

BREATHING LIFE INTO WELLNESS

*How a Total Quality of Life Approach
Improves Productivity, Engagement,
& Healthy Outcomes*

*Written for Virgin Pulse by
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Introduction

Employees are not only what they eat, sleep, and exercise. They're not just the jobs they perform. They're the career ladders they aspire to climb. The families they support and wish to give every opportunity to. The people with whom they connect, work, play, and pray. They're a raft of dreams... a variety of tempos... individuals.

Help people live better, for good.

Help your work improve, for real.

Fran Melmed is the founder of context, a communication consulting firm specializing in workplace wellness. Fran's work with clients including Comcast, Cigna, and IKEA has helped employees and their families make better health care and lifestyle decisions. Fran is also the co-founder of CoHealth, a virtual community focused on workplace wellness innovations, and is a frequent speaker on health and well-being.

The Engagement Bump

Across a number of metrics, companies that pay attention to employees' work, home, and health perform better.

Better Work Product & Work Performance

37% Lower Absenteeism

41% Fewer Defects

25 - 65% Lower Turnover

Better Word of Mouth

73% More Likely to Recommend Products or Services

74% More Likely to Buy Products or Services

57% More Likely to Want to Work for You

Better Business Performance

44% More Likely to Invest in Your Company

22% Higher Profitability

8/10 Years Outperforming the S&P

Sources:
The Relationship Between Engagement at Work and Organizational Outcomes, Gallup, February 2013, The Conference Board CEO Challenge 2013, Edelman Health Barometer 2011.

What's Good for Employees is Good for Business

What's good for your employees is good for your business. For many, this statement's a platitude. But for high-performing companies, it's a no-brainer.

That's not to say it's easy. It requires longstanding commitment to cultivate a shared belief that employees' quality of life is in the company's vested interest. For the companies that recognize the importance, however, there are dividends.

These dividends are reflected in flawless products heading out the door, a strong customer pipeline, an expanding market share, increased productivity, and reduced absenteeism and turnover. The dividends extend beyond office walls, too, influencing customers' purchasing behavior, prospective talent's interest, and investors' habits.¹

These are all the ways we measure engagement.

Money is a top source of stress for 69 percent of Americans, according to The American Psychological Association. Stress increases anxiety, depression, high blood pressure, heart attack & drives presenteeism.⁶

Talent Management Strategies Go Only So Far

Although the link isn't always obvious, your talent management strategy and the programs and processes that support it drive engagement.

Your performance management and learning development processes assure employees have the necessary direction and resources to perform today's job while acquiring experience for tomorrow's. Your total rewards approach provides competitive pay and additional forms of compensation that assure employees their contribution's valued. Your health benefits reduce employees' cost burden. And the combination of your flexible work policies and paid time off benefits makes it possible for employees to juggle family responsibilities and indulge in soul-satisfying family pleasures.

All you do to minimize the many pressures employees bear pays off in performance and hard dollars. To understand the cost of not paying attention to these matters, one only has to look at numbers from the Integrated Benefits Institute (IBI) and other researchers.

IBI reports that an eye-popping \$227 billion evaporates each year from lost productivity due to poor health. Those with chronic health conditions such as back pain, asthma, or heart disease cost employers as little as \$15 per person per year or as much as \$1,601.² What often goes unnoticed, however, is the drain on your bottom

line from employees suffering with mental disease. Gallup estimates U.S. employers kiss more than \$23 billion good-bye annually due to the effects of depression.³ Research on health and productivity by Ronald Loeppke and others similarly conclude that conditions ranging from pain to anxiety and fatigue are more significant drivers of health-related costs than cancer and diabetes.⁴

Employees today are experiencing a greater degree of mental stressors. The latest Census Bureau report on poverty and income reflects a stalled recovery for many.

High-income households are seeing their incomes return, if not soar above, earlier levels. Middle- and low-income households have yet to recover. For them, incomes have stagnated, if not fallen, for more than a decade.⁵ Simultaneously, health care costs have risen sharply and, despite employers like you taking steps to maintain affordable and valuable health benefits, employees absorb another hit to their available income here too.

Stories abound of families making tough choices regarding education, health care—even food and other necessities. In the American Psychological Association’s “Stress in America 2012” report, money ranked as a significant source of stress for 69 percent of Americans. That stress increases employees’ incidents of anxiety, depression, high blood pressure, and heart attack—and driving presenteeism.⁶

Step Aside, Wellness 1.0

When you consider these societal complexities, it’s little wonder today’s wellness efforts fall shy of the mark.

There’s no doubt they focus on important health risks. Tobacco use, inactivity, and poor nutrition are the bane of our 21st century existence. Our unhealthy lifestyle choices have led to staggering percentages of adults—and sadly, children—with preventable disease. While we’re making headway in some areas (obesity is down in some demographics⁷), tobacco cessation has flat-lined, and newly identified risks like “sitting disease” are on the rise.

Yet in focusing on noncommunicable diseases alone, we leave unaddressed the stressors driving much of the illness and lost productivity. We ignore important aspects of well-being, including social, emotional, and even financial well-being—aspects recognized by the World Health Organization in its definition of health: **“Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”**

Narrow offerings could be, in part, why participation in today’s wellness programs is lackluster. And why, in response, more employers are looking to alternative methods and settling on penalties. By 2015, 61 percent plan to use penalties to induce greater health involvement from their employees.⁸

Recent events at Penn State University suggest this approach may create a more adversarial employer-employee relationship. University staff revolted against intrusive health assessments and grossly felt “sticks” over pragmatic and practical solutions to help alleviate employees’ burdens and free up their time, energy, and motivation for quality work and a quality life. The situation signals a questionable forecast for employers’ plans to move to more penalties.

