

# THE BUSINESS OF HEALTHY EMPLOYEES

*A **2017** Survey of Workplace Health Priorities*

Produced in partnership with  
**Workforce**



# INTRODUCTION

The results of the 2017 Business of Healthy Employees survey reveal an increased and intense focus on employee engagement. For the first time since conducting the survey, employee engagement is cited as a top driver for wellbeing programs. This top spot is shared with “reducing healthcare costs”, historically the leading driver. Research from Deloitte<sup>1</sup> supports this finding, with data showing that employee engagement is a top priority and an important trend for organizations to address in 2017.

Investment in wellbeing continues to grow. Not only are most organizations surveyed investing in wellbeing (85 percent), but many plan to increase their investment (55 percent). All of the top 10 most popular wellbeing programs offered by employers grew over the last year, also indicating a trend toward a more holistic approach beyond physical health. As part of that broader list of offerings, mental health took the top spot on the list of most popular programs offered, higher than physical activity for the first time in the five years of this research.

This greater investment in holistic solutions is related to a higher demand for holistic outcomes, including stronger demand for engagement and retention rates plus improved work culture. Successful programs include measurement capabilities that can tie wellbeing efforts to business outcomes, including increased productivity, decreased health care costs and improved corporate culture.

While respondents say results can often be difficult to quantify, they remain evident. For the first time this year, organizations that made the business case for wellbeing solutions did so to become an employer of choice over improving corporate culture and reducing health care costs. Organizations are recognizing the value wellbeing programs play in recruitment and retention.

## READ ON TO LEARN:

- How and why organizations value **wellbeing programs**
- Which programs are seeing **increased adoption**
- How organizations feel about **holistic wellbeing**
- What **outcomes** organizations experience from healthy initiatives
- What global organizations, large organizations and those with increased **participation rates** do differently

<sup>1</sup> Deloitte (2016). Global Human Capital Trends 2016. Deloitte University Press.

# ABOUT THE RESEARCH

Each year since 2012, Virgin Pulse and Human Capital Media (HCM) conduct a survey to gain insight on health and wellbeing benefits programs. Respondents include HR practitioners and other executives who participate in HCM research. Where applicable, data are compared to previous years' results to identify trends. Data are also compared to Virgin Pulse's annual internal member survey, to compare employer and employee attitudes. In this year's survey, specific segments of respondents were analyzed, including global organizations, larger organizations and organizations that indicated increased participation in their employee wellbeing programs.

The 2017 Workforce Health and Wellness Benefits survey was completed by 631 respondents. The 2017 Employee Wellbeing Month survey was completed by 1,254 employees.<sup>2</sup> Except where noted, data reflect the entire survey population of the 2017 Workforce Health and Wellness Benefits survey.

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<sup>2</sup> For full demographic information, see Appendix.

# KEY FINDINGS

Now in its fifth year, the Business of Healthy Employees survey shows some important trends among employers offering wellbeing solutions. They include a focus on increasing employee engagement, embracing a holistic view of wellbeing and becoming an employer of choice. Below is a summary of the highlights.

- Increasing employee engagement is a top driver for offering wellbeing programs.
- More than ever, organizations are committed to holistic wellbeing. Mental health programs passed physical activity programs in popularity for the first time in the history of the survey.
- Having a measurement strategy is closely correlated with increases in wellbeing program participation and engagement.
- Becoming an employer of choice is the top reason organizations that measure the outcomes of wellbeing programs use when making the business case for wellbeing. Organizations with robust wellbeing programs are seen as employers of choice.
- Global organizations indicate that their programs have a higher impact on employee engagement, recruiting and retention than all companies surveyed. Their wellbeing programs differ in their offerings, are more inclusive, have a higher incidence in wearable usage and are very focused on communication tactics.
- Organizations with increased participation rates have some distinct attributes, including satisfaction with measurement, higher wearable usage and are more likely to increase their wellbeing program spending in the next three years.

These key findings validate the continued expansion of wellbeing program goals from reducing health care costs to encompassing a holistic, more personalized wellbeing agenda which, in addition to improving health, addresses the challenge of [slower productivity growth](#) with improved culture and more engaged employees.

