

How Wellness Programs can Increase Employee Engagement



PARKER | SMITH | FEEK

- COMMERCIAL INSURANCE
- EMPLOYEE BENEFITS
- RISK MANAGEMENT
- SURETY

Kristy Clark
2018



Agenda



- The value of comprehensive workplace well-being programming
 - What outcomes employers prioritize in 2018
 - Metrics of attracting and retaining engaged employees
 - Steps for behavior change, how the workplace has a role to play
-

Charles Everett Koop



- American Pediatric Surgeon and Public Health Administrator
- 13th Surgeon General of United States, served under Ronald Reagan
- Now honored by award in his name to promote employer achievement in improving population health cost effectively



Koop Award Criteria

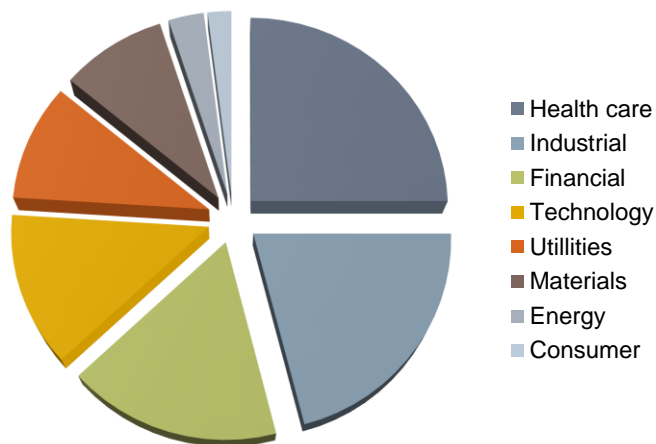


- Reduce need & demand for medical services
- Share objectives of Healthy People's workplace health promotion targets
- Prove net health care and/or productivity cost reductions as a result of improving population health.

**BEHAVIOR CHANGE + RISK REDUCTION + COST SAVINGS
= KOOP NATIONAL HEALTH AWARD**

JOEM. Volume 58, Number 1 // January 2016, Ron Z. Goetzel, Raymond Fabius, et al.

Koop Award Industries



JOEM. Volume 58, Number 1 // January 2016, Ron Z. Goetzel, Raymond Fabius, et al.



- 1-4 winners a year
- Initially invested \$10,000 equally among 15 companies
- Programs in place for at least 3 years
- If acquired, removed from portfolio



JOEM. Volume 58, Number 1 // January 2016, Ron Z. Goetzel, Raymond Fabius, et al.

Value



- Koop Award winners outpaced S&P 500
 - Tracked 14 year period (2000-2014)
 - S&P Results
 - 325% appreciation (compared to market 105%)
 - 2.35/1.0
 - Many companies are realizing that workers health extends beyond individual choices. Policies, programs, and practices at organizations can influence health.

JOEM. Volume 58, Number 1 // January 2016, Ron Z. Goetzel, Raymond Fabius, et al.

JOEM • Volume 58, Number 1, January 2016

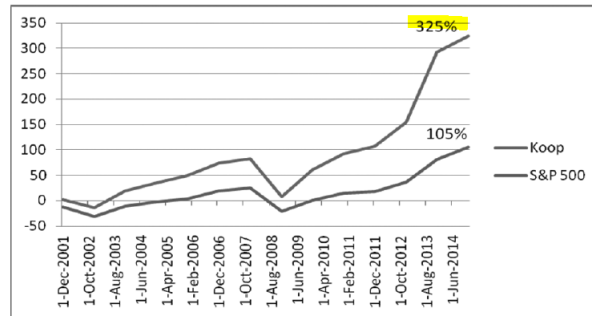


FIGURE 3. Cumulative stock performance (in %) of Koop Award Winners compared with the S&P 500 Index (2001–2014).

