The Business of Healthy Employees: A Survey of Workplace Health Priorities

2013
Introduction

A healthy workforce plays a role in maintaining a healthy business. As demonstrated by the organization response this year, health and wellness has a significant role to play. Health and wellness benefits are offered at 80.4 percent of the organizations surveyed, the priority placed on wellness.

This year Virgin HealthMiles in partnership with Workforce Management magazine surveyed 1,308 businesses and 9,918 employees to further understand the impact of health and wellness and to gain insight into how the landscape for health and wellness programs is changing year to year.

Top Five Findings

» 1. Health and wellness programs are important to employees, with 87.2 percent of employees surveyed saying they consider health and wellness offerings when choosing an employer.

» 2. Health and wellness programs have a positive impact on an organization’s culture of wellness. Seven out of 10 employees say that wellness programs positively influence the culture at work, and 57.5 percent say their participation in wellness programs has had a positive influence on their colleagues, friends and family.

» 3. Incentives matter: Though the dominant motive for employee participation in health and wellness programs is to improve their health (78.2 percent), incentives are important — 61.4 percent of employees say the incentives they earn through participating in wellness programs are a key reason they participate.

» 4. Communication is a concern: The dominant form of communicating to employees continues to be email (81.8 percent). However, employees feel they are not aware of, or need to know more about, health and wellness programs offered by employers (51.6 percent).

» 5. Measuring impact continues to be a challenge: Unlike last year, measurement is now the biggest obstacle for organizations when it comes to health and wellness programs. With only 31 percent of organizations satisfied with their health and wellness metrics, more must be done to quantify the impact of health and wellness benefits.

Health, Happiness and Engagement

The wellness and vitality of an organization and the health and wellness of its employees is closely linked. This is one of the many reasons why health and wellness programs are so popular. Employers benefit from better engagement from a healthier, happier workforce, and employees are taking notice. Employees are excited to participate in health and wellness programs with a majority of employees taking advantage of programs offered by employers.

Employees in organizations with health and wellness on offer feel cared about by their company. Of the employees surveyed, 79.9 percent believe their employer cares about their health and well-being. Being supported and valued by an organization leads to improved job morale, job satisfaction, deeper commitment and improved performance. Employees who feel cared about are more committed to organizational priorities, being more engaged and feeling more a part of the organization’s success. One employee noted that it was “[g]reat for morale to know the company is concerned for its employees on a more personal level.”

80.4 percent of the organizations surveyed in 2013 are offering health and wellness programs to employees.

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Offering wellness benefits also improves the overall atmosphere of the working environment. Seven out of 10 (77.2 percent) employees said that health and wellness programs positively impact the culture at work. A more positive working culture and improved employee morale can directly influence the bottom line.

Employees truly appreciate the offer of health and wellness benefits, with 87.2 percent of employees surveyed saying health and wellness programs play a role in determining their employer of choice. Offering wellness benefits can improve employee recruitment, making organizations with health and wellness programs more competitive in the market overall.

Culture of Wellness

Offering wellness benefits helps to create a healthy workplace, but it also begins to impact the organization’s overall culture of wellness. According to 57.5 percent of the employees surveyed, their participation has had a positive influence on their colleagues. “Wellness programs can help spread the health across an organization — they’re motivationally contagious,” said Chris Boyce, CEO of Virgin HealthMiles. “More than half of survey respondents say they’re influenced by their colleagues, so you can see the ripple effect this has on engagement and productivity within the workplace. The positive experience of one employee can create a host of other positive experiences across a business. If a company shows it’s making efforts to create a healthy culture that supports employees’ health and helps improve their total quality of life, it’s a true win-win.” The impact on others is not limited to the workplace, either. Employees who participate report a positive influence on family, friends and children.

Many employers are taking advantage of the influence of participation by making health and wellness available to those outside of the workplace with an offering of health and wellness benefits to other family members of employees.

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79.9 percent of employees believe their employer cares about their well-being.
47.1 percent of employers are offering health and wellness benefits to spouses of employees.

The interest in creating a culture of wellness involves creating a culture shift that includes everyone who impacts an employee's overall health and happiness. This also demonstrates how organizations understand the important influence that social interaction, specifically family and home life, has in keeping employees motivated with wellness plans. In general, employees felt motivated by interaction with supportive peers. This could signal some changes in how employers communicate with and engage employees in health and wellness programs.

56.1 percent of employees report being supported by peers on their journey toward health and wellness.

Peers have a significant role in motivation, which would suggest that improving peer communication would provide continued benefits. About 56 percent of employees report being supported by peers on their journey toward health and wellness.