*For the first time, increasing engagement is a top driver for offering wellbeing programs, equal to reducing health care costs.*

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*77% are expanding beyond physical health to include other programs, including financial and mental health initiatives.*

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*90% of employees believe their wellbeing programs positively affect work culture.*

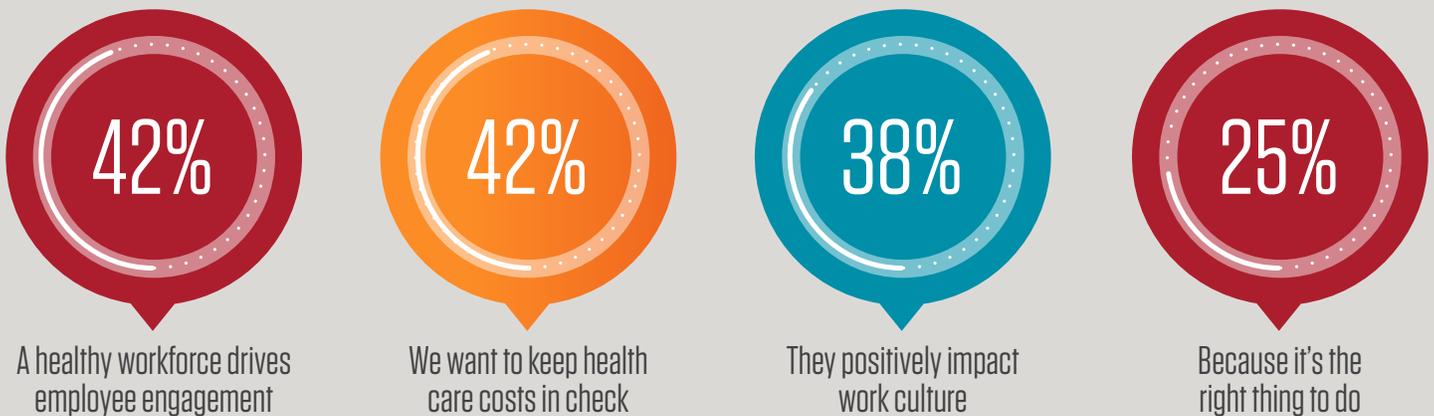
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*59% offer wellbeing programs to increase engagement, while 49% want to improve workplace culture, versus 55% and 45% of small organizations.*



# EMPLOYEE ENGAGEMENT

Figure 1: Why offer wellbeing benefits programs?



Employee engagement is a top issue for HR; 85 percent of executives rate engagement as an important priority for their organizations.<sup>3</sup> By connecting wellbeing programs to critical business outcomes, organizations can affect engagement and retention rates. Long considered nice-to-have programs, the data shows that wellbeing is becoming a critical business driver. While the number of organizations offering wellbeing programs is statistically similar to 2016 (86 percent in 2017 versus 83 percent in 2016), an additional 5 percent of organizations plan to offer wellbeing programs in the next year.

Among respondent organizations, the top drivers for offering health and wellbeing benefit programs are to increase employee engagement, keep health care costs in check and positively impact the work culture (Figure 1). The fact that employee engagement is now statistically equal in importance to reducing health care costs points to organizations increasingly seeing wellbeing as a way to improve growth through productivity gains rather than just cost reduction. To address engagement, benefit programs will need to improve more than just employees' physical health. A holistic wellbeing approach ensures all employee needs are being met.

<sup>3</sup> Deloitte (2016). Global Human Capital Trends 2016. Deloitte University Press.



# ATTITUDES ON HOLISTIC WELLBEING

Holistic wellbeing programs — those that address more than just physical activity — are no longer an evolving component of health and wellbeing programs, but a key aspect of them. Employees are more productive when they're less stressed. Financial stability and mental awareness (together with physical fitness) all contribute to holistic wellbeing.

Respondents agree — 78 percent say that program options at their organization are expanding beyond physical wellness to overall wellbeing. As part of their commitment to caring for the whole employee, more than half (53 percent) of all organizations are soliciting employee feedback when deciding how to improve wellbeing programs. The rise in programs addressing all aspects of employee health demonstrates organizational commitment to this holistic view.

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Holistic Wellbeing, Defined

*Holistic wellbeing addresses all aspects of health, including physical fitness, mental alertness and financial stability. Programs addressing these factors all contribute to holistic wellbeing.*