FAST TRACK ARTICLE

The Link Between Workforce Health and Safety and the Health of the Bottom Line

Tracking Market Performance of Companies That Nurture a “Culture of Health”

Raymond Fabius, MD, R. Dixon Thayer, BA, Doris L. Konicki, MHS, Charles M. Yarborough, MD,
Kent W. Peterson, MD, Fikry Isaac, MD, Ronald R. Loeppeke, MD, MPH, Barry S. Eisenberg, MA,
and Marianne Dreger, MA

American College of Occupational Medicine



- CHAA – Corporate Health Achievement Award
- Categories:
 - Leadership & Management
 - Healthy Workers
 - Healthy Environment
 - Healthy Organizations

Excellence:

Reducing health & safety risks and demonstrating positive impacts on the business

JOEM . Volume 55, Number 9 // September 2013

Award Process

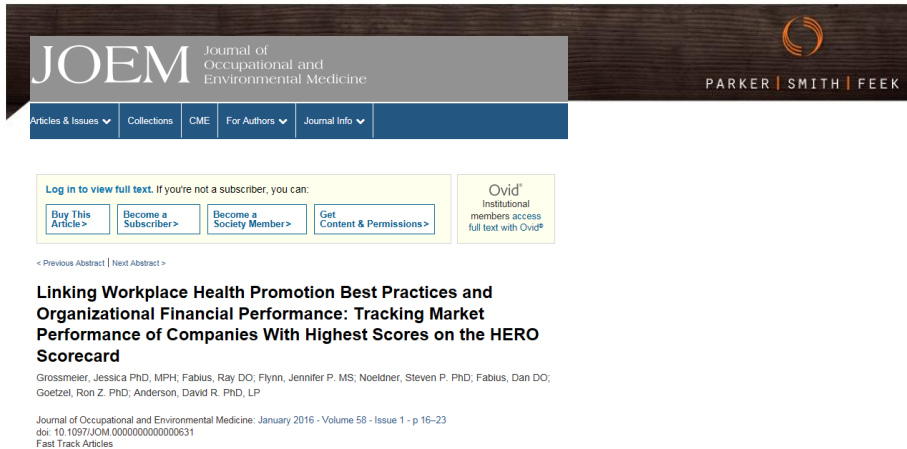


- ✓ Scored
- ✓ Reviewed by judges
- ✓ Site visits
- ✓ Re-scored
- ✓ Presented to judges for final decision

JOEM . Volume 55, Number 9 // September 2013

- **Methods:**
 - Stock market performance of CHAA award winners was tracked under 4 different scenarios, weighted slightly differently
- **Results:**
 - Arithmetic average annual excess return on portfolio over the S&P 500
3.03 to 5.27%

JOEM . Volume 55, Number 9, September 2013



JOEM Journal of Occupational and Environmental Medicine

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Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard

Grossmeier, Jessica PhD, MPH; Fabius, Ray DO; Flynn, Jennifer P. MS; Noeldner, Steven P. PhD; Fabius, Dan DO; Goetzel, Ron Z. PhD; Anderson, David R. PhD, LP

Journal of Occupational and Environmental Medicine: January 2016 - Volume 58 - Issue 1 - p 16-23
doi: 10.1097/JOM.0000000000000631
Fast Track Articles



| Six Year Period Appreciation | |
|------------------------------|---------------|
| High Health Scores | S&P 500 Index |
| 235% | 159% |

THE KAISER FAMILY FOUNDATION
- AND -
HEALTH RESEARCH &
EDUCATIONAL TRUST

Employer Health Benefits

2016
ANNUAL SURVEY

PARKER | SMITH | FEEK

EXHIBIT 12.20
Among Large Firms Offering Health Benefits, Percentage of Firms Offering Incentives for Various Health and Wellness Promotion Activities, by Firm Size, 2016

| FIRM SIZE | Health Risk Assessment | Incentive to Complete Health Risk Assessment | Biometric Screening | Incentive to Complete Biometric Screening | Incentive to Achieve Biometric Outcome | Wellness Program | Incentive to Participate in or Complete Wellness Program |
|---------------------------------------|------------------------|--|---------------------|---|--|------------------|--|
| 200-999 Workers | 57%* | 28%* | 51%* | 29%* | 6%* | 82%* | 32%* |
| 1,000-4,999 Workers | 65%* | 44%* | 61%* | 40%* | 12%* | 91%* | 49%* |
| 5,000 or More Workers | 74%* | 50%* | 62%* | 44%* | 13%* | 92%* | 48%* |
| All Large Firms (200 or More Workers) | 59% | 32% | 53% | 31% | 8% | 83% | 35% |

