

Do Workplace Wellness Programs Work?

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This article presents results from a new study on whether workplace wellness programs improve employee health and deliver a return on investment.

by | **Jennifer Elia** and **Michael J. Rouse, Ph.D.**

Many Canadian benefits and human resource professionals are intrigued by the potential of wellness programs to improve workforce health and well-being, increase engagement and productivity, and control absence and disability-related costs.

But organizations face two challenging questions in implementing wellness programs:

1. Do they improve employee health?
2. What is the expected return on investment (ROI)?

A recently concluded two-year study has yielded some important findings to address those questions. Researchers at Western University Ivey Business School at the Ivey International Centre for Health Innovation, in alliance with Sun Life Financial, studied how workplace wellness programs affect employees and organizations.

About the Study

To ensure a solid level of academic rigor, Ivey researchers conducted the study over two years using a treatment group and two types of control groups.

Wellness efforts of varying degree were implemented in six organizations representing 28 unique worksites and 820 employees (60% in the treatment group and 40% in the control groups). The employers were located across the country and reflected a variety of industry sectors. Participants came from a diverse range of job categories.

The research set out to answer two questions:

1. Do wellness programs measurably improve the health of employees?
2. Is there a business case for putting a wellness program in place, both in terms of hard dollar cost savings (such as lower absenteeism and lower drug costs) and reducing costs related to lost opportunity (due to loss of production during absences or through presenteeism)?

The research was conducted in two phases:

- Phase 1—Meta-analysis: The researchers analyzed global workplace wellness research, involving in-depth analysis of research papers that met strict criteria for inclusion.
- Phase 2—Wellness program study: The researchers conducted an in-field study of the comprehensive wellness programs implemented at the six Canadian organizations for a two-year time period.

Phase 1 Findings

The research review confirmed there were no comprehensive, scientifically rigorous studies in Canada on the impact of wellness programs. In the United States, a 2010 Harvard University meta-analysis suggested an ROI of \$3.27 for every \$1 invested in wellness programs.

Looking outside of the United States, the Ivey meta-analysis—which narrowed more than 500 studies to four that met the research criteria for inclusion—suggested that wellness programs reduced absenteeism by 1.5 to 1.7 days per year.

Absenteeism in Canada in 2011 ranged from 4.7 to 11.2 days per year, according to Statistics Canada.¹ Based on the results of the U.S. study, wellness programs could reduce the Canadian absenteeism rate by 14% to 36%, resulting in estimated savings of \$251 per employee per year.²

A Little Health Knowledge Is a Good Thing—Awareness of Cardiovascular Risk Factors³

One of the key early findings of the research relates to the link between an individual's level of awareness of his or her cardiovascular disease (CVD) risk factors and his or her health behaviours.

According to the World Health Organization (WHO), CVD is responsible for 31% of deaths worldwide.⁴ Yet research has shown that 80% of cardiovascular-related mortality is preventable.^{5,6}

In the study, 39.5% of employees in the biometric screening control groups and the treatment group did not know their risk level for at least one of their CVD risks before participating in a screening clinic that measured three CVD risk factors (weight, blood pressure and cholesterol). The risk factor for which there was least awareness was cholesterol levels (30.8% did not know if they had high cholesterol or not).

The research found a correlation between lower levels of risk awareness and less optimal health behaviours. Individuals who did not know at least one of their risk factors were significantly:

- Less likely to report achieving recommended levels of weekly physical activity
- Less likely to report consuming at least three servings of fruits and vegetables per day
- More likely to report consuming fast food meals at least once a week.

The opposite was found for individuals who had accurate knowledge of their risk on all three CVD measures.

Phase 2 Findings

The in-field study of the wellness programs consisted of a wellness treatment group and two different control groups. Each organization had one treatment group and one of the two control groups (but not both). The first control group completed a wellness survey, while the second completed the survey and also received a biometric screening. The wellness treatment group completed both the survey and biometric screening but also had access to the comprehensive wellness program, which included a wellness website with resources and wellness tools, a lifestyle modification program and individual one-on-one coaching as well as other supports.

The use of control groups in the study was critical to account for changes to the organization that may have occurred independent of the study and could have affected the health and wellness of participants. By comparing the results of the control group with the treatment group, researchers could measure the impact of the full wellness program on participants.

The employee wellness survey was designed to reveal an overall organizational wellness score that was weighted based on a review of academic health literature. The factors that made up the survey and their relative weighting were:

- Workplace culture and engagement (44%)
- Stress (22%)
- Nutrition (11%)
- Alcohol and tobacco (11%)
- Physical activity (11%).