Organizations are diverse in their offering of health and wellness programs as well, providing a large variety of programs for employees to choose from. However, there are some gaps between programs employers typically offer and programs of greatest interest to employees.
The most commonly offered incentive programs are physical activity programs (57.6 percent), and these programs are also quite popular with employees, with 78.1 percent saying they have an interest in participating in them at work. On the other hand, fewer employees are interested in smoking cessation programs (12.7 percent), which are offered by 50.3 percent of employers. The popularity of activity programs compared to the lack of interest in smoking cessation is expected, as a smaller portion of the workforce are smokers and so the benefits are limited for employees, whereas employers receive significant gains when employees quit smoking. However, everyone can benefit from improved physical health, making this a much more popular choice with employees.

Weight management programs, health risk assessments and health club memberships are well-liked by employees, and many employers are offering them. It is also interesting to note that only 33.2 percent of employers are offering healthy on-site food choices. Employee interest in having access to healthy on-site food choices is far ahead of what is available. On-site food and snack offerings may be an area for consideration when expanding or modifying health and wellness offerings.

About 31 percent of employers are offering on-site fitness centers, allowing easy access to healthy choices for employees. Providing easy access may also help to increase participation by employees. One employee commented, “[a]ccess to fitness equipment is also very critical for me since it allows me to work out during my breaks rather than have to squeeze it into a morning or evening.” More employers should consider the return on investment of providing on-site centers or fitness equipment.

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— Chris Boyce, CEO of Virgin HealthMiles.
Employees appear very motivated to improve their own wellness. This provides a number of advantages to employers. With the rising cost of health care coverage and the impact on business when employees are stressed, unengaged or absent, an employee population that feels, and is, truly healthier keeps companies on track and stable. Employees, who clearly feel cared about and engaged in programs being offered, say they are participating to improve their overall health more than anything else. About 78 percent of employees say overall health is the leading reason for participation in health and wellness programs.

“"I love the health program,” commented another employee, “and [it] has been more fun participating than I thought it would be when I first signed up.”

Employees do feel healthier overall as a result of participation on health and wellness programs. Eighty-one percent said that they feel better as a result of participation. Even better, 61.9 percent say they feel more productive. It’s hard to argue when employees are able to feel the impact and turn that sense of well-being into more productive output.

**Motivation and Incentives**

While there’s significant participation aimed at improving overall health, incentive programs also are an important motivator for employees. Six out of 10 employees participate specifically for the incentives offered. Sixty-four percent of employers offer some kind of incentive, with combined incentives for participation and outcome leading incentives for participation or outcomes alone.

Incentives that encourage participation and produce outcomes are also potentially the most beneficial for the organization, as positive improvements in health will directly impact productivity, presenteeism and engagement by employees.
Of the incentives being offered the resounding majority are “carrot”-type incentives, rewards for doing well and achieving something. Carrot-type incentives provide positive motivation, and these continue to be a more popular offering (67.7 percent) than stick-type incentives (3.5 percent) which are down 1 percent from 2012. The number of organizations offering both carrot and stick-type incentives has remained consistent (28.8 percent), suggesting that a balanced approach has proven to have value. “Research shows that sometimes the carrot works, and sometimes the stick gets better results,” said Virgin HealthMiles’ Boyce. “You’ll have to determine what will work best for your population and your culture before you decide how to position your incentive dollars.”

Offering incentives is a good practice, with 61.4 percent of employees participating specifically to earn an incentive. This can lead to a direct increase in participation, which would translate again to the improvement of overall company health. “Incentives (especially monetary) seem to really motivate people,” said one employee. “Also friendly competition is very motivating.”

**Measuring the Impact**

From the employee perspective, the perceived benefits are personal, with 75.5 percent reporting that they have improved physical activity. Additionally, employees report being healthier, happier, more energetic and achieving weight loss goals as a result of participation.

**Employee Perceived Benefits**

- Feeling healthier and happier: 55.0%
- Improved overall well-being: 53.7%
- Weight loss/lower BMI: 49.4%
- More energy: 47.5%
- Significant financial rewards: 28.5%
- Improved control of chronic conditions: 26.9%
- Fewer sick days: 22.0%
- Lower health care premiums: 20.8%
- Improved workplace morale: 20.5%
- Supportive social connections: 17.3%
- Reduced dependence on medications: 9.1%

What’s important to the employee differs from what’s valued by employers. With 22.1 percent of employees reporting fewer sick days, 29.3 percent reporting improvements in maintaining chronic conditions and 19.4 percent describing lower health care premiums, organizations can take note of significant areas for savings and cost management as a result of wellness programs.

75.5 percent of employees report being **healthier**, happier, more energetic and achieving **weight loss** goals as a result of participation.
“Access to fitness equipment is also very critical for me since it allows me to work out during my breaks rather than have to squeeze it into a morning or evening.”

With attention to improving the measurement of wellness, businesses may be able to better address the potential obstacles for wellness programs in their organizations. Unlike last year, budget is not the biggest perceived obstacle to health and wellness programs, but rather measuring the program impact is. This points to a significant need to improve measuring the impact of health and wellness programs on the organization. However, it’s interesting to note that securing C-level buy-in was reported to be an obstacle to implementing health and wellness programs by less than 1 in 5 employers, signaling that C-suite appreciates the benefits of wellness programs being offered. The real obstacle is making the case that resources invested in health and wellness programs are well spent.