# WHICH PROGRAMS EXPANDED IN 2017?

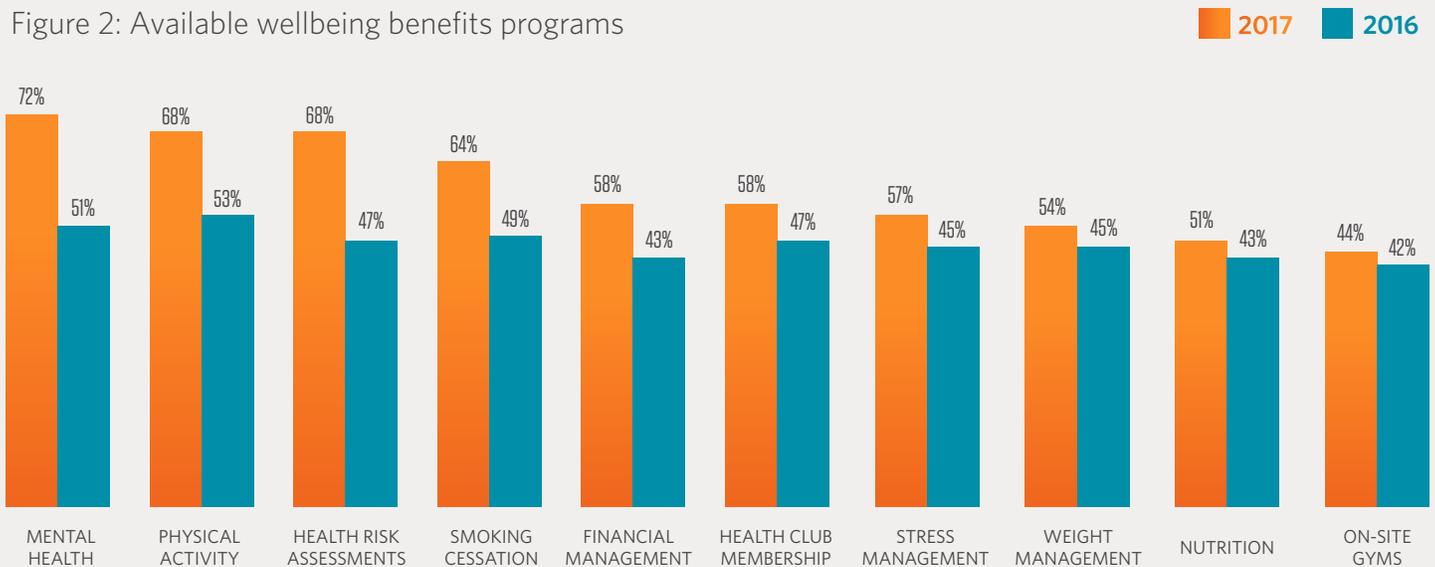
Employees have come to expect that employers will not only offer wellbeing programs but also that these programs will have a positive effect on their health. According to Society for Human Resource Management research, 70 percent of all employees believe that wellness programs contribute to their overall job satisfaction.<sup>4</sup> Benefits programs have broadened — and will continue to do so as organizations seek to boost all aspects of employee health.

Almost all surveyed wellbeing programs expanded in 2017, as organizations sought to tackle holistic wellbeing (Figure 2). The top 10 wellbeing offerings from all organizations grew across the board, demonstrating organizational commitment and investment in wellbeing initiatives. For the first time in this survey's five-year history, mental health programs topped the

list as the most popular offering, supplanting physical activity. It's likely that the increase of workplace stress has been a driver for the increase in mental health program growth — 85 percent of employees say managing their stress levels is an important factor in their program participation. With more than half (52 percent) of organizations using employee feedback as a motivating factor in deciding what programs to offer, it is likely that organizations are listening to their employees' concerns and responding accordingly.

Sleep programs weren't on the top of the list of available programs, and employees seem surprisingly uninterested in them. This perhaps points to a lack of awareness and recognition of the importance of quality sleep on productivity and engagement on the part of employers and employees.

Figure 2: Available wellbeing benefits programs



*All of the top 10 wellbeing offerings grew year over year, indicating that organizations recognize the importance of offering a range of wellbeing programs to increase employee engagement.*

4 SHRM (2016). SHRM Research: Health and Wellness Benefits.

# MEASUREMENT OF WELLBEING PROGRAMS

Having a measurement strategy in place helps determine the impact of wellbeing programs and whether organizational efforts are influencing employee engagement. With so many programs expanding to increase employee engagement, how will organizations know if their efforts were successful? Return on investment (ROI) is notoriously tricky to calculate. Without concrete metrics, organizations may struggle to make the business case for wellbeing programs.

Organizations that say they're satisfied with their measurement efforts regarding wellbeing programs — 24 percent of the general survey population — have both seen results from their efforts and made the business case to stakeholders. Organizations that are satisfied with their measurement efforts have been especially successful at making the business case for wellbeing programs on improving employee engagement and becoming an employer of choice (Figure 3).

