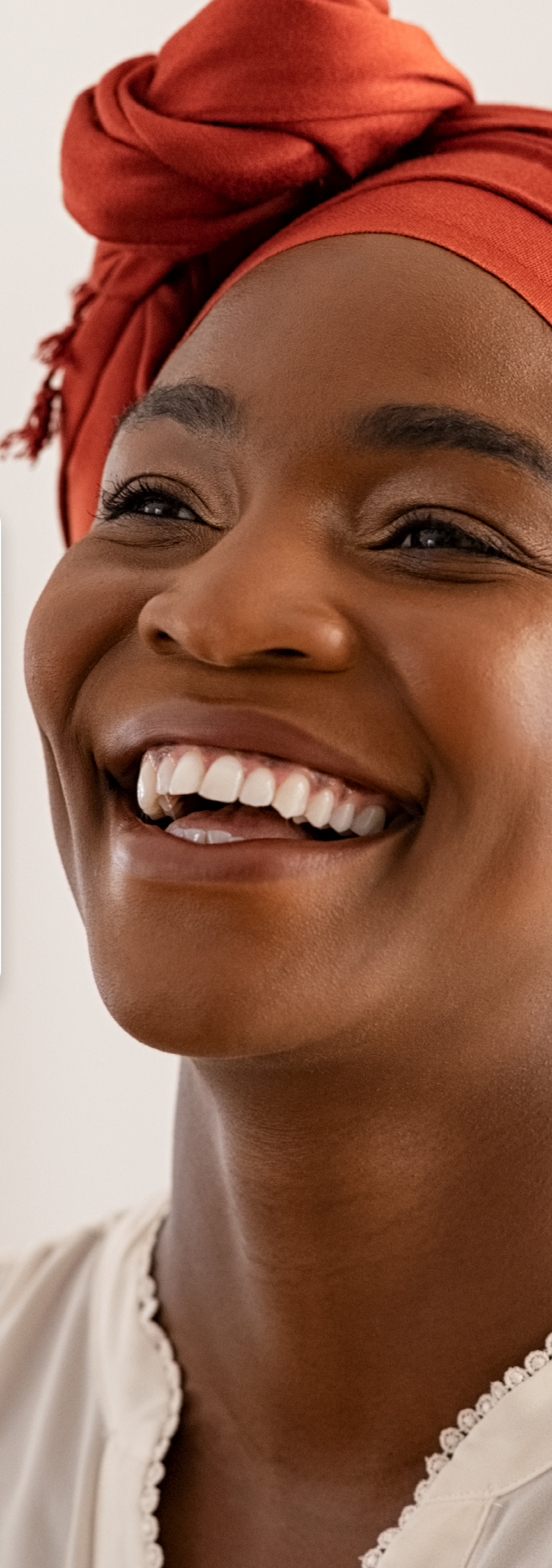
Light Paper

How to Build a Business Case for Wellbeing

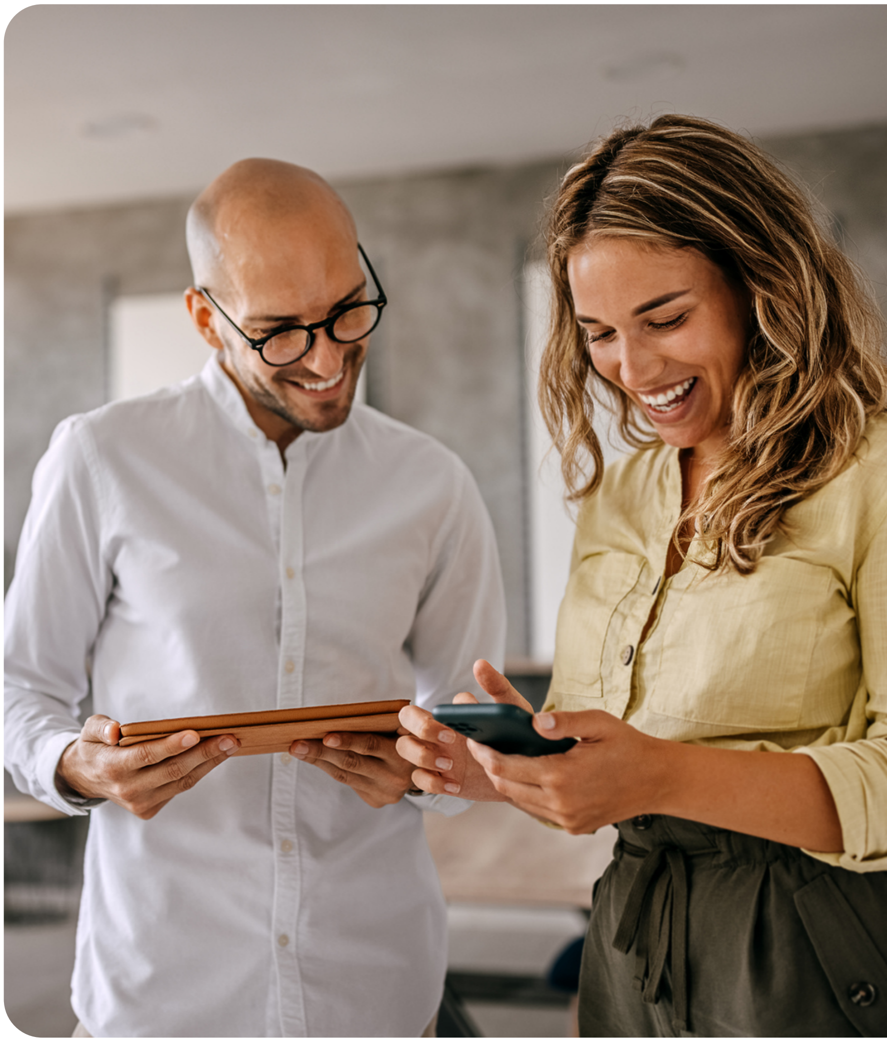
A Strong and Strategic Business Case for Employee Wellbeing Programs



