

REWARD STRATEGY AND PRACTICE

USING WELLNESS PROGRAMS TO CREATE EMPLOYEE ENGAGEMENT

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IS ROI THE ONLY MEASURE OF WELLNESS PROGRAM SUCCESS?

Employees need to be engaged in their work and enabled to be productive and successful. One of the tools that employers have at their disposal is the health status of their own employees. One of the best ways to encourage engagement of employees is make them realize that the employer is interested in and cares about the health and welfare of both the employee and the employee's family.

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Traditionally, employers have been interested in examining wellness programs from the perspective of cost savings as an end in itself. Over the years, wellness programs have been judged either positively or negatively based on their return on investment. We believe that there are two problems with this approach. The first is that measures of improvement in wellness programs are extremely difficult to document in a work force in which turnover of employees is a constant fact of life. In addition, employers are reluctant to only direct wellness programs at employees who have significant health risks. By including workers with minimal health risks in wellness programs, employers reduce their potential return on investment. If employers are willing to pay for results it is unlikely that investing in wellness programs that promote health to the healthy will generate much of a return. If employers were primarily concerned about return on investment, investments would be made only in employees

with recognized and documented health risks so that ROI could be improved.

However, if employers have a broader perspective that realizes the benefits of engagement and enablement in their work forces, they are likely to view the return on a wellness program from a different perspective. We believe that employers who support wellness programs can create increased engagement in their workers and this effort has an independent benefit aside from the direct reduction of medical costs.

EMPLOYER EFFORTS AT WELLNESS IMPROVEMENT

Employers continue to examine the advantage of a Wellness Program and the role it plays in changing employees' behavior. Much emphasis has been placed on the importance of a wellness program representing a return on investment for the employer. Although this notion makes sense conceptually, the actual calculation of such a return can be an enormously difficult undertaking

for employers. First, there is the issue of employee turnover. In order to measure ROI, a methodology that tracks employee improvement over a number of years is essential. If an employer experiences significant turnover every year, their ability to realize the benefits of wellness improvement may be limited. Although the wellness participant may experience future benefits from the wellness program, the returns may be realized by a future employer and not the developer of the wellness program.

Additionally, some experts argue that measuring employee claims before and after wellness program implementation (the so called pre/post measurement methodology) may not be a valid approach. An accusation that employees “revert to the mean” over time has been a constant criticism of pre-post approaches to calculating wellness benefits. In most studies, control groups are required to measure the effects of non-participants with similar demographic and morbidity his-

stories to adequately measure the effects on program participants and non-participants. For many employers, attempting to provide valid and scientifically supportive data for wellness programs is beyond their capabilities and desire. As a result, suspect calculations are often used. ROI is widely touted and even a 1:1 return may be seen as valid as a method to increase productivity. It is presented as the panacea for all the challenges relative to Employer Sponsored Health Care.

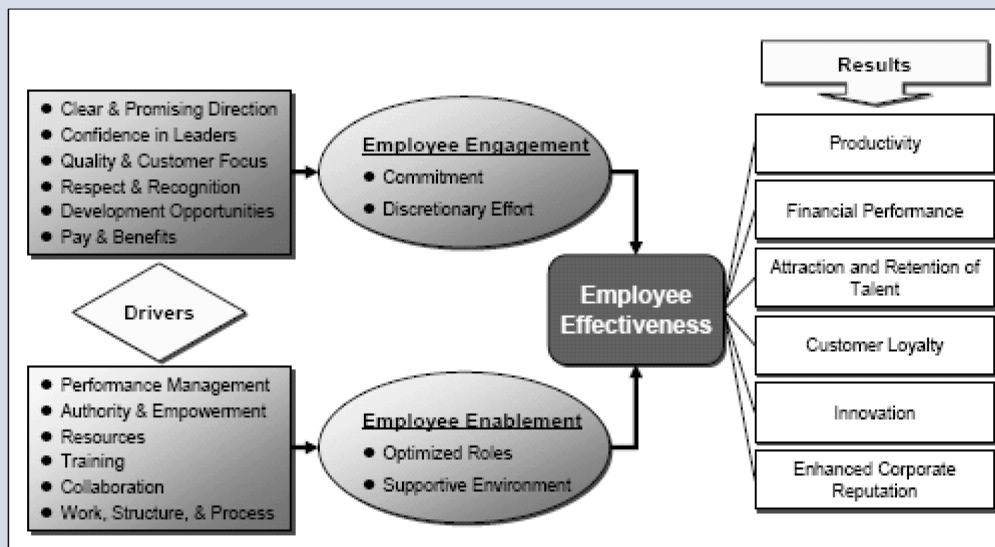
In spite of these difficulties, there have been innumerable conferences and seminars on this topic, each one advocating an active role for the employer and presenting a bright future for the employer who fully commits. Consultants are quick to point out the dire consequences of not embracing this concept as traditional approaches to cost containment such as increases in employee contributions and point of service cost sharing reach a point of diminishing returns. Is the solution as simple as wellness

“investment x time = savings”? Are we victims of wishful thinking and why are we so willing to accept this premise? There are widely held and, in our opinion, accurate viewpoints that modifying certain behaviors will result in lower health care expenses. To what extent should employers attempt to embrace this philosophy and what level of financial commitment is needed? Due to the measurement difficulties noted above, the perspective of this article is to forgo the traditional debate on ROI but pose a more fundamental reason for employers to be committed sponsors of wellness programs.

