Workplace Wellness Programs:

Redefining Lifestyle Management for Increased ROI

How Injury Prevention Can Translate to Immediate Profitability

WORK FORCE STRONG

HUMAN PERFORMANCE TRAINING

Table of Contents

Abstract

This white paper aims to legitimize the claim that workplace wellness programs can offer a larger and quicker return on investment (ROI) if they incorporate legitimate *injury prevention programming* with employee engagement in mind.

Most workplace wellness programs encompass two distinct areas of employee wellbeing:

- *Lifestyle management* (long-term savings): dietary strategies, mitigating the risks of obesity, counteracting smoking habits,managing or preventing diabetes, and increasing overall employee wellbeing.

- *Disease management* (short-term savings): Actively helping employees take their medication, go to doctor's visits, and stay on top of their medical needs.

There is a cost-benefit disparity between the two though[1]. Legitimate injury programming, if combined with lifestyle management programs, can lessen this disparity.

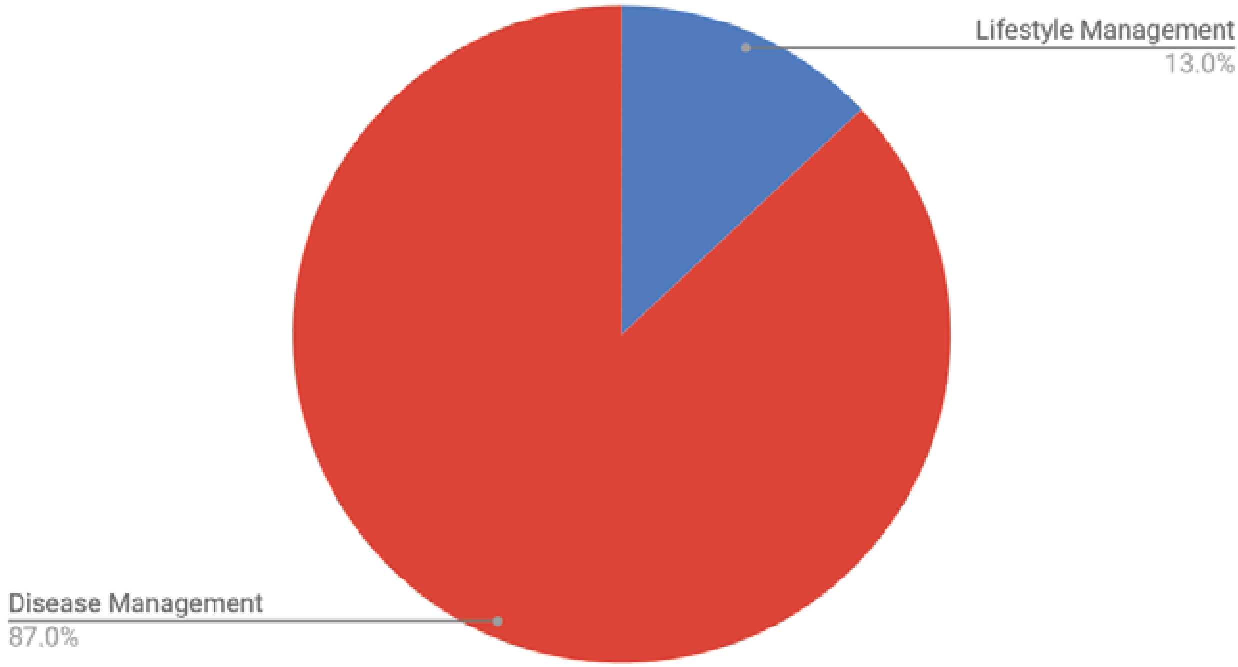
For example, if we use the case study that Health Affairs conducted on *PepsiCo's* workplace wellness program, they found that lifestyle management programs alone were not effective for generating sizable returns on investment.

Similarly, the RAND Corporation echoed the same results in their brief on the ROI disparity between lifestyle and disease management. Disease management accounted for 87% of all returns on investment in wellness programming. Yet the typical workplace wellness programs focus on lifestyle management over disease management.

