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Quick Guide to Corporate Wellness Programs And the Effectiveness of Workplace Incentives



What is Corporate Wellness?

According to the World Health Organization, wellness is defined as the “optimal state of health of an individual or a group.” The focus of health looks in several areas including physical, psychological, social, spiritual, and economic.

Corporate wellness thus refers to any health promotion activity or organizational policy that is designed to support healthy behavior and improve health outcomes of the concerned individuals.

Corporate wellness programs are multifaceted – they can include health education, health fairs, regular medical screening, weight management programs and health coaching, to name a few.

Quick History of Corporate Wellness

It began in the 1950's, when medical practitioner Halbert Louis Dunn spoke publicly in a series of 29 lectures about the relationship between individual lifestyle changes and the improvement of one's health. Because of his efforts, Dunn is often called the “father of wellness.”

Since then, the concept of corporate wellness has exploded.

More recently, wellness has gained popularity as more organizations are correlating employee health and satisfaction to the overall performance of the company.

Today, corporate wellness is a key ingredient to the success of an organization.



Common Corporate Wellness Questions

1. Does corporate wellness work?

Yes, corporate wellness works.

From a Harvard Business Review article titled, "What's the Hard Return on Employee Wellness Programs?":

Our extensive research on workplace wellness has led us to arrive at this definition of it: an organized, employer-sponsored program that is designed to support employees (and, sometimes, their families) as they adopt and sustain behaviors that reduce health risks, improve quality of life, enhance personal effectiveness, and benefit the organization's bottom line.

Healthy employees cost employers less money. They offer better productivity, higher quality work and take less sick days.

2. Does the Affordable Care Act affect corporate wellness programs?

25% - 30% of the healthcare costs come as a result of attending to lifestyle diseases like obesity and osteoporosis. The Affordable Care Act strives to initiate a healthier population by encouraging organizations to integrate wellness programs to avoid preventable diseases.

The U.S. government offers \$200 million in wellness grants for organizations with less than 100 employees and whose employees work more than 25 hours a week. Wellness programs that are based on health status of individuals also qualify for insurance rebates between 30 and 50%, waiver of charge or waiver of cost sharing.

3. Who manages corporate wellness programs?

There are a lot of options. Ideally, the organization hires a full-time wellness coach. A digital portal can also be used to offer resources, to manage and to track employee engagement.

Some companies use wellness committees to assist top management in suggesting ways and means through which corporate wellness can be improved. The committee is made up of representatives of different sections in the company. The committee members are tasked with not only suggesting ways of improving corporate wellness, but also motivating their coworkers to commit to corporate wellness.

4. How much do corporate wellness programs cost?

According to the Wellness Council of America, an effective wellness program should cost between \$100 and \$150 per employee per year. This investment is expected to have a return on investment of \$300 to \$450. Wellness program expenses can include health risk appraisals, biometric measurements, educational resources and intervention activities.

So, if your company employs 300 people, and we're using conservative projections:

Your projected wellness expense is $300 * \$150 = \$45,000$

Your projected return is $300 * \$300 = \$90,000$

And therefore, your projected net return is $\$45,000$

5. Is healthy momentum sustained throughout the year?

Without top-down encouragement and proper leadership throughout the organization, wellness programs won't be an effective long-term initiative.

The initial stages of the wellness program should be fun, engaging and easy to participate. Continued momentum is absolutely possible.

Corporate Wellness Program Examples

Alberta Blue Cross centers their efforts on the support of the immediate employee. They address physical, psychological, environmental and social factors.

Some specifics – healthy eating, the promotion of physical activity, a periodic review of employee health and free annual flu shots. Alberta Blue Cross also maintains an online health risk assessment tool that helps employees track the progress made in their wellness journey. Regular information sessions are also offered on common diseases associated with lifestyle changes such as hypertension, diabetes and stress.

Since 2003, about 8,000 **Johnson & Johnson** employees have participated in one or more of the company's many specific wellness programs. A few specifics include stress management initiatives, weight-loss programs and helping employees to quit smoking.

In 2011, a study to assess the effects of corporate wellness found a clear link between J&J's employee health and the company's greater financial health. Overall, the program's return-on-investment was a remarkable \$3.92 for every dollar spent.

