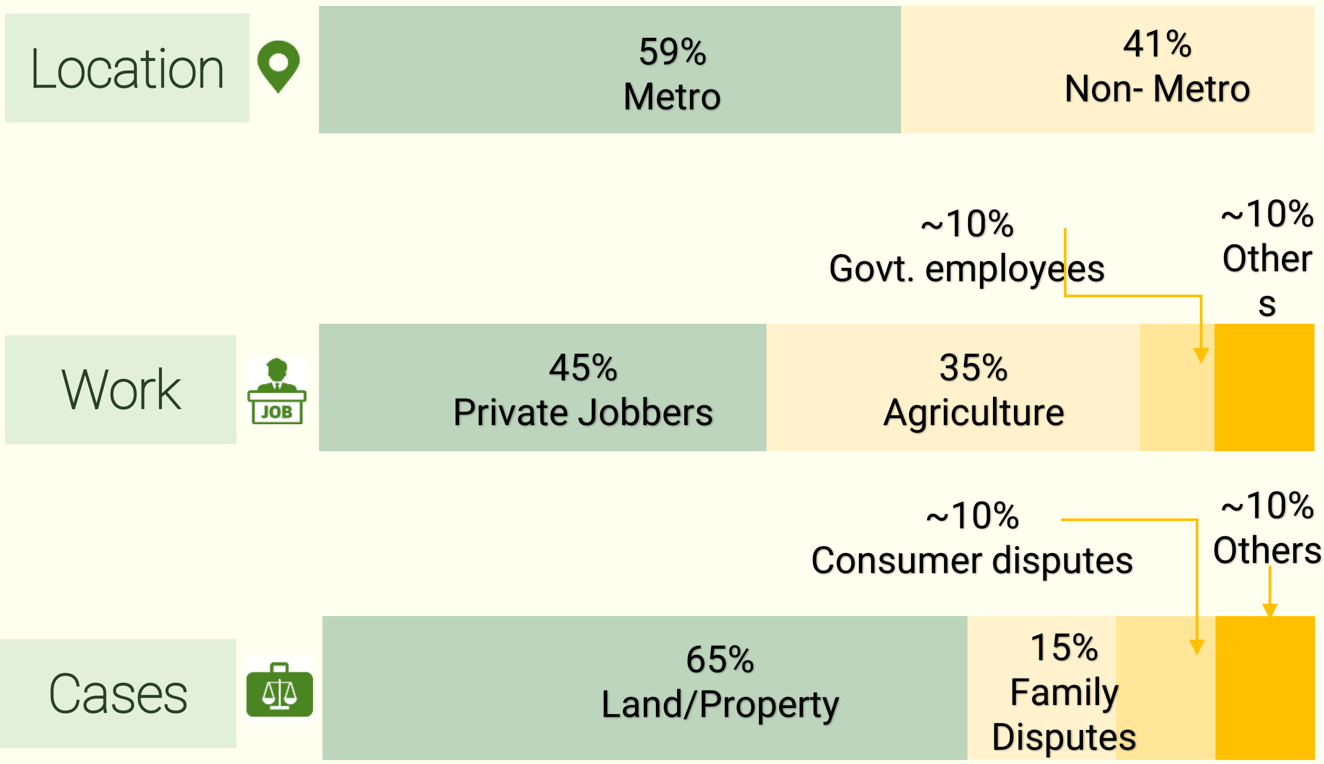
CONSUMER OF LEGAL SERVICES IN INDIA

In India, legal services are widely used by private sector professionals based in urban centers like Mumbai, Delhi, and Bangalore.

They seek legal counsel for issues such as contract disputes, regulatory compliance, and intellectual property rights. Obtaining legal advice and representation from a private provider is financially prohibitive. The ‘forgotten middle’ – those who lack the disposable income to spend on services from a private provider at will but earn too much money or have too many assets to qualify for legal aid - are often left without an avenue to access legal advice or representation.

75%	***India Inc employees report a need of legal advice atleast once in 2 years***

Who are using Legal services and for what type of cases (Civil) in India[1]



Source: Daksh: Access to Justice Survey 2016, LegalCare Estimation

MEASURING ROI OF LEGAL BENEFITS

When evaluating employee benefits, return on investment (ROI) is a critical metric for employers. We conducted secondary research and robust, discussions with 5 Global HR leaders to identify the key factors assessing the ROI. Our research finds that organizations measure the true benefit of legal services by understanding the measure of "Stress" in the employee's lives before and after implementation of the program.

The key factors observed are as below:

Factors to assess ROI

Utilization

Utilization is the #1 reliable factor to assess the ROI of introducing any new benefit in the org. and holds similar weight for legal benefits

Employee Satisfaction

Organisations conduct multiple initiatives to assess employee satisfaction, i.e. by checking Absenteeism, Retention rate, and conducting Employee Satisfaction Surveys

Productivity Boost

Organizations rely on market research to understand the boost in productivity by reducing the daily stress on adopting legal benefits

Our studies indicate, globally

47%

Employees prefer to opt for Legal benefits to prevent trouble of legal disputes[1]

61%

Employees worry about the impact of legal issue on their financial & mental health[2]

~10%

Time savings by employees / year who managed personal legal issues in work hours[1]

1. Source: SHRM, Legal Expenses Insurance and Access to Justice Report (BAR)
2. Source: MetLife's Legal Access Study 2023

FUTURE OF LEGAL BENEFITS IN INDIA

To understand the future of Legal Benefits in India, we conducted an in-depth research on the nature of legal benefits globally and its relevance for India Inc employees along with a research across 500+ HR professionals to understand the intent of adoption of legal benefits. The outcomes of the research are the subject of the detailed whitepaper “The Future of Employee Wellbeing in India”.

Research outcomes – Adoption interest for Legal Benefits

93%
HRs acknowledge the need of legal benefits

90%
HRs want to adopt legal benefits in 2025

85%
Believe legal benefits will reduce employee stress

Source: MetLife’s Legal Access Study 2023, ARAG, Extensis HR, NHRD Survey

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