How to Build a Business Case for Wellbeing

Craft A Strong And Strategic Business Case For Employee Wellbeing Programs

Eighty-six thousand four hundred. That's not the number of annual heart attacks, yearly incidences of employee depression, or amount spent per employee on benefits programs. Rather, 86,400 is the number of seconds in one day. How they're used — not necessarily how much is spent — is what will move the needle decisively for employee health and wellbeing. There are only so many hours in the day — for employees and employers. Workplace wellbeing programs can play a key role in helping employers to maximize those hours. To make the most of wellbeing programs, employers first must accept two key truths:



Employees are overwhelmed by wellbeing challenges.

Almost 40% of adults in the U.S. are obese[1], 61% of Americans cite work as their most prevalent cause of stress,[2] and 78% of respondents agreed that their workplace stress affects their mental health.[3]

Employers are in a unique and prominent position to help workers get engaged, educated, and empowered about improving their overall wellbeing.

Today, employee well-being has expanded beyond physical well-being to focus on building a culture of holistic well-being including physical, emotional, financial, social, career, community, and purpose. At the heart of this is the growing need for flexibility in where, when, and how employees work and live. Without such a program, inspiration plummets: Just 15% of workers without access to a wellbeing program are inspired to make healthy choices.[4]

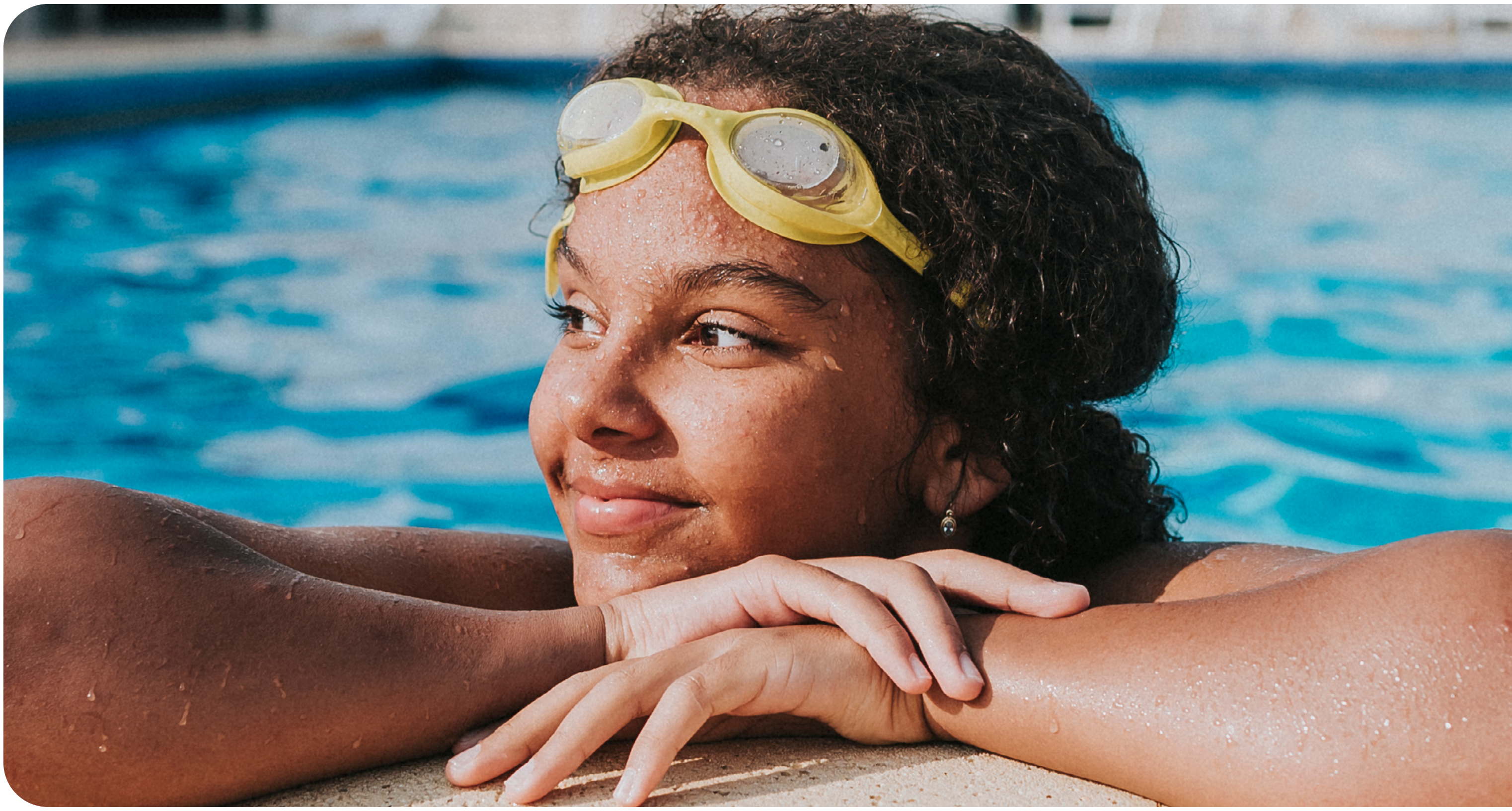
We know what's wrong. We also know that through wellbeing programs, employers can be drivers of change. However, there's still little agreement about which tools to use to successfully turn the corner from simply detecting sickness to driving lasting and measurable wellbeing — and business — results. Recent data is far from clear or compelling: Return on investment for programs traditionally has been studied narrowly, not holistically.

Further, there's even less consensus around how to effectively present a winning business case for employee wellbeing to C-suite leaders. And it's impacting employee engagement. Forty-three percent of businesses cite their inability to prove ROI to the executive team as one of the top roadblocks to increasing employee engagement.[5]