Disease management was only responsible for 13% of all employee participation, meaning that lifestyle management-the least profitable wellness program component-accounted for the remaining 87%.

[1] *Cost-benefit disparity means the large difference in ROI between disease management practices (80%) to lifestyle practices (20%). Numbers are rounded to the nearest ten.*

ROI for Lifestyle VS Disease Management



What this suggests is that most companies are not focusing on the most effective, short term opportunities for gaining profits. Most workplace wellness programs focus on lifestyle management, which takes much longer to generate returns on investment.

The Society For Human Resource Management (SHRM) has shown in a 2015 survey that about 76% of organizations offer wellness programs and that participation has increased consistently over the years. But consequently, it may take *3-5 years to see financial returns.*

But does this information represent the complete picture? Let's explore the data and determine whether adding *Injury Prevention* could enable a quicker ROI for lifestyle management approaches.

Important Sections of This White Paper

Here are the focal points of this analysis: all of which aim to investigate the claim that higher, short-term returns on investment can be achieved when injury protocols are introduced to standard workplace wellness programs.

- *Section #1:* How Injury Prevention Procedures Generate Immediate ROI
- *Section #2:* Correlations Between Employee Engagement and Profit
- *Section #3:* Workplace Culture Considerations and Safety for a Company's Bottom Line

Methodology

Utilizing available data from reputable studies and sources, the content of the whitepaper was compiled with ROI and the efficacy of workplace wellness programs in mind. Most of the research derived has been utilized for the sake of providing a clearer overall picture on how to lessen the cost-benefit disparity between a standard workplace wellness program and one modified to deliver more short term, tangible results for profitability.

Section 1- Integrating Injury Prevention and Workplace Wellness Programs for Immediate Financial Gain

The majority of companies need to adhere to OSHA-mandated safety training. These are important and prevent a lot of injuries and deaths annually. Yet, these safety training are separate from workplace wellness. If mandatory training does occur, often it is delivered in the form of computerized training classes or carried out infrequently.

It would be safe to assume that injury prevention programs are not as effective as they could be. This is made apparent by just how consistent workers' compensation claims are nationwide. They are rising as well.

Collectively, work-related injuries in 2017 cost employers $60 billion dollars in the U.S. alone. This massively undercuts the bottom line of employers who could prevent a lot of overexertion and musculoskeletal injuries that lead to workers' compensation claims, reduced productivity, and missed work. Additionally, the number of injuries per 100 workers is astoundingly high, as this table from the U.S. Bureau of Labor Statistics, U.S. Department of Labor shows.

Chart 1: Nonfatal occupational injury and illness incidence rates[1] by case type, private industry, 2003-17

Survey Year	Total recordable cases	Cases with days away from work, job transfer or restriction	Cases with days away from work	Cases with job transfer or restriction	Other recordable cases
2003	5.0	2.6	1.5	1.1	2.4
2004	4.8	2.5	1.4	1.1	2.3
2005	4.6	2.4	1.4	1.0	2.2
2006	4.4	2.3	1.3	1.0	2.1
2007	4.2	2.1	1.2	0.9	2.1
2008	3.9	2.0	1.1	0.9	1.9
2009	3.6	1.8	1.1	0.8	1.8
2010	3.5	1.8	1.1	0.8	1.7
2011	3.4	1.8	1.0	0.7	1.7
2012	3.4	1.8	1.0	0.7	1.6
2013	3.3	1.7	1.0	0.7	1.6
2014	3.2	1.7	1.0	0.7	1.5
2015	3.0	1.6	0.9	0.7	1.4
2016	2.9	1.6	0.9	0.7	1.3
2017	2.8	1.5	0.9	0.7	1.3

Source: U.S. Bureau of Labor Statistics, U.S. Department of Labor, November 2018)

Including *Injury prevention* components into a workplace wellness program should lessen the overall financial burden of workplace injuries. And, by extension, it should lead to an increased ROI, as well as offer quicker returns on investment than the traditional lifestyle management programs.

The American Society of Safety Engineers, ASSE, said that "as much as 5 percent of a company's total profits could be saved by implementing health and safety programs."