Wellness Evolution

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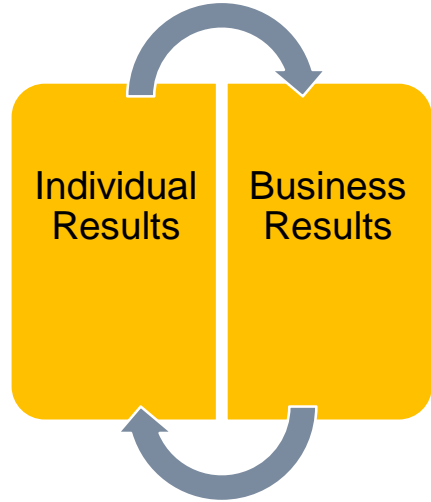


2018 Employer Priorities

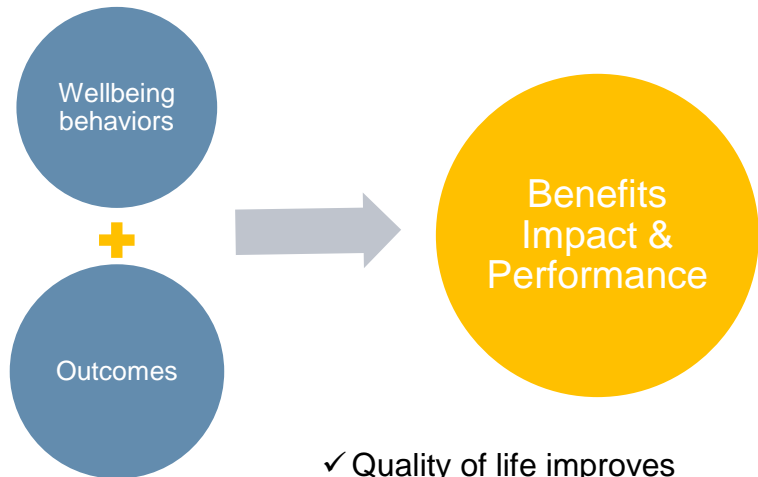


2018 is first year that reducing health care costs is not #1 in employer priority

1. Increase employee engagement
2. Increase employee retention
3. Reducing healthcare costs



Source: Virgin Pulse survey



- ✓ Quality of life improves
- ✓ Health care utilization is reduced

.....

Cost to Seek & Hire



New Employee

- \$50,000 per year (more than 40% of jobs)
Average amount to replace employee is 20% of annual salary
- Productivity losses during training
- Recruiting & lost work while role is vacant
- Considerations:
 - Replacement costs are one-time expense, Salary cost is ongoing.
 - Takes 4 years at higher salary to equal cost of replacing one time

Source: cbsnews.com

Cost-per-Hire (CPH)



Metric Defined (Basic Definition)

$$\text{CPH} = \left(\frac{\sum (\text{External Costs}) + \sum (\text{Internal Costs})}{\text{Total Number of Hires in a Time Period}} \right)$$

SHRM 2012

Does engagement have metrics?



People stay average of 2 years longer:

Wellness programs attract talent:

88 percent of employees state that having health and wellness programs designates an organization as an “employer of choice”

(Virgin Pulse 2014)



Engagement



Employees engaged and have high well-being are:

- 42% more likely to evaluate their overall lives highly
- 27% more likely to report "excellent" performance in their own job at work
- 27% more likely to report "excellent" performance by their organization
- 45% more likely to report high levels of adaptability in the presence of change
- 37% more likely to report always recovering "fully" after illness, injury or hardship
- 59% less likely to look for a job with a different organization in the next 12 months
- 18% less likely to change employers in a 12-month period
- 19% more likely to volunteer their time in the past month (Gallup)

Mental Health



- Actively disengaged workers are nearly twice as likely as engaged workers to have been diagnosed with depression (Gallup)
- Depression and anxiety lead to 15 billion lost days of work every year, at an estimated annual cost of US \$1.15 trillion (World Health Organization)

Work place role to play



Use the Social Ecological Model to enable employees to take an active role in their health, Targeting Behavior at the Organizational Level



*Damis, Brian. A Holistic Approach to Environmental Public Health. National Environmental Health Promotion Network. // September 21, 2011

What is Evidence Base?



