

benefit trends workplace wellness

by | **Rebecca Estrada**



Rebecca Estrada
Research Analyst

With initiatives that focus on helping workers manage stress and achieve better work-life balance, wellness programs have emerged as a strategy not only to help improve workers' overall health but also to increase worker productivity, a new survey shows. At the same time, fewer organizations are tracking the return on investment (ROI) of their wellness efforts.

These are among the findings in *Workplace Wellness Trends: 2019 Survey Report*, a new International Foundation survey about workplace wellness initiatives operated by corporations, multi-employer trust funds and public employers/governmental entities across Canada and the United States. The survey collected responses from 619 organizations and examined a wide range of wellness-related topics, including the types of initiatives offered, issues affecting medical costs and productivity, wellness budgets, wellness communication, participation incentives, organizational and external stakeholders used to plan and implement wellness, ROI and value of investment (VOI), and barriers to wellness. This article represents responses from the 96 survey participants located in Canada. These respondents come from corporate (64%), public employer (20%) and multi-employer (17%) organizations.

All (100%) organizations in Canada offer one or more wellness-related initiatives to plan participants. Just over two in five (41%) organizations offer wellness initiatives through an official wellness program, and 41% offer them as a part of employee benefits. The remaining 17% offer at least one wellness initiative but do not recognize it as part of a formal wellness program or benefit. Among organizations that do not have a formal wellness program, 40%

report it is somewhat likely that their organization will implement one within the next two years.

Why Wellness?

When asked about their primary reason for offering wellness initiatives, the majority of organizations (82%) cited improving overall worker health and well-being, while 18% selected controlling/reducing health-related costs.

The origins of workplace wellness stem from employers looking to cut health care costs while also improving overall employee wellness. Many benefits that were once considered extra have become standard offerings. For example, the 2014 *Workplace Wellness Trends* survey found that 40% of Canadian organizations offered mental health coverage.¹ Just five years later, that number has nearly doubled to 79%. As employers seek to stand out in a competitive job market, the increase in wellness benefits has become a worker recruitment and retention strategy.

An Array of Offerings

Organizations provide plan participants with a wide variety of wellness benefits that are aimed at improving workers' personal health and professional growth, as evidenced by the following wellness-related benefits and policies provided by a large share of organizations.

- Employee assistance program (EAP) (88%)
- Mental health coverage (79%)
- Professional membership paid for by organization (67%)
- Subsidized professional development (full or partial) (66%)

- Vacation time encouraged (63%)
- Subsidized continuing education for designations (full or partial) (63%)
- Flu shot program (62%)
- Flexible work arrangements (62%)
- Tobacco/smoking-cessation programs (60%)
- Ergonomic training/supports/workstations (58%)
- Tuition reimbursement/tuition assistance (54%)
- Community charity drives/events (52%)
- Standing/walking stations (51%)
- Off-site fitness center/gym membership subsidies (42%)
- Mental health educational/informational sessions at the workplace (41%)
- Healthy food choices in cafeteria or vending machines (34%)

Addressing Health Care Costs

In order to better understand the impact of worker well-being and health on the workplace, organizations were asked to indicate the top three health conditions that had the most significant impact on their health care costs as well as the top three issues affecting worker productivity. Stress, cited by 76% of organizations, was the most commonly cited issue impacting production. Canadian organizations said that mental/behavioural health conditions had the most impact on health care costs. In addition, mental/behavioural health was cited as the health care condition with the greatest cost increases over the past five years.

Top Conditions Impacting Health Care Costs

- Mental/behavioural health (70%)
- Musculoskeletal conditions (arthritis, back pain, carpal tunnel syndrome, etc.) (58%)
- Diabetes (34%)

Top Issues Impacting Productivity

- Stress (76%)
- Morale (31%)
- Poor work-life balance (23%)

Focusing on Worker Stress

Many organizations offer wellness initiatives meant to help workers handle stress. These initiatives include employee assistance programs (EAPs) (88%) and mental health coverage (79%), with the latter including mental health aspects in health risk assessments (26%), wellness/engagement-related worksite design changes (such as natural lighting, collaborative spaces, etc.) (26%), on-site meditation/mindfulness classes (23%) and resiliency programs (16%).

At this time, organizations have yet to find the “sweet spot” for helping reduce workers’ stress levels; 69% of organizations report that their efforts have been somewhat effective in reducing work-related stress, but only 2% reported very effective results. More than a quarter (29%) of organizations felt their offerings were not effective. Despite this, employers are still aiming to improve the situation; most organizations plan to either increase (69%) or maintain (30%) their emphasis on mental/behavioural health offerings over the next two years.

Wellness Stakeholders

Most organizations use internal staff to design and implement wellness programs. Typically, benefits staff (60%), organizational leadership (47%) and human resource representatives (45%) are involved. Other common internal stakeholders include a committee devoted to wellness activities (40%) and workers with an interest in wellness (24%).

Many organizations also have external stakeholders for their wellness programs. The most common outside resources are insurance providers (39%), benefits consultants (30%), health care professionals (nurse, doctor, etc.) (19%) and wellness vendors (19%).

Wellness Budgets

Just over two-thirds of organizations have a budget specifically dedicated to wellness. Of the respondents familiar with their organization’s wellness budget, just over half (56%) felt that their wellness budget was sufficient to meet their well-

ness goals, while the remaining 44% felt the budget was not sufficient. More than half (56%) of respondents indicated that their wellness budget has increased compared with two years ago, and 65% anticipate an increased wellness budget within the next two years. Among organizations that do not currently have a formal wellness budget, 40% expect their organization to adopt a wellness budget within the next two years.

Wellness and Data

As organizations plan and implement wellness initiatives, there are many opportunities to use data to support, guide and assess efforts. For example, 70% of organizations use one or more types of data/metrics to guide wellness offerings. The most frequently used data came from the following sources.

- Health claims (66%)
- Worker/employee interest surveys (56%)
- Health risk assessments/appraisals (51%)

- Disability or workers' compensation claims (46%)
- Absenteeism rates (40%)

To evaluate initiative success, organizations tap into many sources at many points in time, including the following.

- Attendance and/or participation in wellness events (71%)
- Participant surveys (41%)
- Reports from a health insurance company (35%)
- Reports from a wellness vendor/company (27%)

To gauge the impact of wellness, many organizations look to EAP usage among plan participants. Of those tracking this measure, half (50%) have seen a positive impact, 46% have not seen an impact and only 4% report a negative impact.

Endnotes

1. Data for *Workplace Wellness Trends: 2015 Survey Results* was collected in 2014.