Leaders can be more solidly convinced, though, through grounded data and sound plan design. There is meaningful and measurable wellbeing ROI for employers in areas around engagement, loyalty, and productivity — not just the ones that pertain to medical spending. The tools are there; the numbers are there. They just need to be featured more prominently and explained more definitively by benefits professionals.

Rather than let benefits managers continue with guesswork, it's time to lay the groundwork for building wellbeing programs that drive meaningful change for employees and truer, more sustainable ROI for employers. Doing so involves four key steps:

- **Nullify The Case For Doing Nothing.**
- **Uncover And Unlock Wellbeing's Real Roi.**
- **Turn The Page On Traditional Programs.**
- **Focus On Driving Change, Not Just Raising Awareness.**



Nullify The Case For Doing Nothing

We can stand on more than a decade's worth of data to measure the devastating costs to employers from:

Chronic disease.

Six in 10 Americans suffer from at least one chronic disease, and 4 in 10 suffer from more than one. Chronic diseases are the leading cause of death in the U.S. and contribute to billions of dollars in healthcare costs each year.[6]

Presenteeism and absenteeism

Poor health costs the U.S. economy $575 billion a year.[7] More than a third of that amount, $1 trillion in lost productivity due to anxiety and depression globally.[8]

Disability and leave of absence

In the last two years, workers' pandemic-related absences have cost employers more than $78.4 billion — nearly $1 billion each week. [9]

When confronted with the hundreds of billions of dollars that these combined costs drain from U.S. companies, it can be difficult to focus on anything else. Still, there are also significant dollars associated with problems that don't generate as much buzz, but can affect employers in ways that are just as significant:

Lower engagement

Today, just 24% of workers strongly agree that their organization cares about their wellbeing -- which should be of great concern to leaders given that these employees are 69% less likely than all other workers to search for a new job, 71% less likely to report experiencing burnout and five times more likely to serve as an advocate for their organization according to Gallup.[10]

Higher turnover

Millions of Americans have quit their jobs over the past year, including a record 4.5 million in March alone.