*85% of organizations satisfied with measurement efforts indicate a high impact on employee engagement.*

*In comparison, 54% of all organizations surveyed indicate a high impact on employee engagement.*

*Only 24% of organizations are satisfied with their measurement capabilities.*

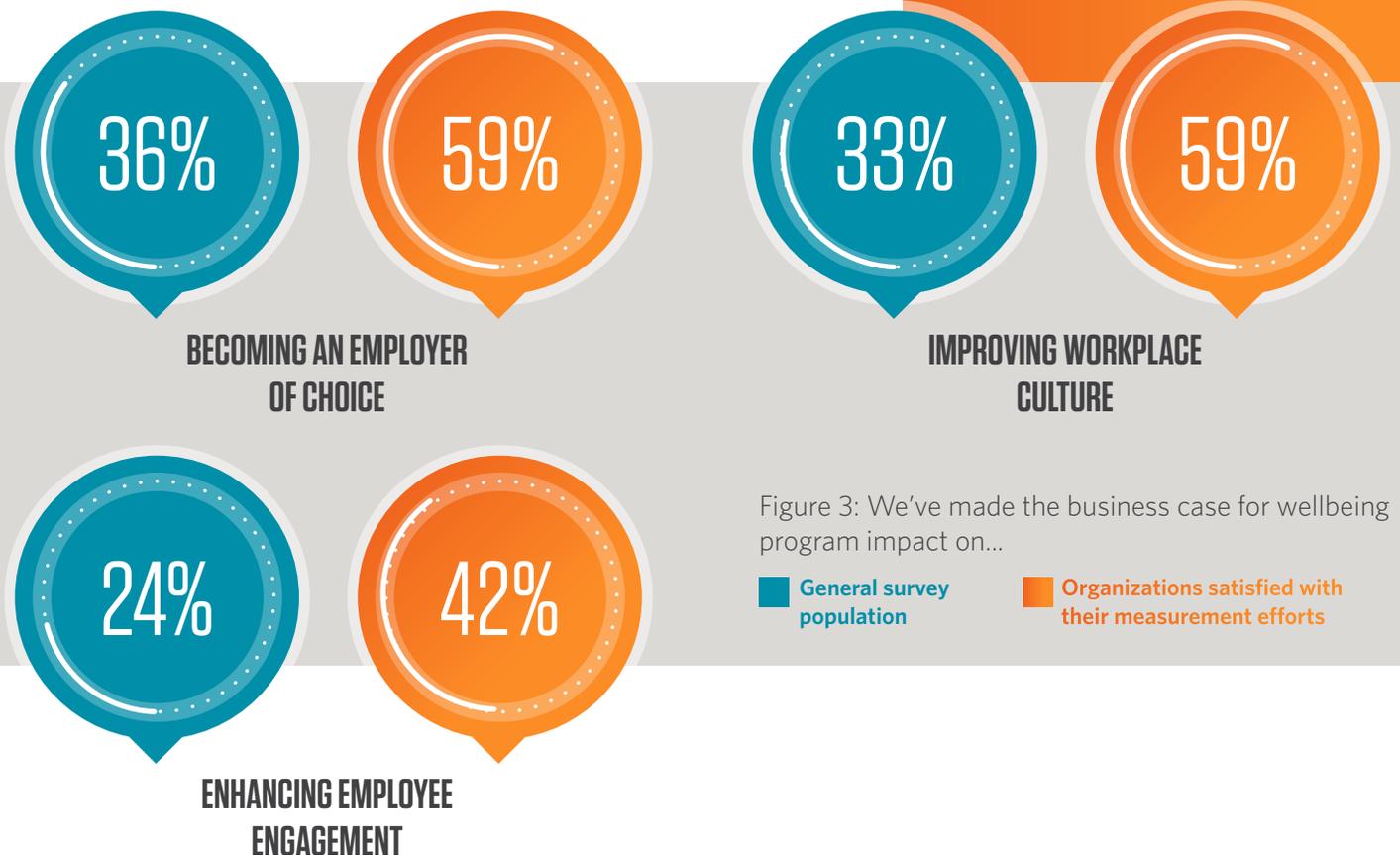


Figure 3: We've made the business case for wellbeing program impact on...

■ General survey population    ■ Organizations satisfied with their measurement efforts

# INCREASING PARTICIPATION AND EMPLOYEE ENGAGEMENT

Wellbeing programs succeed when employees see personal results and employers see fulfillment of organizational goals. Employees will continue participating as long as they achieve results, which in turn benefits the organization in the form of increased engagement and higher retention rates.