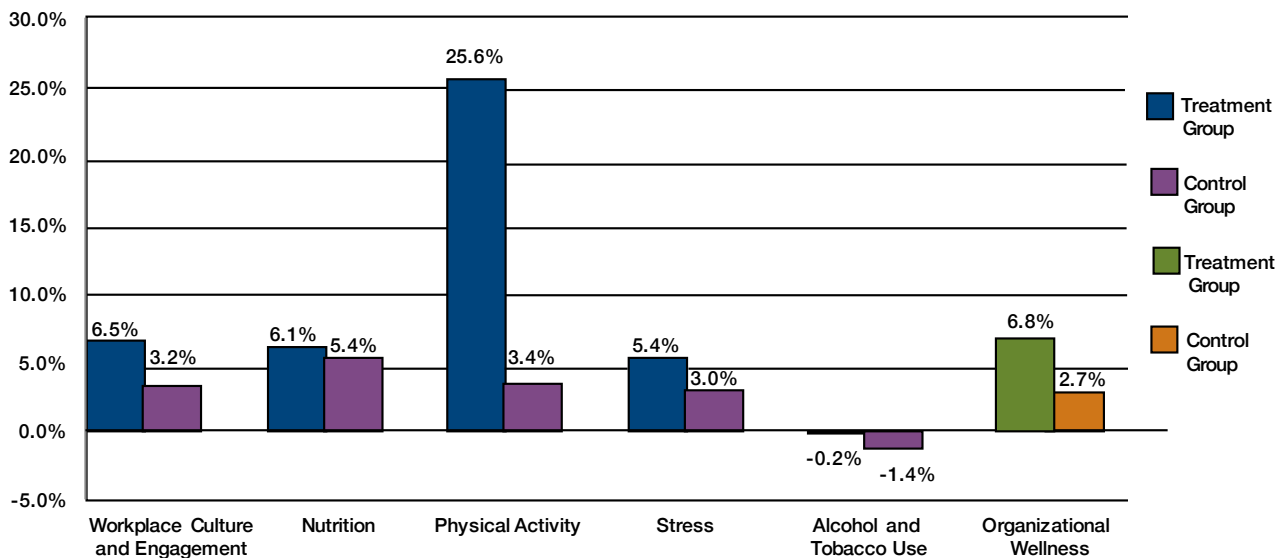
Employees in the treatment group and both control groups took the survey at the beginning and end of the two-year period. Employees in the treatment group also completed a midstudy survey, for three surveys in total.

The impact of full wellness program participation was pronounced, as shown in Figure 1. The overall wellness score of the treatment group increased by 6.8% during the two-year period, versus a 2.7% increase for the control groups. The increase in self-reported physical activity was the most significant, with activity increasing by 26% for the treatment group versus about 3% for the control groups.

Participants in the treatment group also reported a number of positive health outcomes:

FIGURE 1

Percentage Change in Wellness Index Score (Beginning to end of study)



Source: Sun Life-Ivey Canadian Wellness Return on Investment (ROI) Study.

- 59% were drinking more water.
- 53% increased their physical activity level.
- 51% improved their nutrition.
- 23% lost weight.
- 23% had more energy.

Many perceived barriers to health also decreased between the beginning of the study and the end. For example, at the beginning of the study, 44% of participants said that a lack of resources was a barrier to maintaining a healthy lifestyle. This number dropped to 37% by the end of the study. Similar decreases in perceived barriers occurred for low motivation (66% to 58%), lack

of knowledge (38% to 29%) and lack of healthy food choices at work (45% to 37%), among others.

The sidebar provides information the research revealed about the impact that knowledge about health issues can have on an individual's health behaviors.

The Importance of a Strategic Approach

Comparing the "best results" company in the study with the company that was least successful confirms that the design and implementation of a wellness program affects its results. (See Figure 2.)

The best company (Company X) had engaged management, promoted the program well and achieved excellent results. The company with the worst results (Company Y) experienced a high level of organizational change during the two-year period, with high levels of work-related stress. In fact, the leadership team that had introduced the wellness program was no longer in place by program's end.

Specifically, employers that adopt a strategic approach in designing and implementing their wellness programs are more likely to enjoy a high degree of participation and success.

Takeaways

- A recently concluded two-year study of wellness programs addresses whether wellness programs improve employee health and the expected return on investment generated by such programs.
- The study found that the wellness score for those who participated in a comprehensive wellness program increased by 6.8% during a two-year period.
- Reported positive health outcomes for those participating in the comprehensive program included increased physical activity level and improved nutrition.
- Perceived barriers to health, such as low motivation and lack of knowledge, also decreased for wellness program participants.
- Elements of a successful wellness program include leadership, policies and practices that reflect a culture of health, communication, programs that target priority health risk areas, and evaluation.

The most advanced organizations recognize the value of integrating program design, measurement and communications to deliver a meaningful employee experience whether employees are healthy and at work, facing one or more health risks or absent from work.

Here are five recommended best practices for a successful wellness program:

1. Leadership

Support from top management is essential to the success of any initiative—and organizational health is no exception. A strong commitment from senior managers—with a show of leadership by example—can be instrumental in creating a healthy workplace culture and lasting program success.

