

Rethinking ROI, Reimagining VOI



Mary Marzec Ph.D

Amidst the landscape of ever-changing dynamics facing both employers and employees there are few constants. Employers are faced with widespread macroeconomic uncertainty, talent shortfalls and turnover threaten productivity, workplace morale, and ultimately an organizations' bottom line. COVID-19 changed where, when, and how work gets done. On the horizon, artificial intelligence stands to revolutionize even what work means and yield competitive disruptions and unprecedented technological advancements (1).

For employees, stronger consideration is given to the full value proposition offered by employers. Compensation is important but not sufficient for attracting and retaining skilled, committed employees (2). Support for wellbeing, work life integration and positive culture are key differentiators among employers (2). Plus, the unshakable reality is that people perform best when they feel good both physically and emotionally. Ask anyone attending a late afternoon meeting after only 3 hours sleep the night before. Or sitting at a desk with back pain. Our work affects our wellbeing and our wellbeing affects our work. Regardless of industry from manufacturing to retail to health care etc., it's the people that make the organization.



“With workers demanding much more from their employer, companies are having to look at their employee value proposition like never before in a bid to avoid a looming talent shortage.”

2023 Virgin Pulse Global Workplace Wellbeing Survey

Not surprisingly, employers are heeding the call to offer strong employee value propositions in terms of work life integration, valuing health and wellbeing, and supporting people across the full spectrum of both work and personal life. In recent years, record numbers of employees left their jobs to prioritize family and personal wellbeing (4). The U.S. Surgeon General’s framework for workplace mental health and wellbeing recognizes both the positive and potentially deleterious nature of work. “Our workplaces play a significant role in our lives ... and affect both our physical and mental wellbeing – in good ways and bad” (5). Current trends of increased remote and hybrid working support work life integration. Yet it also has given rise to an epidemic of loneliness (6, 7). In this increasingly fast-paced world of work, a singular constant is the importance of employee health and wellbeing.

Furthermore, organizations see workplace health and wellbeing as a business imperative and critical retention strategy. “There is a direct and powerful link between employers’ talent objectives (starting with job satisfaction) and holistic health” (1). Employees who feel cared for are 92% more likely to feel engaged at work, 65% more likely to be loyal, and 56% more likely to be productive at work (1). When asked about their most important strategies for the next 3-5 years, 84% reported that their number one priority was enhancing benefits to improve attraction and retention (8).

Using the right metrics at the right time

For all business imperatives, like wellbeing programs, metrics are important. They are necessary to track progress and inform strategies and tactics. In all types of metrics there is a big distinction between leading and lagging metrics. Leading metrics inform strategy. Lagging metrics inform outcomes. In sales, a lagging metric would be revenue or bookings. A leading metric would be the number of calls or contacts made. Revenue is the outcome, not directly actionable through tactics. The number of calls to clients is a leading metric that is actionable on the front end and linked to resulting increased revenue. For wellbeing programs, leading metrics include company readiness or culture (more on that later), participation, sustained engagement, and lower health risks in the population.

Rethinking Return on Investment (ROI) as a lagging metric

The long-touted ROI is typically thought of in terms of lower medical, pharmacy, disability and workers' compensation costs associated with improved health among employees is a lagging metric. Health and wellbeing programs require time to implement, promote, get people engaged, and allow those engaged people to develop healthier behaviors that translate to reduced health risks. Which then result in reductions in medical and pharmacy costs beyond the impact of aging and medical cost inflation. In the case of employee health and wellbeing programs, there are decision makers and those controlling budgets who may expect immediate ROI in terms of healthcare cost savings. Realistically any associated financial return will not be realized overnight. These are all timebound changes. As experts and researchers consistently reiterate, ROI is not something to be expected in the first year, or possibly even two to five years, of wellbeing initiatives. ROI depends on a comprehensive approach backed by best practices (9). Results happen over time not overnight.