Many employers offer wellbeing benefits programs because they believe a healthy workforce drives employee engagement. Their efforts to address employee health matches employee goals. Nearly all surveyed employees (97 percent) participate in wellbeing programs to improve their health. Further, 93 percent participate to improve their energy.

For organizations to be an employer of choice, they'll need to offer a wide variety of programs to address the diverse needs of their workforce. While 91 percent of employees participate in wellbeing programs, 71 percent participate in only one or two. However, providing a variety of programs allows employees to commit to those most relevant to their needs. Although they may only participate in a few programs, employees believe in their effectiveness. Employees feel that benefits programs positively affect them both personally and professionally (Figure 4).

## TOP PROGRAM OUTCOMES

*Of organizations that have made the business case for wellbeing, the top goal was to become an employer of choice (36%), followed by improving workplace culture (33%) and reducing health care costs (30%).*



Figure 4: Employees agree their organization's wellbeing programs...



# WHERE GLOBAL ORGANIZATIONS DIFFER

Organizations with a global presence<sup>5</sup> approach wellbeing programs differently than U.S. domestic organizations. Global organizations are more likely to offer wellbeing programs (89 percent vs. 81 percent), and report higher impact on employee engagement (38 percent higher), recruiting and retention (34 percent higher) and Absenteeism and Presenteeism (20 percent higher).

Global organizations achieve this reported higher impact with a different set of offerings, with a higher incidence of weight management (27 percent higher) and sleep programs (29 percent higher) and 27 percent higher use of wearables. Global organizations are very focused on communications, perhaps due to their wider distribution of employees. They utilize nearly every communication channel more widely, including social media (60 percent higher) and video (50 percent higher). They are also more likely to adopt new communication channels (78 percent higher) and test new channels (49 percent higher). Amazingly, despite this focus, when asked if they believed their employees have a good understanding of wellbeing programs offered, 33 percent more said no than local companies.

While wellbeing benefits have expanded over the past year, for local organizations this expansion has been reserved for employees only. All local organizations offer wellbeing benefits to employees, but only 48 percent offer the same programs to employee spouses. Global organizations lead the way on extending wellbeing benefits to employees' families. Global organizations are more likely to offer a wellbeing program and report a 38 percent higher impact on employee engagement (Figure 5).

According to survey respondents, there are some differences in motivation between global and local organizations. Global wellbeing programs see a 38 percent higher impact on employee engagement. And, they're less concerned than local organizations about keeping health care costs in check (Figure 6).

## KEY DIFFERENCES OF GLOBAL ORGANIZATIONS

**Higher Impact:** Global organizations report higher impact on employee engagement (38% higher), recruiting and retention (34% higher) and absenteeism and presenteeism (20% higher).

**Focus on Communication:** Global organizations are more likely to adopt (78% higher) and test (49% higher) new communication channels.

**More Inclusive:** 56% offer wellbeing programs to employee spouses, 15% higher than local organizations. 44% offer wellbeing programs to employee dependent children, 30% higher than local organizations.

<sup>5</sup> The 2017 Health and Wellness Benefits survey defines global organizations as those either located in one country with some global distribution or highly distributed across the globe. Represents 17 percent of the general survey population.

How do global organizations offer wellbeing benefits programs to their workforce? One in three (36 percent) offer varying benefits by geographical region, although benefits are offered enterprise-wide. A little over one in four (26 percent) offer the same wellbeing benefits to all, regardless of where they're located in the world.

Figure 5: Dependent wellbeing benefits offerings (by region)