Many attribute their decision to being burned out. Some 89% of those who either recently left their job or were planning to do so said they felt burned out and unsupported, a survey by education tech firm Cengage found.[11]

According to the U.S. Department of Labor, in March, more than 4.4 million people voluntarily left their jobs, a monthly record; a similar number did so in April 2022.[12]

And, it's burning the org chart at both ends. Nearly 70% of the C-Suites are seriously considering quitting for a job that better supports their wellbeing, according to a new Deloitte & Workplace Intelligence survey.

74% of bosses reported they're "facing obstacles when it comes to achieving their wellbeing goals – and these are largely tied to their job," according to Deloitte & Workplace Intelligence.

68% of employees and 81% of the C-Suite say that improving their wellbeing is more important than advancing their career.[13]

Lost employee investment.

The average company spends nearly $100,000 per year on employee onboarding[14] and about $1,200 per employee per year on employee training.[15] Those dollars are lost when dissatisfied and disengaged employees quit, along with untold amounts in lost institutional knowledge.

The American Institute of Stress reports that 80 percent of managers and employees feel stressed out at work. An excessive workload with long hours tops the list of leading stressors. Stress in the workplace feeds into a host of other problems such as a tense working environment, competition between coworkers and a feeling of walking on eggshells, and it carries an annual price tag of $300 billion.[16] Futher, 6 in 10 adults have at least one chronic disease; currently driving the nation's $4.1 trillion in annual health care costs.[17]

Uncover and Unlock Wellbeing's Real ROI

Yet, there's no getting around the fact that securing C-suite sponsorship for wellbeing programs requires laying out a case for results — which usually translates into dollars. So, benefits managers must build a rock-solid business case for employee wellbeing programs by illustrating ROI. For managers, building that case in terms that matter to employees and execs, there is key data to support wellbeing's ROI — just perhaps not the way C-suite leaders might think.

Significant business results through recognition as an employer of choice.

Employee wellbeing is no longer an employee benefit. Rather, wellbeing now is an employer's opportunity to support employees in all aspects of their personal and work lives. Employee well-being has expanded beyond physical well-being to include emotional, financial, social, and career wellness. This holds even greater value when faced with the data that turnover-related costs represent more than 12% of pre-tax income for the average U.S. company, loosely translated into $180 million for a Fortune 500 company. [18]

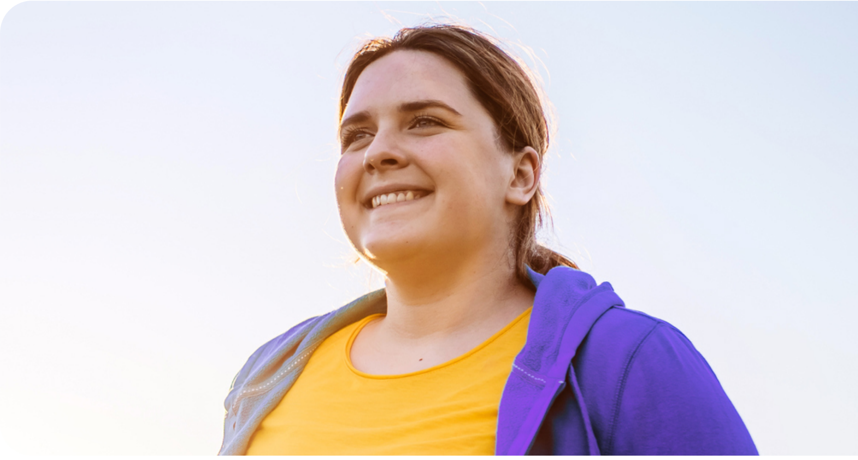
Since the pandemic, wellbeing has expanded beyond focusing on the individual employee to the entire family unit. Hewlett Packard is an inspiring example of expanding benefits to employees and their families. Their HP Spirit Program provides health and well-being apps, educational resources for working parents on managing home schooling, an Employee Resource Group for Working Parents, and job sharing for select job roles.

More satisfied, productive, and profitable employees.