Consider the last time you tried to change a habit. Change in general takes time. Changing habits, even more so. It takes time, self-education, mindset shifts, motivation, structural adjustments, prompts, things to make it easier, practice, reframing setbacks, social support, praise, resilience, etc. And what are health and wellbeing programs about if not, at the individual level at least, changing behaviors and transforming daily routines into healthier habits? Health outcomes, and therefore ROI, depend on behavior change, which depends on time, especially at the population level.

Despite inherent challenges, evidence of positive returns is growing. In Virgin Pulse's [2023 Global Workplace Wellbeing Survey](#) when asked about return on investment of wellbeing initiatives, 77% agreed that they can clearly see ROI from their program. This is a dramatic increase from the last global survey conducted before the pandemic, where only 23% indicated that they could clearly measure the impact of their wellbeing investment. Relatedly, 67% reported an increase in wellbeing program participation from the prior year.

//

77% of employers agreed that they can clearly see ROI from their program.



Reimagining Value on Investment (VOI)

The Value on Investment (VOI) model offers a more effective way to capture and measure the full scope of wellbeing program results. Furthermore, benefits occur in real time concurrently with wellbeing program engagement. Just as beginning an exercise program for a person begets benefits beyond the scale, such as improved energy, better mental wellbeing, perhaps meeting new people and more social connections etc. These are all intangibles realized immediately. As most of us know, if the only reason for exercising or trying to eat healthier is to lose 10 pounds, it becomes frustrating very quickly. However, the other less tangible benefits are more immediate, more satisfying, and improve quality of life. Just as individuals need a larger purpose for being healthy (What is your Why?), so do organizations. What is the real "Why"? A Chief Financial Officer once said, "if one person takes advantage of our wellbeing offerings, reduces blood pressure and perhaps the need for diabetes medicine, that will never show up on the bottom line in medical costs. For that person though, it is life changing."

VOI is traditionally interpreted as the many other benefits that come from successful wellbeing programs like increased job satisfaction, sense of community, and retention. Other benefits include people connecting beyond the specific role of their job and with those they might not otherwise interact with. All these factors translate to increased workplace engagement. Workplace engagement accelerators like belonging, community, connectedness, and individual vitality, purpose, and effectiveness all give rise to more creativity, ideation, and innovation, which in turn translate to greater productivity, revenue, and business outcomes (10, 11). More importantly, there is the sense that the company cares about employees as people across the full spectrum of their work and life. Reimagining VOI to encompass what the company really values as their “Why” behind supporting health and wellbeing of the people that work there every day honors a greater, more inspiring, and uniting purpose.

Wellbeing is seen as vital to financial success through an outcome-driven wellbeing approach.

Culture as a leading metric

For wellbeing programs to be impactful in terms of VOI and ROI they need to be evidence-based, reach a significant proportion of population, and be supported with an organizational culture aligned to prioritize health and wellbeing. Just as individuals won't succeed in improving healthy habits without the right conditions and support, so it goes for wellbeing programs. Stressful working conditions, organizational layoffs and uncertainty, high workloads and working overtime are just some factors that impact people's wellbeing and their efforts to be healthier. The irony and unfortunate reality in many organizations is that people feel too stressed to take time and participate in stress management programs. Factors like lack of trust, high stress, and sense of job insecurity can undermine engagement and effectiveness of wellbeing programs. Without looking deeper, organizations wonder why their efforts fail to have the anticipated impact.

Conversely, support from senior leadership and managers facilitate authenticity through an organization. Promoting wellbeing offerings at town hall meetings, encouraging stretch breaks, monthly wellbeing themes are examples of integrating wellbeing support into the culture. Virgin Pulse's Culture Check has been utilized by dozens of companies to understand and measure supportiveness of wellbeing in their culture. Companies with supportive cultures have 36% higher work engagement and 57% lower stress as compared to non-supportive cultures (12). A health supportive culture is also linked to greater job satisfaction, stronger connection to the organization, and lower intention to leave (13, 14). Data on culture in terms of leadership support, environment, wellbeing programs, manager peer support along with those factors of trust, stress, and sense of community provide leading metrics to inform strategies and gauge progress. **Even the best wellbeing programs will languish and fail to have the impact they otherwise would in a culture that fails to support them.**



A culture of health and wellbeing fosters engagement, motivation, productivity and talent retention.