Local Global

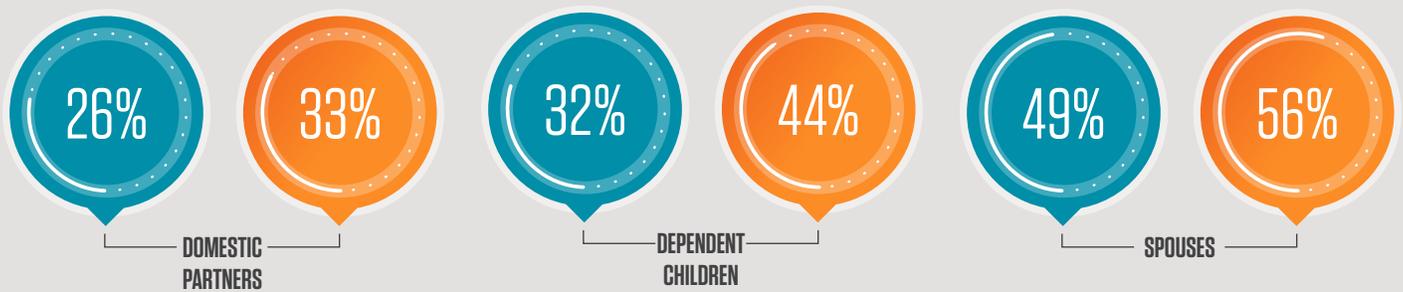
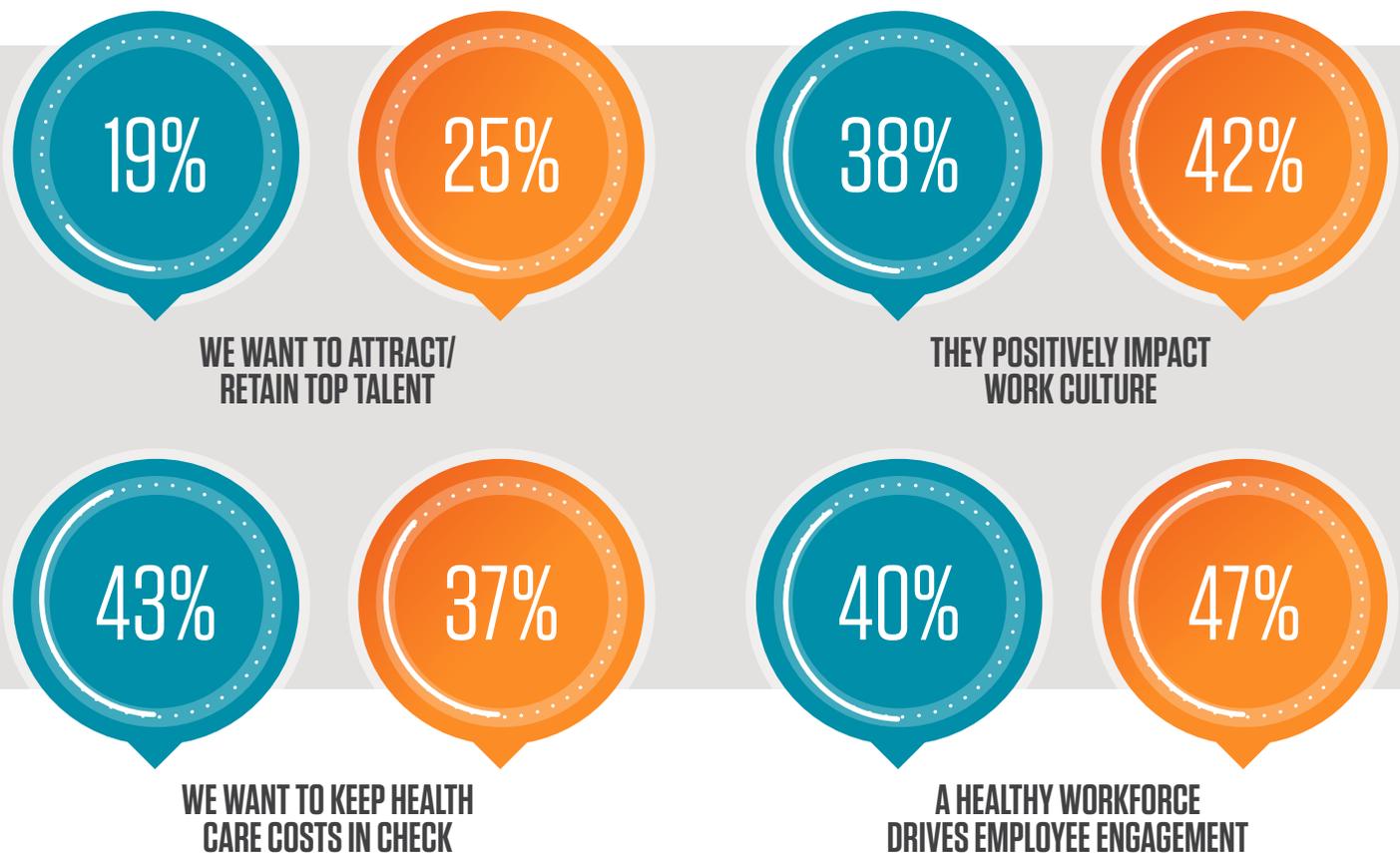


Figure 6: Top drivers to offering wellbeing benefits (by region)

Local Global



# HOW LARGE ORGANIZATIONS ADDRESS EMPLOYEE ENGAGEMENT

As organizations grow, their priorities and outcomes change regarding wellbeing benefit programs. Large organizations<sup>6</sup> are more likely than small organizations to offer wellbeing programs — 95 percent of large organizations have wellbeing programs. The most popular goals for large organizations are to increase participation in wellbeing programs and demonstrate a return on investment (Figure 7).