Indeed, given the current climate to cut costs and increase profits long-term, reducing access to health and wellness is not a priority, with most organizations (75 percent) reporting that, regardless of increasing costs in health care long-term, companies plan to continue offering either the same, or improved, health and wellness benefits to employees. In addition, when asked about the strategic direction for their health and wellness benefits, 62 percent of employers surveyed report that their health and wellness offerings are becoming more comprehensive over time.
The benefits gained from health and wellness are worth the time and effort to improve measuring the benefits of wellness and its impact on organization health, engagement, culture and profit.

**Communication**

Of the employees surveyed, 51.4 percent feel they have a good understanding of how they can participate in the programs being offered by their employers, where 57.3 percent of employers feel that their programs are well communicated. The use of emails for communication about health and wellness benefits continues to dominate, with 81.8 percent of employers sending emails, up 8.2 percent from last year.

There has also been an increase in the number of organizations that communicate wellness benefits through an employee’s direct manager. Direct manager communication rose 11 percent from last year, with 26.3 percent of the organizations reporting that communication about employee benefits is direct. This is extremely important as direct person-to-person communication has the greatest potential to reduce confusion and increase awareness of health and wellness programs.
As was previously noted, peer motivation accounts for a large percentage of encouragement for employees (56.1 percent). Considering how peers impact and support participation, and how much of an influence participation has on colleagues, it suggests more use of social media and social communication tools to raise awareness for health and wellness programs. However, employers continue to use very few social media applications, reporting only 10 percent adoption, up 1 percent from 2012. Social media could also provide an important platform to keep employees informed about health and wellness programs.

About 57 percent of employers think employees have a good understanding of health and wellness programs, whereas 43.2 percent of employees feel their employer does a good job of keeping them informed about programs offered, up 2 percent from 2012. Additionally, 51.6 percent of employees feel they are unsure about or need to know more about health and wellness programs being offered. Awareness of wellness programs remains virtually unchanged from 2012, possibly because communication about programs has shown very little change. This is further evidence that employers need to consider more significant changes in communication strategies to comprehensively inform employees about health and wellness programs.

The Affordable Care Act

In 2014, the Affordable Care Act (ACA) will provide additional provisions for health and wellness initiatives. “The opportunity to increase your wellness incentives enables you to further customize your corporate wellness initiative and make sure you’re offering a comprehensive and diversified set of programs that best meet the needs of your workforce,” Boyce said.

Only 25.8 percent of the organizations surveyed indicate having any plans to take advantage of the wellness provisions offered in the ACA. This is partially due to either a lack of understanding of the benefits offered (15.9 percent) or lack of desire to take advantage (19.3 percent). There are a number of reasons why companies should look at taking advantage of the ACA provisions. Starting in 2014, employers can raise the total amount of financial incentives offered from 20 percent to 30 percent of the organization’s health care plan costs. The ceiling goes to 50 percent for smoking cessation programs. This allows organizations to raise the financial incentives offered to employees who participate in the program, and can lead to increased savings while gaining the positive return on investment.
About Virgin HealthMiles

Virgin HealthMiles, part of Sir Richard Branson’s famed Virgin Group, is the industry’s top performing health engagement platform. We help employers encourage their employees to adopt healthier lifestyles and create great places to work. Using the latest in social, gaming, and rewards technologies, Virgin HealthMiles gets more people to change their behavior in meaningful ways for longer periods of time than any other company. More than 200 industry leaders representing 1,000,000+ employees have selected Virgin HealthMiles’ award-winning programs for their workplace. True to our Virgin roots, we don’t just play the game. We change it for good.

Learn more at
www.virginhealthmiles.com

“With these pending opportunities, you must first decide if it’s best for your organization to increase the incentives you offer. It may not make sense for your organization,” Boyce said. “If you opt for taking advantage of the higher ceiling, and if you properly apply the incentives through your corporate wellness initiatives, both your organization and your employees can benefit.” As the Affordable Care Act begins to roll out, organizations have a great opportunity to see how everyone can take advantage of possible benefits. Every opportunity to increase wellness programs in an organization is an additional chance to reap the rewards of an increasingly healthy workforce.

Conclusion

Health and wellness programs are important to employers and employees alike. The advantages of health and wellness benefits include a positive impact on workforce engagement and encouraging a culture of wellness at work. While many employees participate specifically to increase their own health, incentives still play a useful role to motivate and engage participation from employees. There are still some challenges to be overcome, especially when communicating with employees and with wellness metrics, demonstrating a need by employers to continue to make advances in these areas. Overall, organizations providing wellness programs are receiving a positive return on investment through the programs with a demonstrated impact on employee engagement, productivity and general sense of well-being.