2. Policies and practices

The organization's existing policies and practices should reflect a culture of health—or be amended to ensure consistency with values that include a focus on employee health and well-being.

3. Communication

Communication is a critical component of any wellness initiative. The extent to which employees understand the employer's commitment to employee health and understand the wellness offering—and the benefits and incentives associated with it—can

largely determine the success of the program.

4. Targeted programs

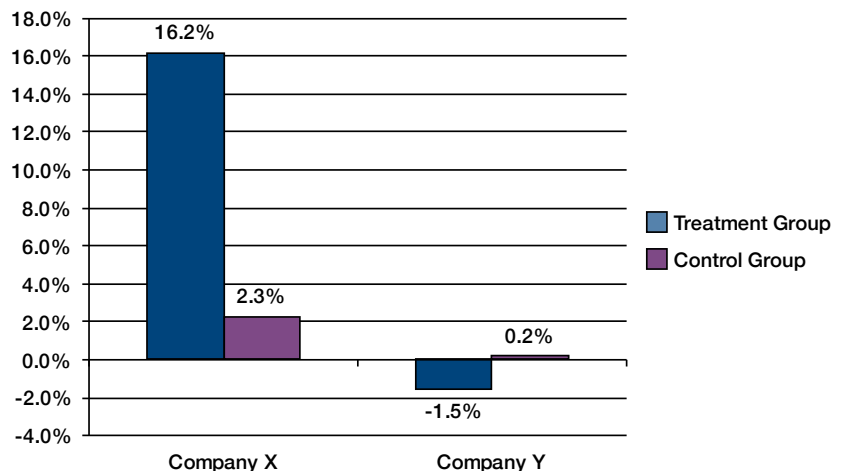
Organizations should identify top priority health risk areas, then target programs to address these. Assessment activities like the survey and the biometric screening in the study can help to identify these risks with data that provide a baseline of the health status of employees, which also helps to measure program success.

5. Evaluation

The evaluation of a wellness program—which involves an analysis of outcomes and a revisiting of benchmarks—can help ensure objectives are being met. These analyses can also provide insight into how a program can be improved.

FIGURE 2

Percentage Change in Overall Wellness Score A comparison of two companies



Source: Sun Life-Ivey Canadian Wellness Return on Investment (ROI) Study.

Learn More

Education

Additional results from the *Sun Life-Ivey Canadian Wellness Return on Investment (ROI) Study* will be presented during a webcast from 3:00 to 4:30 p.m. ET, Thursday, November 3 and at the 49th Annual Canadian Employee Benefits Conference.

November 20-23
San Diego, California
Visit www.ifebp.org/canannual for details.

From the Bookstore

Workplace Wellness Trends: 2015 Survey Results

International Foundation of Employee Benefit Plans.
Visit www.ifebp.org/books.asp?7549E for more information.

Workplace Wellness That Works

Laura Putnam. Wiley. 2015.
Visit www.ifebp.org/books.asp?9058 for details.

Stay Tuned for More

Ivey researchers continue to analyze study data to determine the ROI of wellness programs.

In addition, since health improvements can take time to evolve, Ivey is modelling the results of this two-year study to show the expected impact of wellness over a five-year period.

Researchers also will analyze the results of individual participants to determine the potential impact of wellness programs on those who fall into certain groups (such as those who originally tested high for cholesterol in the biometric screening). Analysis is expected to yield additional insights on how wellness programs may be able to shape different behaviours and health outcomes. ☪

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Endnotes

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2. M. Rouse, "Investing in healthy employees," *Impact*, 20(12), December, 2014. Retrieved July 5, 2016, from www.ivey.uwo.ca/faculty/research/impact/vol20no12-rouse/.

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6. H. S. Buttar, T. Li and N. Ravi, "Prevention of cardiovascular diseases: role of exercise, dietary interventions, obesity, and smoking cessation," *Experimental and Clinical Cardiology*, 2005;10:229-249.

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Jennifer Elia is assistant vice president of client experience, integrated health solutions and group benefits at Sun Life Financial. She has nearly 20 years of experience in roles including disability management, strategic planning and product development. She joined Sun Life in 2009



to help establish the health and wellness business. Elia is a graduate of the Workplace Wellness and Health Promotion program at Centennial College and has an honours degree in health and psychology from Queen's University.

Michael J. Rouse, Ph.D., is an associate professor at the Ivey Business School at University of Western Ontario and the principal investigator of the *Sun Life-Ivey Canadian Wellness ROI Study*. His research is published in academic journals such as *Strategic Management Journal*, the *Journal of Occupational and Environmental Medicine* and the *Journal of Public Health Policy*. He has a Ph.D. degree in strategic management and anthropology from the University of Calgary.