Their efforts are working — large organizations have seen greater participation in their wellbeing programs. At more than half (55 percent) of large organizations, there has been an increase in wellbeing program participation over last year, 12 percent higher than participation increases at small organizations. More large organizations also say their wellbeing programs have had an impact on employee engagement. Many large organizations have been successful in their efforts to drive participation in their programs, reaping the benefits of higher engagement levels in return.

## KEY DIFFERENCES OF LARGE ORGANIZATIONS

**Increased Use of Wearables:** 36% use wearable technology in conjunction with their wellbeing programs — 13% higher than small organizations.

**Increased Participation:** 55% have seen increased participation from last year — 12% higher than small organizations.

**Greater Impact on Engagement:** At 47% of large organizations, wellbeing program efforts have had an impact on employee engagement, compared to 40% of small organizations.

Figure 7: Top goals for wellbeing efforts in the coming year (by size)



<sup>6</sup> The 2017 Health and Wellness Benefits survey defines large organizations as those with 1,000 or more employees. Represents 36 percent of the general survey population.

# WHAT ORGANIZATIONS WITH INCREASED PARTICIPATION RATES DO DIFFERENTLY

Large organizations state that one of their goals is to increase participation in wellbeing programs. But what are the benefits of increased participation, and are organizations that have increased their participation doing anything differently than the general survey population?

To answer these questions, we looked at the 48 percent of respondents whose organizations increased wellbeing program participation in the last year. The research found several notable differences. Organizations with increased participation rates are more likely to use wearable technology in conjunction with their wellbeing programs, are more satisfied in general with their ability to measure the business impact of their programs and are more likely to plan to increase their program spending in the next three years (Figure 8).

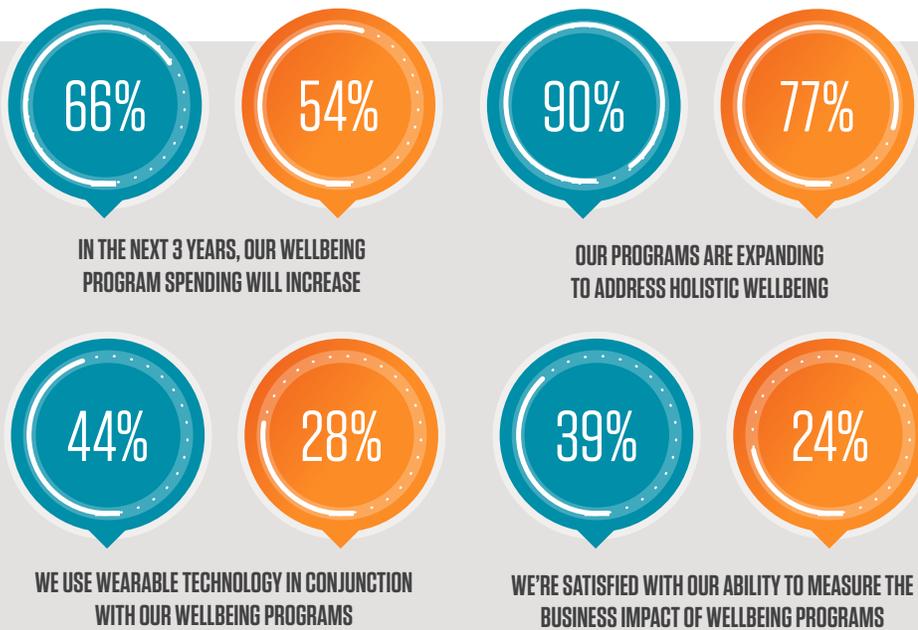


Figure 8: Differences in wellbeing program offerings and outcomes

■ Organizations with increased program participation   ■ General survey population

## KEY DIFFERENCES OF ORGANIZATIONS WITH INCREASED PARTICIPATION

**Better Measurement:** 39% are satisfied with their capability to measure the business impact of wellbeing benefits programs — 62% higher than the general survey population.

**Increased Use of Wearables:** 44% use wearable technology in conjunction with their wellbeing programs — 57% higher than the general survey population.