ROI and VOI start with the individual--Whole person health, wellbeing, and holistic approach

While literally ROI and VOI end with I, in practice they begin with I as in the individual. Providing value and worth to individuals. Effective wellbeing programs need to have both a whole-person and a holistic approach. Whole-person encompasses different engagement preferences and meets needs across the demographic spectrum.

Holistic transcends distinct topics (physical activity, eating healthy, sleep etc.) and meets people wherever they are on the wellbeing spectrum across multiple dimensions (physical, emotional, social, financial, etc.) (15). Wellbeing offerings need to include multiple aspects of wellbeing and provide seamless accessibility and integration of resources that are otherwise disparate. Traditionally, workout classes, medical care, and mental health support exist separately. Integration and accessibility via Virgin Pulse yields immeasurable value to people providing access to different resources for themselves and their family in one place. The time savings for both the individual and by extension the employer alone is never considered in the ROI and VOI calculation. Virgin Pulse's Homebase for Health provides a seamless hub for a multitude of both Virgin Pulse and employer-provided resources. In one place, one can find a 10-minute workout, recipes for healthy meals, find a health care provider, get stress management tips, and perhaps access a lifestyle coach to stay on track. Interestingly, people are not accustomed to such robust offerings and ensuring awareness is a key component of realizing value.

Equally important in wellbeing program success is accounting for differences and the multitude of factors influencing how people engage with resources and their preferences. Demographic trends and increased focus on diversity, equity, and inclusion have spawned a workforce that is more diverse in age, gender, race, and ethnicity than ever before. Eighty percent of employers believe meeting the needs of employees across all life stages is an important benefits objective (16). Wellbeing offerings need to be just as diverse. Also referred to as "whole person health", each individual is unique, with unique goals, needs, and lived experiences influencing how they move through life and what inspires them act (17). While some may prefer intuitive digital self-serve tools, others engage better using person-to-person support with coaches or onsite health specialists embedded with an organization (either physically onsite or remote). Social challenges offer motivation and friendly competitions. In supporting all dimensions of wellbeing, making it convenient and motivating to engage, people and companies alike realize value not just in the wellbeing programs, but in being healthier as well.

Just as individuals may embark on an exercise program or adopt healthier behaviors with one outcome in mind (losing weight, being healthier, or more energy) and realize greater benefits, companies may initiate wellbeing programs simply to support employee wellbeing. However, there are immeasurable benefits that extend well beyond the numbers.

Valuing Individuals as Much as the Numbers:

"It [VP] definitely motivates me to do more and I enjoy the camaraderie" Virgin Pulse

"I feel that this is a great tool not only for your physical health, but also many great tools for your mental health as well." Virgin Pulse User
"Using this program has helped me to emphasize my health and working to maintain it going forward."
Virgin Pulse User



References:

1. Metlife. 2023 Employee Benefits Trends Study. The Advantages of Employee Care: Creating human-centric employee experiences and work environments. https://www.metlife.com/content/dam/metlifecom/us/noindex/pdf/efts-2023/MetLife_EBTS_2023.pdf
2. O.C. Tanner. 5 Culture Trends for 2023. https://www.octanner.com/content/dam/octanner/images/v2/insights/white_papers/2022/culture-trends-2023/WhitePaper_5CultureTrends2023.pdf
3. 2023 Virgin Pulse Global Survey Workplace Health and Wellbeing Priorities [051023_EWM_Global_Survey_006.pdf](https://www.virginpulse.com/051023_EWM_Global_Survey_006.pdf) ([virginpulse.com](https://www.virginpulse.com/))
4. <https://www.forbes.com/sites/jeannemeister/2022/04/19/the-great-re-shuffle-of-talent-what-can-employers-do-to-retain-workers/?sh=2f29ead04cf3>
5. <https://www.hhs.gov/surgeongeneral/priorities/workplace-well-being/index.html>
6. Knight, C., Olaru, D., Lee, J., & Parker, S. (2022). The loneliness of the hybrid worker. MIT Sloan Management Review. <https://espace.curtin.edu.au/bitstream/handle/20.500.11937/89229/89053.pdf?sequence=2>
7. <https://www.hhs.gov/sites/default/files/surgeon-general-social-connection-advisory.pdf>
8. 2023 Mercer National Survey of Employer-Sponsored Health Plans. Supporting Employees in a time of cost growth. <https://www.mercer.com/en-us/solutions/health-and-benefits/research/national-survey-of-employer-sponsored-health-plans/#:~:text=Health%20benefit%20cost%20per%20employee,reflect%20inflation%2Ddriven%20cost%20increases.>
9. Goetzel RZ, Henke RM, Tabrizi M, Pelletier KR, Loeppke R, Ballard DW, Grossmeier J, Anderson DR, Yach D, Kelly RK, McCalister T, Serxner S, Selecky C, Shallenberger LG, Fries JF, Baase C, Isaac F, Crighton KA, Wald P, Exum E, Shurney D, Metz RD. Do workplace health promotion (wellness) programs work? J Occup Environ Med. 2014 Sep;56(9):927-34. https://journals.lww.com/joem/Abstract/2014/09000/Do_Workplace_Health_Promotion__Wellness__Programs.6.aspx
10. <https://www.forbes.com/sites/jimpurcell/2020/02/11/employee-wellbeing-a-new-perspective-on-roi/?sh=3f396240574d>
11. <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/real-roi-wellness.aspx>
12. Marenus MW, Marzec M, Chen W. Association of Workplace Culture of Health and Employee Emotional Wellbeing. International Journal of Environmental Research and Public Health. 2022; 19(19):12318. <https://doi.org/10.3390/ijerph191912318>
13. Kwon Y, Marzec ML. Does Worksite Culture of Health (CoH) Matter to Employees? Empirical Evidence Using Job-Related Metrics. J Occup Environ Med. 2016 May;58(5):448-54. https://journals.lww.com/joem/Abstract/2016/05000/Does_Worksite_Culture_of_Health_CoH_Matter_to.4.aspx
14. Kwon, Youngbum PhD; Marzec, Mary L. PhD. Unpacking the Associations Between Perceived Cultural Support and Employee Health: The Approach of Social Capital. J Occup Environ Med 61(11):910-915, 2019. https://journals.lww.com/joem/Fulltext/2019/11000/Unpacking_the_Associations_Between_Perceived.7.aspx
15. Stoewen, D. L. National Library of Medicine. Dimensions of wellness: change your habits, change your life. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5508938/>
16. Metlife, 2022, <https://www.metlife.com/employee-benefit-trends/2022-employee-benefit-trends/>
17. National Institutes of Health. National Center for Complementary and Integrative Health. Whole Person Health: What You Need to Know. <https://www.nccih.nih.gov/health/whole-person-health-what-you-need-to-know>

About Virgin Pulse

Virgin Pulse is the leading digital-first health, wellbeing, and navigation 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](#).





About the Author

Dr Mary Marzec

Mary Marzec, PhD is a Sr. Scientist with Virgin Pulse. She leads the workplace culture initiative. Dr. Marzec has over 12 years' experience working with employers on population health and employee wellbeing strategies.

Previously at the University of Michigan working with Dee Edington, Mary led the development of the Workplace Culture of Health survey (aka Virgin Pulse's Culture Check), which quantifies social determinants of health in the workplace environment and culture. By identifying strengths and opportunities, organizations can leverage cultural factors to most effectively support the health of their populations. Mary has a master's degree in Biostatistics and a PhD in Kinesiology, both from the University of Michigan.