Using the Wellness Council of America's logic that wellness programs typically cost between \$100-\$150 per employee, if Johnson & Johnson netted a \$3.93 return for every dollar spent, one could project that Johnson & Johnson's total net return on corporate wellness was between \$2 million and \$3.5 million.

The **Glenrose Rehabilitation Hospital** also has a very comprehensive wellness program. Their efforts are organized by a Work on Wellness (WOW) committee, staffed with representatives from departments around the hospital to focus on corporate wellness. Through five key pillars – physical, intellectual, spiritual, emotional and social – the WOW committee meets annually to discuss goals and objectives and to empower employees.

Key initiatives include: weekly yoga classes, increasing the number of bike racks and employee lockers, organization of six “wear your jeans to work” days and annual barbecues and breakfasts.

Corporate Wellness Program Tips

1. Have clear goals & KPIs.

Decide who will manage your wellness program, or if you're not assigning one person, then form a group or committee. The first task of this person or group is to formulate the goals of the wellness program and its respective key performance indicators (KPI).

A needs and resource assessment will help determine the goals that your organization should pursue.

Among some broad goals that can be considered include:

- Reduction of healthcare costs
- Increased employee productivity
- Reduction of employee absenteeism
- Increased employee retention

No two companies will have the same wellness program, so make sure you're customizing the goals and KPIs, or main metrics, that you're deciding to focus on.

You should also set realistic timeline. If the timelines are set too soon, there is the risk of pushing employees too hard and thus resulting in disinterest. It should be noted that corporate wellness aims at changing the culture of a given employee.

Changing culture may take months and at time years. It is very important to define instruments of measuring wellness progress. The progress can be measured using reliable tools that can measure the outcomes.

2. Design the program alongside your company mission.

To ensure the wellness program is easy to follow, formulating the program around your company mission is highly recommended. This serves to emphasize on the importance of the wellness program to the employees, thus the high commitment that you have with them. Further, it serves as a reminder to the employee of the great importance that the company has on the wellness program. A wellness program designed along the company mission also shows the commitment that the company has on the workplace wellness program.

3. Make it easy to participate.

The main barrier to participation in wellness programs include lack of time, lack of interest, poor awareness on the program details, lack of access or even lack of privacy.

It is up to you to ensure that there are no barriers to participation and the choice to participate is as easy as possible.

One of the ways of making wellness programs easy to participate is by ensuring that healthy options are the default options within the organization. Simple ways of making participation easy include improving the quality of food served to employees to make the food healthier, having a vegetable and fruits lunch once a week or even eliminating candy jars in the workplace and replacing them with fruits.

4. Focus on high-impact programs.

Very few companies have the financial muscle to invest heavily in a wellness program. The little resources that are available should be used as efficiently as possible. A Health Risk Appraisal (HRA) can be used in assessing where the little funds would have most impact on a health program. Performing the assessment can involve a simple questionnaire to be filled out by the employees. They can offer a brief overview of their personal and lifestyle practices so as to identify the risk factors that a wellness program can address.

The HRA will also uncover barriers that would make the employees not participate in the wellness program and hence work on eliminating the said barriers.

As an example, think about a gym membership. Rather than invest in a workplace gym or equipment, offer cash fitness subsidies for employees who register their gym with your organization. An HRA would help bring an idea like this to light.

5. Make it fun.

To keep the wellness program going, it is important to ensure that the program offers something fresh that one can look forward to. Constantly integrating change into the wellness program ensures engagement. Your team should always be excited about their wellness program. Regular reminders in-person and online are encouraged.

Among some fun ways of making the program exciting include: pinning departments against each other; offering incentives upon meeting certain specified wellness goals; and holding walking meetings.

Using Gift Cards in a Corporate Wellness Program

One way to offer employee or community incentives in a wellness program is to include the use of gift cards.

Gift cards can be effective when used inside your organization to promote engagement in a wellness program, but also to promote healthy choices and volunteerism.

At GiftCard Partners, we offer a variety of healthy gift cards from companies like CVS/pharmacy®, GNC® and Whole Foods Market® that can be used as incentives.

**Want to learn more about how gift cards can be used to motivate and to reward employees?
Check out our featured eBook, “Incentives in the Workplace.”**

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