**Increased Spending:** 66% plan to increase their wellbeing program spending in the next three years — 22% higher than the general survey population.

**More Focus on Holistic Solutions:** 90% believe their organizations are addressing holistic wellbeing — 17% higher than the general survey population.



# CONCLUSION

In the fifth year of the Business of Healthy Employees survey, these key trends stood out.

**Employee Engagement:** Organizations are focusing more closely on employee engagement — for the first time, engagement is as important as reducing health care costs as a top driver for wellbeing programs.

**Holistic Wellbeing:** The top 10 wellbeing offerings showed impressive growth over last year — an indicator that physical health is only one part of a larger, holistic wellbeing program employers offer their organizations. Mental health took the top spot of the wellbeing programs currently offered.

**Measurement:** Successful programs include a measurement strategy that can tie wellbeing efforts to business outcomes. But many organizations (76 percent) struggle with satisfactory measurement. Organizations that tackle their measurement challenges will greatly increase their satisfaction with their wellbeing programs

**Keys to Increasing Participation:** Organizations that report increased participation have better measurement, have a higher incidence of wearable usage, plan to increase spending and have a greater focus on holistic wellbeing. These attributes provide a template to emulate for those organizations that want to increase participation.

**Lessons from Global Organizations:** Global organizations report significantly higher impact across some key metrics, including engagement, recruiting, retention, absenteeism and presenteeism. These organizations differ in their focus on communication, offerings and including family members. For those widely dispersed organizations, these attributes also provide a potential area of focus.

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*Wellbeing programs have become an essential part of an employee's benefits package. In the past year, organizations have expanded their program offerings and seen improvements in engagement, recruiting and retention. Many organizations plan to increase program spending in the next three years. This validates the value organizations see from their wellbeing program investments in addressing key*

*business outcomes. Wellbeing programs have a great impact on organizations and play a large role in increasing productivity and helping the organization become an employer of choice. No longer is wellbeing an ancillary part of a larger wellness plan. Instead, wellbeing investments provide tangible business results.*



# APPENDIX

## Survey demographics

### 2017 Workforce Health and Wellness Benefits survey

#### Dates

June 2017

#### Respondents

631

#### Functional level of respondents

33 percent at director level and above

#### Organization size

##### Small

Less than 1,000: 64 percent

##### Large

1,000 - 2,499: 10 percent

2,500 - 4,999: 8 percent

5,000 - 9,999: 6 percent

More than 10,000: 12 percent

#### Geographic distribution

##### Local

One country, one location: 47 percent

One country, multiple locations: 36 percent

##### Global

Mostly one country, some global distribution: 8 percent

Highly distributed: 9 percent

### 2017 Employee Wellbeing Month survey

#### Respondents

1,254

#### Gender of respondents

Male: 31 percent

Female: 69 percent

#### Age range of respondents

18-29: 3 percent

30-39: 14 percent

40-49: 27 percent

50-59: 40 percent

60+: 15 percent

#### Organization size

Less than 1,000: 11 percent

1,000 - 2,499: 14 percent

2,500 - 4,999: 14 percent

5,000 - 9,999: 13 percent

More than 10,000: 32 percent

Unknown: 16 percent

Note: Figures may not total 100 percent due to rounding



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## Virgin Pulse

Virgin Pulse, a leading provider of technology solutions that promote employee engagement and wellbeing and part of Sir Richard Branson's Virgin Group, helps employers create workforces that are happier, healthier and ultimately more productive.

The company's modern, mobile-first platform delivers a personalized user experience that utilizes gamification to engage users in building habits that inspire meaningful and measurable change across individuals and the businesses they serve. By helping employees thrive at work and in all aspects of life, Virgin Pulse is helping change lives and businesses around the world for good.

More than 2,200 global organizations representing many of the Fortune 500 and Best Places to Work have selected Virgin Pulse's solutions to engage their workforces and drive their businesses forward. To learn more, visit [www.virginpulse.com](http://www.virginpulse.com).



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## Workforce

*Workforce* is a multimedia publication that covers the intersection of people management and business strategy. Our community of senior-level human resources executives and C-level officers are the key decision-makers on talent management matters in the 2,500 largest corporations in America. They read us for our editorial focus and relevance to help them improve their business — and their bottom line — through effective management of the workforce. While employees and executives often bemoan the bureaucratic nature of HR processes, companies increasingly realize they need to be smarter about the ways they attract, retain and train their workforce. Our content helps HR professionals approach their jobs from a more strategic, big-picture, business-results perspective.



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## Human Capital Media

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