Regardless of your business model (public, private, nonprofit), your people power your business. To do that in the most efficient and effective way, you need them showing up for work healthy, engaged, productive, driven and satisfied. Employee satisfaction, behavior and turnover in a given year all can be used to predict the following year's profitability, and also have a strong correlation to customer satisfaction.[19]

Significant business results through recognition as an employer of choice.

When done the right way, health and wellbeing programs can seamlessly go hand in hand with other business initiatives, such as workplace safety through injuryprevention and ergonomic programs. Both wellbeing and ergonomics initiatives are linked to lower injury rates, absenteeism/ presenteeism, and workers' compensation, plus higher productivity and morale. Investing in wellbeing can naturally flow into positive gains for similar employee priorities.



In short, everyone — whether current employees or prospective ones, managers or executives — can be engaged and energized about being part of a company they believe is doing the right thing for the right reasons. That energy becomes embedded in company culture in ways that pay off on the balance sheet.

Turn The Page On Traditional Wellness Programs

Discriminatory. Not worth the cost. Ineffective Only for healthy people.

Wellness programs had their place a decade ago. These narrowly focused programs didn't focus on behavior change or health, they were designed for one dimension of health only - physical. Further, research indicates that most traditional programs aren't evidence-based - there is no evidence that a risk assessment or screening alone improves health outcomes, for example.

Assessments and screenings are key to raising awareness of health risks and intervening in acute issues, but they don't offer daily engagement to change behaviors, rather they are a one and done event each year.

Other wellness programs may simply target risk and intervention for chronic or acute disease, typically through a health plan. This has the potential to disengage employees who "don't feel sick" or don't want their health plan contacting them. Stopping at any of these stages of wellness gives a "Now what?" feel to employees, when there is so much more power employers have to help their populations.

Moving from wellness to wellbeing

- Break down the wellbeing journey into small, yet significant goals. Through the work of Stanford professor Dr. BJ Fogg,[20] we know that the key to changing behaviors is to form simple habits.
- Allow people to choose a goal that's meaningful to them and go at their own pace.
- Reward them for reaching their goals.
- Provide evidence-based content and programming across digital and human-to-human experiences to sustain daily engagement
- Create a community that recognizes their success and celebrates their accomplishments, while also helping them to revise and refocus their participation if they lose steam along the way.

These components are the building blocks for a stronger and more purposeful shift in wellbeing program design.

Creating Programs That Drive Long-Term Change

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• Reward people for reaching their goals.
• Create a community that recognizes and celebrates success.
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• Provide evidence-based content and programming
• Support digital and human-to-human connections to sustain daily engagement

Focus on Driving Change, Not Just Raising Awareness

While there is a firm place within wellbeing programs for health risk assessments and biometric screenings in setting a baseline health status, focusing solely on these tools narrows outcomes to driving awareness, not necessarily driving change. Instead of simply creating programs designed to cure sickness, we have effective tools to create programs that cultivate wellbeing and allow participants to form habits that matter, including:

- **Wearable health technology to get real-time data about individual step tracking, plus singular/ongoing activity challenges.** In 26 studies involving more than 2,700 participants, users with fitness trackers increased their physical activity by 26.9%, reduced their body mass index, and lowered their blood pressure.[21] A device is a great trigger— a reminder to maintain your habit and do more when possible.

- **Sleep and food journals to gather actionable feedback about how to adjust habits.** In a study of 1,700 people, those who kept a food diary for six months lost twice as much weight as those who didn't.[22]

- **Mindful meditation to connect brain and body, enhance performance, and reduce stress.** Meditation has been shown to reduce anxiety and stress, increase memory, and improve attention.[23]

- **Company-sponsored volunteer events to strengthen a sense of community and connectedness beyond the workplace.** Volunteers show lower mortality rates, greater functional ability, and lower rates of depression than people who don't volunteer.[24]

There are meaningful and measurable goals for employees (steps taken, hours slept, calories eaten/burned, hours volunteered, and more) when using holistic metrics. HR managers can and should build their wellbeing plans around those goals and their accompanying metrics, because there is broad and sustainable value that can be found in these holistic areas. ROI will appeal to CEOs if they can see how it affects their bottom line.

Achieving Real ROI

By focusing on achieving real ROI in ways that move beyond traditional wellness indicators, employers' potential ROI expands in ways that are still meaningful—in terms of people and profit—to C-suite executives.

Vouching for Value: How I Know Wellbeing Investments Make a Difference

By Tom Sondergeld

If I only had five minutes to make my case to a company CEO about the importance of investing in employee wellbeing, I would say the wellbeing of any workforce has been tied directly and indirectly to its revenue.