- Modifiable risks are precursors to large number of diseases and disorders
(Healthy people 2000, 2010)
 - Many modifiable health risks are associated with increased health care costs and relative short time window
(Milliman and Robertson, Goetzl)
-

Leading Cause of Death

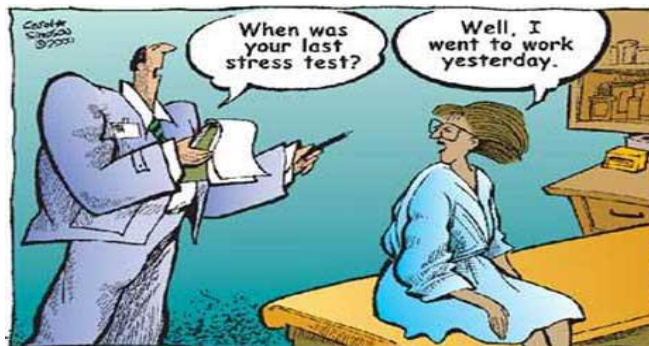


- Tobacco use
 - Diet & inactivity
 - Alcohol misuse
 - Microbial agents
-

Current Work Environment



- The new employee is a knowledge worker
- Productivity problem due to health issues
- Fewer employees



Causes



- Increased demands
- Medical risks
- Psychology – anxiety, aggression, irritability, apathy
- Organizational – work relations, turnover, morale

Pervasive with kids too



Metro

At Yale, you can take a course on being happy. And many students are



STEVEN G. SMITH FOR THE BOSTON GLOBE
 Yale psychology professor Laurie Santos teaches Psyc 137, which she has titled "Psychology and the Good Life."

By [Billy Baker](#)

GLOBE STAFF APRIL 26, 2018

How to become more productive



- Make sure get to work
 - Make sure mentally at work
 - Increase motivation
-

Only 13% employers have comprehensive programs



- Screenings with follow up 70%
- Education 64%
- Harris Poll Nielson survey – 80.6% employers said have program
- But only 54% of employees thought they did have a program.

Employer Impact



- Top 10 most costly physical health conditions
- Medical absence disability
- Presenteeism outweighs direct medical cost 2:1.

Source: Goetzel, Long, Ozminkowski, JOEM 46.4 // April 2004

Expensive Health Risks



- Modifiable health risks are most expensive, in this order :
 1. Obesity
 2. Physical activity
 3. Depression
- Cost – presenteeism .80-1.67 additional presenteesims days/year sales people
- Medical disability, safety, presenteeism absenteesims - \$1000 more for overweight

PepsiCo

What to do



- Manage disease
 - Strengthen EAP
 - Create incentives
 - Re-engineer
 - Share common purpose & culture at work
-

Workplace initiatives



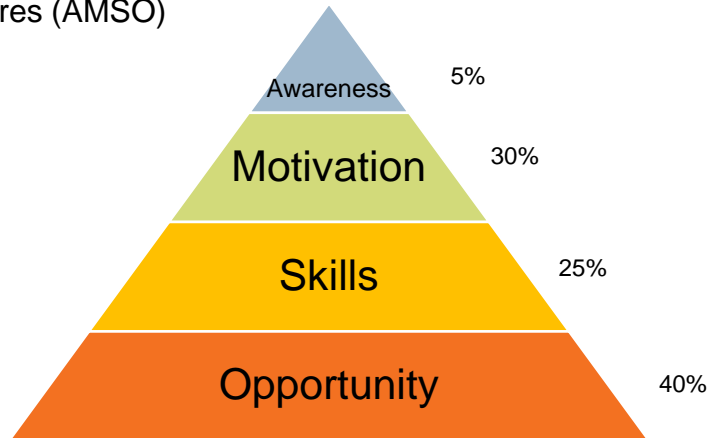
- More Comprehensive, new set of standards:
 1. Health
 2. Meaning
 3. Safety
 4. Connection
 5. Achievement
 6. Growth
 7. Resiliency



Influencers for behavior change



- If you can't go "all in" with wellness, provide some of these features (AMSO)



Michael O'Donnell, Health Promotion in the Workplace 5th Edition, 2017

Wellness & Engagement?



- **WELCOA**
Wellness is the active pursuit to understand and fulfill your individual human needs—which allows you to reach a state where you are flourishing and able to realize your full potential in all aspects of life. Every person has wellness aspirations.
- **SHRM**
Engagement is the level of commitment and connection to an organization

