

How Employee Health Drives Business Performance: What Chief Medical Officers Want You to Know

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Executive Summary

A convening earlier this year of a dozen top physician executives by Modern Executive Solutions revealed the need for chief medical officers to better define top health leadership roles, connect health promotion to employee performance, treat mental health as a safety issue, and navigate AI and data analytics challenges.

The challenge of developing health metrics that quantify the health and medical team's work for the business. Frustration over the lack of AI tools for health needs. An ongoing struggle to best address employee mental health.

These and other employee health challenges are top of mind for chief medical officers, a recent Modern Executive Solutions gathering of top physician executives from major corporations revealed. Hosted in London in July, a group of 12 top health and medical leaders wrestled openly with how to best lead employee health teams in today's uncertain environment.

While participants hailed from consumer, industrial, pharmaceutical, and other industries, they faced many of the same challenges regarding the health, wellbeing, and performance of employees worldwide. Below are key insights from the meeting other top leaders should know:

The Critical Need to Define the Role of the Chief Medical Officer

Only about half of large companies have a CMO. That means there's an essential need to define the scope of the role, clarify its areas of focus, and build key performance indicators to either launch newly created positions or justify the expansion of longstanding roles.

Many companies have invested heavily in employee health and wellness, benefits, occupational medicine, and health-related recruitment and retention efforts. However, these have often been uncoordinated and suffered from a lack of employee trust in their motives, construction, and execution. At times, the CMOs in attendance shared the challenges of being moved between reporting

lines such as HR or safety, and the impact of that on priorities. "That's been an issue for many of us. We all report to different people at different stages in our career," one participant said.

Another said it's been hard to balance issues like health promotion and prevention between human resources and safety teams. "Quite often HR [teams] are like 'well, that's an operational line problem. You report to safety.'" Finding ways to effectively build an integrated approach will be essential for driving value and engendering trust.

Health Promotion Must Be Directly Connected to Corporate Performance

Historically, the success of health promotion has been loosely tied to lowering healthcare costs, improving employee health, and strengthening recruitment and retention. Programs are often seen as fundamentally justifiable or simply expected by employees.

But outcomes are often poorly tracked, if at all. As a result, these programs can be early targets of cost-cutting measures, especially in times of financial pressure. As a metric, "engagement is not enough, safety is not enough," said one participant. "Are we genuinely showing something [that can be] quantified in hard numbers that your programs made a difference?"

Successful CMOs define return on investment by focusing on programs that impact

corporate performance, such as absenteeism, safety, and team effectiveness. One CMO mentioned how much the board appreciates her team's data being analyzed by a local university, offering "arm's-length" objectivity; others have piloted control groups to demonstrate ROI prior to broader implementation.

Employers Need to Treat Mental Health as a Safety Issue

Employers are becoming increasingly aware of the importance of mental health in the workplace. However, many struggle with how to best address it. This is compounded when they confuse mental health with wellbeing and lump initiatives focused on it in with general wellness programs. "They separate out mental health as something a bit esoteric and they're not really sure what to do with it," one CMO said.

One of the most effective ways to gain executive understanding and buy-in for mental health is to focus on safety, an area CMOs know well and that's often ingrained in company culture. "Linking mental health to safety, which links to performance, is very much where we're trying to get the organization," said one participant.

Safety is a common concern among large organizations, with the risks and potential impacts clearly defined. Putting mental health into a category and framework that leadership already understands—and is already committed to addressing—can help drive adoption.

CMOs Are Frustrated with Applicable AI

Despite the rapid proliferation of AI, deployment of health-related tools is following a characteristically more cautious approach. While their colleagues in HR have quickly rolled out effective AI tools that cut costs, headcount, and productivity, CMOs said there has been too much focus on solutions like virtual clinicians rather than tools that fit their back-end needs with the right privacy and security measures.

For many health-related applications and AI agents, capabilities are limited, and regulatory barriers and privacy concerns have slowed adoption. "They're not focused on the back-end stuff and generating data," one CMO participant said. "They're trying to do the sexy, fun things."

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—a CMO participant**

However, some AI solutions, such as ergonomic assessments, chemical exposure trends, and mental health coaching have shown real benefits, participants said. There was some concern that tacking on multiple solutions or vendors could lead to greater IT ecosystem complexity, but this may be necessary to segregate protected sensitive medical information and engender employee trust.

Bringing CMOs into decision-making is essential. "Nature fills a vacuum," said one participant. "If we the experts don't start telling the companies the use-case scenarios, our digital HR colleagues are off doing it without us." As they rush to adopt AI, leadership teams need to keep in mind the unique challenges of health-related employee data, prioritize assessments of new tools, maintain human oversight, and protect data privacy.

CMOs Face a Data Analytics and Collection Challenge

Some regulatory efforts, such as the European Sustainability Reporting Standards (ESRS),



encourage reliable data collection and reporting. Meanwhile, restrictions on data access and use, such as GDPR and health-specific regulations, result in data gaps, definitional inconsistencies, and limitations on analytical power and utility.

A common theme throughout the discussions was that no matter how sophisticated the analytical tools may be, the quality of the analysis is dependent on the availability and accuracy of data. "We need to make it more structured," one participant said of their work. "We need to make it more data-driven."



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