But what if you combined both the health (wellness) and safety programs (OHS) together?

Synergistic OHS and Workplace Wellness Programs

Keeping in mind that most employers are required by law to offer Occupational Safety and Health (OHS) programs, and that many offer voluntary Wellness Programs separately, there is evidence that combining the two can lead to an even better ROI. There is a synergistic effect that can accompany this union of OHS and wellness.

As the The American College of Occupational and Environmental Medicine (ACOEM) states in their study on the integration of *Occupational Safety and Health (OHS)* programs and *Workplace Wellness* programs, there is a divide between the two types of programs even though they complement each other:

"Evidence indicates that employers who integrate their wellness and OSH programs may have a greater impact on improving health-related participant employee outcomes such as tobacco cessation, blood pressure, work-related injuries, absenteeism, and health care costs"

But an integration of these two, often separate silos, would not mean enforcing mandatory workplace wellness programs. There would still be the choice to opt out.

It would mean that safety training and injury prevention would continue with workplace wellness. This would reflect a more immediate savings and would reduce the disparity between disease management and lifestyle management returns.

Section 2- Correlations Between Employee Engagement and Injury Program ROI

Research shows that programs that do not include strong employee engagement and practical application of learned skills are not effective. The Pennsylvania Certified Safety Committee Program conducted a study in 2008 that injury prevention programs results were closely correlated with strong management, leadership, and program compliance.

Additionally, SHRM (SHRM) compiled data from a Consero Poll conducted for measuring the efficacy of Fortune 1000 Workplace Wellness Programs. What they found was that 48% of HR Chiefs believed their programs were ineffective. And 60% of the same group stated that the medical costs had not been reduced as advertised.

It then makes sense to assume that if injury prevention programs are rolled into the more hands-on, engaging wellness programs that focus on biometrics, weight management, smoking cessation, strength training, and flexibility, that engagement will be higher.

****

Think of it this way as well, workplace wellness programs are voluntary. Those willing to voluntarily participate-even if incentivized by lower insurance premiums-will be more receptive and engaged to practice safety protocols that were not forced. And more engaged participants means healthier, less injured, and less liable to need to file a workers' compensation claim.

To add to this analysis, according to their 2018 Workplace Learning Report, LinkedIn states that 56% of surveyed people wished that their managers were more involved with their training and continued education. More involvement from management increases learning engagement.

Immediate ROI Findings

Let's continue exploring the idea that injury prevention programming will increase employee engagement, and thus ROI.

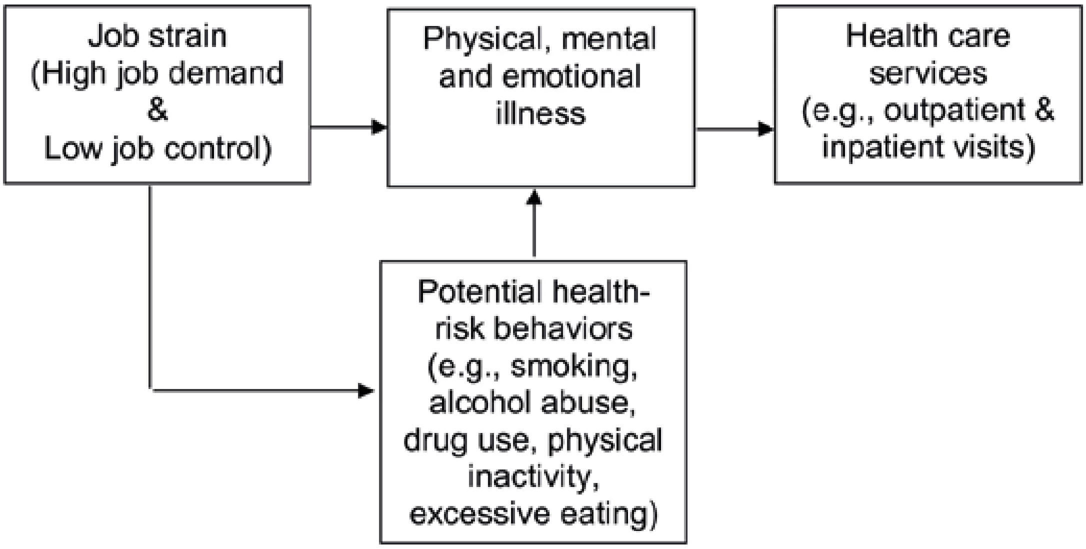
According to the Harvard Business Review, the analytics company SAS found a $6.6 million return in 2009 alone through a $1.41 return for every dollar spent on healthcare nationwide. And within the same data pool, HBR found that Chevron has taken considerably careful steps in assuring that their workers are well-trained in injury prevention and strength training to account for the fact that 60%-70% of Chevron's workers are "safety-sensitive".