But apart from that, we invest not necessarily to show ROI or to save money in the near-term, but to give our employees tools and resources to make smart, healthy decisions, which in turn adds value to the company and increases employee retention.

When I look at employees holistically (overall health, nutrition, energy, focus, productivity) I can clearly see ROI in investing in wellbeing programs — in terms that have nothing to do with claims data. The many variables that contribute to someone's health risk are ever-changing and difficult to assess in a population. The ROI that is perceptible is softer—increased engagement, increased retention, increased overall health status, and decreased absenteeism. Many of these are perceived and difficult to measure.

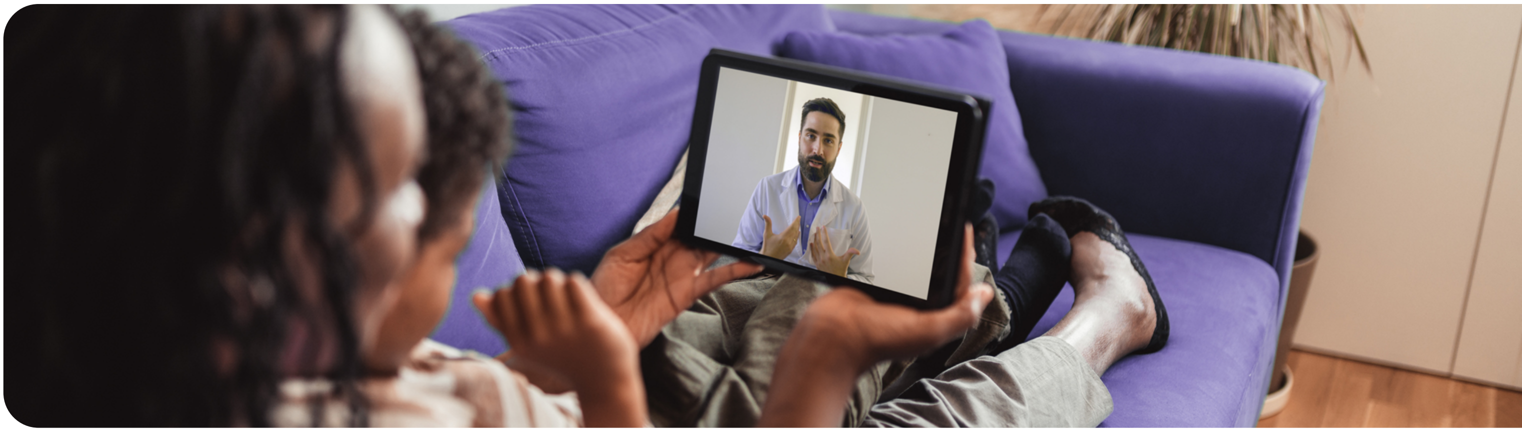
To my industry peers who have implemented health risk assessments and biometric screenings at their organization but haven't seen the health improvements they'd hoped for among their employee population, my advice is to keep at it. Behavior change is different for everyone and needs to be redone many times over before a change actually occurs.

We have also found that the first year of implementing resources like this does initially heighten health interest and can drive up costs as members seek out health care possibly for the first time in preventive visits and other types of health care needs.

Don't get discouraged; health improvement is challenging to measure and occurs only over years (sometimes many).

About Tom Sondergeld

Tom Sondergeld is the Senior Director of Benefits and Wellbeing at Walgreen Co., where his primary responsibility is to direct and coordinate the health care and wellness activities at Walgreens for all 240,000+ team members and dependents.



About Virgin Pulse and Benz Communications

Virgin Pulse is the leading digital-first health and wellbeing company that empowers organizations across the globe to activate populations, improve health outcomes, and reduce spend in an era of accelerating cost and complexity. Virgin Pulse's Homebase for Health® connects data, people and technology to deliver high tech, human touch experiences that engage and reward individual journeys. Virgin Pulse impacts over 100 million people across 190 countries by helping Fortune 500, national health plans and many other organizations change lives – and businesses – for good. For more tips and insights, connect with us on Twitter or LinkedIn.

Learn more at virginpulse.com

Benz Communications is a San Francisco-based marketing firm specializing in employee benefits, founded in 2006. The company creates strategic benefits campaigns for employers committed to nurturing high-performing and satisfied employees. Its clients include Fortune 500 companies and Fortune 100 Best Companies to Work For, as well as nonprofit and public firms. An established thought leader in the benefits industry, the firm has a deep stable of research and resources to help companies educate employees about health and financial benefits.

Learn more at benzcommunications.com

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