“Well-being is a combination of feeling good as well as actually having meaning, good relationships and accomplishment.”

- DR. MARTIN E.P. SELIGMAN
Positive Psychology Center
University of Pennsylvania

Now's the Time

Due to these events and other sociodemographic and political changes, now's the right time to consider a more expansive definition of engagement and well-being focused on total quality of life:

- **Our day-to-day budgeting and retirement planning need shoring up.** Gen Y employees are worried about meeting monthly living expenses. Gen X is concerned about their retirement savings. And boomers have all but given up on retirement. They're looking to their employers to help them manage the gamut.
- **Our stress is high and getting higher.** Money woes coupled with job insecurity, aging parents, and the run-of-the-mill things that absorb our emotional time and energy are a significant source of stress for people.¹⁰ No matter the source of stress, it's a significant drain on employees' focus and energy.
- **There's a growing appreciation for the role community, volunteering, and the social spirit play in health and productivity.** Blue Zones, Conscious Capitalism, the Third Metric, the Purpose Economy. These movements and trends raise our

acceptance of research that shows the connection between our social relationships, giving back, a sense of community and support, and faith or spirituality with better health and well-being.

- **Our workforce includes Gen Z to baby boomers.** Each generation has different needs and different values. They're at different stops on their employee lifecycle and, accordingly, seek different types of support.
- **Our workforce is maturing.** With a greater majority of workers staying employed well into their 70s, we must be prepared to subsidize their increased costs while we simultaneously help our younger workforce adopt and practice the habits that will help them greet old age with good health.
- **Our health care system is tipping in our favor.** Health care reform offers unprecedented opportunities, with an increased allowance for healthy living incentives. Designed and implemented well, these incentives will take their rightful place as reinforcement and not the foundation of wellness.
- **Our health care system is evolving.** 2014 will be the year when we start to see dramatic change in our health care system and understand

how employers will respond. The safe bet is to say many employers will change what they offer employees and how. The sure bet is to say caring about employees and their families will always be valued.

- **We're getting smarter about healthy habits.** Smart minds are busily researching what makes us tick. Smart minds and smart money are going into how we can wed this rich bed of knowledge with advancements in health technology to make our ticks healthier.

Why consider a more expansive approach to engagement & well-being? To support employees' financial planning, focus & energy, social health, the maturing workforce and people's healthier habits, to name just a few.

Total Quality of Life: Changing Lives and Businesses for Good

For our economy and our businesses to succeed, wellness must continue tackling rampant noncommunicable diseases and associated conditions and then move on to address all that matters to employees.

When our approach to wellness moves in this direction, suddenly it's not a health and wellness program anymore. It's an engagement platform that creates a better total quality of life and a stronger, more supportive, more productive place to work.

Deliver an experience people crave, one that feeds their passion for excellence and for living. Change lives for good. Your employees'—and your own.

Why Virgin Pulse? Total Quality of Life.

Virgin Pulse believes that health embraces a lot more than physical wellness. Virgin Pulse encompasses every aspect of life – physical, nutritional, emotional, social, financial, and more.

Virgin Pulse is about Total Quality of Life. We know what works and why, based on science, research, and our experience working with more than 200 client companies representing over 1 million employees. We drive daily engagement and long-term behavior change through programs that are fun and social, and that get people involved and keep them engaged and at center stage in their own lives.

And we know life's better when you share it with someone. Virgin Pulse lets employees invite up to three friends or family members for free.

1 Edelman Health Barometer 2011

2 Measuring Health-Related Productivity Loss, Population Health Management, April 2011

3 Gallup-Healthways Well-Being Index, January 2, 2011–December 30, 2012

4 Health and Productivity as a Business Strategy: A Multiemployer Study, JOEM, Volume 51, Number 4, April 2009

5 <http://economix.blogs.nytimes.com/2013/09/17/charting-a-path-to-shared-prosperity/#more-168303>

6 <http://economix.blogs.nytimes.com/2013/09/17/charting-a-path-to-shared-prosperity/#more-168303>

7 U.S. Teens Begin to Slim Down, Study Suggests, Medline Plus, September 2013

8 2013/2014 Staying@Work Survey, Towers Watson and National Business Group on Health

9 2013 Study of Employee Benefit Trends, MetLife

10 Stress in America, American Psychological Association, 2013

ABOUT VIRGIN PULSE

Employees who are engaged at work go the extra mile because they want to. They don't need to be asked to stay late or help out a colleague. They're happier, healthier, and more productive. They lead richer, fuller lives. Why wouldn't you want more employees like that? Virgin Pulse, part of Sir Richard Branson's famed Virgin Group, increases engagement and loyalty by providing employee-centered programs and tools that go beyond physical wellness. Unlike narrowly focused, one-dimensional solutions, Virgin Pulse is a hub of consumer-focused strategies and innovative tools that combine to drive real change across every aspect of life. Virgin Pulse. We change lives for good.

Learn more at www.virginpulse.com.

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