****

Additionally, When the CEO of Alcoa, Paul O'Neill, decided to try and become the world's safest company in 1994, sales rose by 90% in a six year period as a result, as the National Safety Council states. Because increased safety also means increased well being for employees, there is an overall positive impact on workplace culture.
Workplace culture will be the last facet of this white paper that we will analyze.

Section 3- Workplace Culture Considerations

Having an open and receptive workplace culture is one of the most important things that employees look for in jobs. And for employers, researchers at BMC Public Health have shown that companies that heap large amounts of mental stress on their employees will incur higher healthcare costs.



Source: (BMC Public Health)

Healthy, inclusive workplace environments are also one of the biggest determinants for job satisfaction, often outweighing salary. And a huge benefit to increasing inter-communication across all organizational departments, including managers and employees, is that employees are more likely to participate in wellness programs.

With more participation also means it's easier to get feedback on the effectiveness of programs. This can lead to metrics and data that reflect real ROI.

Let's quickly remind ourselves about the aforementioned Rand Corporation study that shows that disease management programs are better at reflecting ROI than lifestyle management.

If workplace culture invites participation and communication through a positive workplace culture, this means that more employees will be likely to participate in the more confidential disease management programs out there. Across the board that can lead to increased revenue for any organization.

The Importance of Value on Investment (VOI)

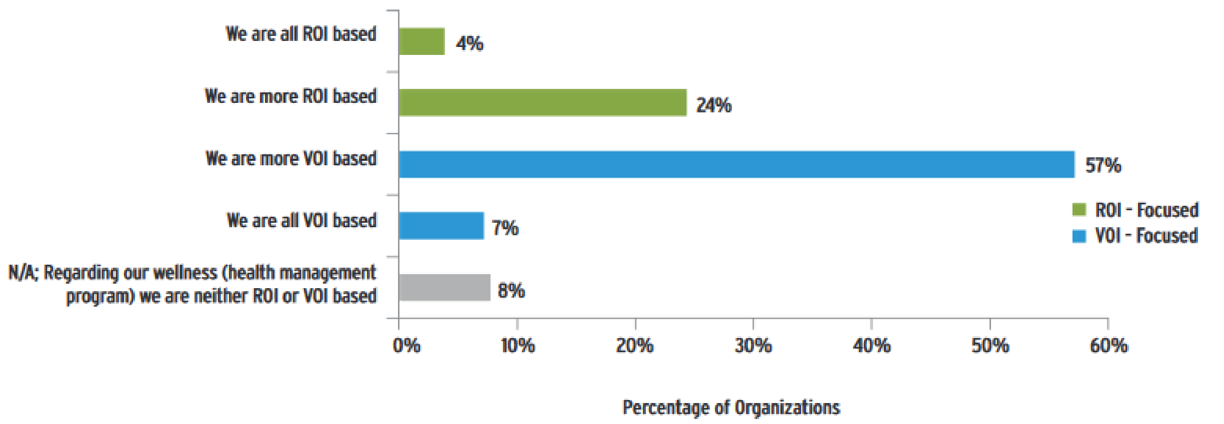
Continuing our analysis of how workplace culture affects ROI, the concept of value on investment (VOI) is an important last step to consider when looking to upgrade lifestyle management programs with injury prevention at the center.

It is hard to exactly measure ROI, that’s why many employers also measure VOI, which is essentially the less tangible but nonetheless positive results of wellness programs.