EMPLOYEE ENGAGEMENT

What happens if we reorient our examination of value relating to Wellness programs? What is the impact of wellness on Employee Engagement and why should employers care? Few would argue against the advantages to a firm of a fully engaged workforce. Employees’ roles and responsibilities are constantly evolving within the

EXHIBIT 1



workplace; employers must count on employee's abilities evolving on the same trajectory to ensure a responsive and highly effective organization. Employers should benefit from employees heightened desire to make the discretionary effort and willingness to go the extra mile for the benefit of the organization. Healthy employees will be at work and receptive to the firm's messages. Conversely unhealthy employees may have intermittent absences with frequent distractions that present systemic challenges to aligning individual effort with the firm's aspirations.

Many firms would gladly affirm that their organizations have wonderful employees with high levels of engagement but they still struggle at suboptimal levels. Employers may have been successful energizing their employees to meet the organization's goals and objectives. Employees are ready to make positive contributions but are limited by their physical ability to make the full commitment. Employees who are struggling with health issues of their own or family members will struggle to contribute at work. A sense of optimum health and wellness among employees and their families is a company resource and a powerful engagement factor.

EMPLOYEE ENABLEMENT

Although employees are motivated to contribute they may lack the ability to deliver. Health or lack of health is among the most important elements impacting an employee's contribution. We all know that unhealthy behaviors result in more household provider visits, increased levels of workplace stress, and absentee-

ism. However, how does this impact the organization? Beyond productivity and financial performance, it impacts attraction and retention of talent, customer loyalty, innovation, and enhanced corporate reputation. It is critically important that organizations aggressively pursue positive impressions across all these areas to fortify the organization's ability to reach corporate goals and successfully implement strategy.

In sponsoring wellness and health promotion programs, employers are asking workers to change their personal approach to their own health and letting them know that the organization will help them accomplish this in a meaningful and sustainable way. Is it realistic that an employer can lift someone off their couch, replace the chips in their pantry with healthy alternatives, and get them to the morning exercise class? In the end people have made a choice to be unhealthy and potentially shorten their life. Employers who actively sponsor wellness programs are asking

employees to adjust the psychology that led to this decision. By committing company time and effort to creating this change, employers bridge the gap between concern for an employee in their organizational role and the more personal effort to become a better person. Done skillfully and with the proper motivation and concern that sustains real change, this effort by employers can create a powerful bond between worker and company that transcends ROI and creates true congruence between the employer and its employees.

As noted in Exhibit One, employee effectiveness is created by a combination of engagement and enablement. Employees must be inspired by the organization to provide maximum discretionary effort on behalf of the employer but they also must receive the necessary support from the organization to allow them to be successful in their jobs. Successful wellness programs provide employees with both the motivation and the tools necessary to be successful in their

EXHIBIT 2

Employee Engagement, Employee Enablement, and Individual Performance

Employee Engagement

	LOW	HIGH
HIGH	DETACHED	EFFECTIVE
LOW	INEFFECTIVE	FRUSTRATED

Employee Enablement

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jobs. The fact that the organization provides them with tools to improve their health creates both a bond with the company and a feeling that the organization has provided the employee with what is needed to maintain the optimum health that they desire.

Exhibit Two isolates four distinct groups of employees, characterized by differing levels of motivation and support.

A successful wellness program will result from employees that are both highly engaged and enabled to succeed. In these happy instances, employees' motivation to change their behaviors is matched with the ability to be successful. Some of the more innovative program designs have included incentives to participate in health screenings that are supported through ongoing awards for health improvements. Although these programs are sophisticated and likely to deliver meaningful results, there are many simpler steps that may be taken to move employees toward the upper right hand quadrant (effective). The key is to keep employees committed and provide access to programs that are easily understood and supported, so employees are empowered to make better health decisions.

Unfortunately, many employees even in well designed programs lack both engagement and enablement. Not surpris-

ingly, these employees struggle with wellness. Employees in this mode are unlikely to adopt healthy behaviors or contribute toward meeting wellness objectives. Even when an employer is unambiguous in their support of wellness programs, not all employees are ready to make the commitment to change.

Wellness Program Engagement and Effectiveness

The jarring revelations are the off diagonal cells in Exhibit Two. The bottom right quadrant signals frustrated employees. These individuals are highly motivated but are not provided the necessary tools to change their behaviors. They are aligned with wellness objectives but are held back because the organization is not sufficiently supporting these goals. They would benefit from better wellness programs that lead to sustainable health but this is not being provided by the organization. The bright side is that this group is ready to change and will become cheerleaders of any substantial effort supported by the organization to improve the wellness of the employee population.

A sizable percentage of the population is categorized as detached. The wellness program by design is not suited for them individually although the wellness environment is supportive. This group is not engaged with the firm's wellness objectives and because they

are lacking the necessary commitment to change. Of course the ability to positively impact the actual distribution of employees among the four quadrants represents a substantial opportunity to improve organizational performance through improvements in employee health.

CONCLUSION

Historically, employers' commitment to Wellness Programs has been dependent on establishing a meaningful and verifiable ROI that is sustainable over the long run. We posit that although making better lifestyle choices will improve health and lead to more productive employees that an alternate perspective is useful as well.

The ability of employers to effectively engage and enable employees to make better lifestyle choices will provide them a meaningful advantage in workplace. They will be in a better position to optimize the contribution of their employees, as well as mitigate the substantial financial burden that results from unhealthy behaviors. It is paramount that organizations establish a process to ensure receipt of meaningful feedback from employees to generate a clear picture of their effectiveness status and execute measures that will lead to employees making healthier choices.