So if you are not seeing the immediate return on investment you want from a financial standpoint, know that more productive, healthier employees will also affect the bottom line in ways that are by extension not easily measured in numbers.

A 2015 Willis Health and Productivity Report showed that “Organizations with a Value of Investment (VOI) focus tended to be more satisfied with the impact of their programs.”

DOES YOUR ORGANIZATION TEND TO BE MORE RETURN ON INVESTMENT BASED (ROI) OR MORE VALUE OF INVESTMENT BASED (VOI)?



(Source: Willis Health and Productivity Report)

Conclusion

Although there were many limitations in the methodology of research conducted, there has been a strong correlation with findings and data available to point to the idea that lifestyle management wellness programs can be made more effective through an adoption of injury prevention protocols. This would lead to more immediate increase in ROI as well given that costly on-site injuries would be targeted through the incorporation.

Combined with the proven deliverer of faster returns-disease management-employers would logically accrue more profits as workplaces are less injured, healthier, more productive, and happier.

References

1. Case Study on PepsiCo Wellness Programs: https://www.healthaffairs.org/doi/10.1377/hlthaff.2013.0625
2. "Do Workplace Wellness Programs Save Employers Money?." https://www.rand.org/content/dam/rand/pubs/research_briefs/RB9700/RB9744/RAND_RB9744.pdf.
3. "2017 Liberty Mutual Workplace Safety Index." https://www.libertymutualgroup.com/about-liberty-mutual-site/news-site/Pages/2017-Liberty-Mutual-Workplace-Safety-Index.aspx. Accessed 30 Sep. 2019.
4. Bureau of Labor Stats: Most Common Injuries and Causes for Missed Days: https://stats.bls.gov/news.release/archives/osh_11082018.pdf
5. U.S. Bureau of Labor Statistics, U.S. Department of Labor, November 2018 https://www.bls.gov/iif/soii-chart-data-2017.htm
6. ASSE quote from EHS Today: https://www.ehstoday.com/mag/asse_safety_programs
7. Society for Human Resources Management- Critics to Workplace Wellness Programs: https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/wellness-ROI-challenged.aspx
8. Consero Poll for Fortune 1000 companies regarding Workplace Wellness Programs: https://www.consero.com/chief-hr-officer-data-survey-october-2014/
9. SHRM 2015 Survey: https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/wellness-program-benchmarks.aspx
10. Employee Wellness Programs Study by HBR: https://www.researchgate.net/profile/Ann_Mirabito/publication/49712304_What%27s_the_Hard_Return_on_Employee_Wellness_Programs/links/00b7d521f74c693d3f000000.pdf
11. The Pennsylvania Certified Safety Committee Program Study: https://www.rand.org/pubs/working_papers/WR594.html
12. Workers' compensation claims are rising: https://www.energy.gov/ehss/workers-compensation-costs-rising-across-nation
13. OSHA workplace safety guidelines: https://www.osha.gov/Publications/osha2254.pdf

14. The Journal of Occupational and Environmental Medicine -- Integration of Wellness Programs with Occupational Safety and Health https://journals.lww.com/joem/Fulltext/2019/09000/Degree_of_Integration_Between_Occupational_Safety.2.aspx

15. 2018 Workplace Learning Report: https://learning.linkedin.com/resources/workplace-learning-report-2018#

16. Overview of Workplace Wellness Market: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5052082/

17. National Safety Council Safety Investment Guide: https://www.nsc.org/Portals/0/Documents/JSEWorkplaceDocuments/Journey-to-Safety-Excellence-Safety-Business-Case-Executives.pdf

18. BMC Public Health: https://bmcpublichealth.biomedcentral.com/articles/10.1186/1471-2458-11-642

19. The ROI of Inclusion and Belonging: https://www.workhuman.com/resources/globoforce-blog/the-roi-of-inclusion-and-belonging

20. (2015) Willis Health and Productivity Report: https://www.willis.com/documents/publications/Services/Employee_Benefits/FOCUS_2015/14562_Health_Productivity.pdf