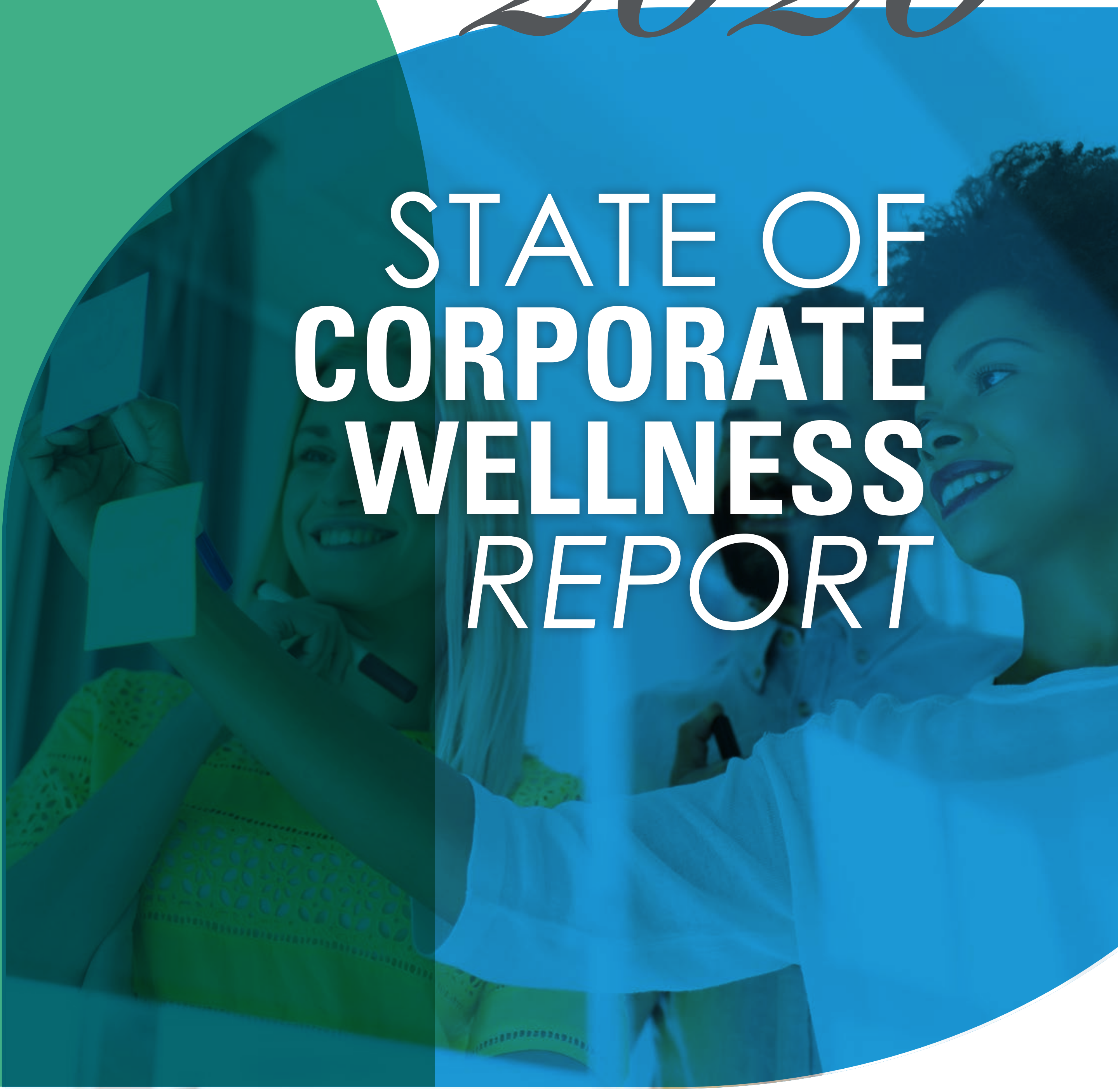
2020

STATE OF CORPORATE WELLNESS *REPORT*



GiftCard Partners™

Corporate Health & Wellness Association
The Business of Well-Being

Global Healthcare Resources

TABLE *of* CONTENTS

 |

Section 1
INTRODUCTION

Introduction

An Introduction to Modern Corporate Wellness

“The first wealth is health,” observed American poet and essayist Ralph Waldo Emerson. During the heart of the 19th century – long before the Industrial Revolution gave way to postmodern commerce and global markets – one of America’s finest home-grown philosophers offered a simple turn of phrase that is more relevant than ever in our complex present.

Whether they knew it or not, the designers of the first corporate wellness programs were operating under Emerson’s grand, transcendentalist principle. Corporate wellness, which can be broadly defined as any program, policy, or promotional activity that supports the health and well-being of its staff, is an essential idea in 21st century labor. Modern western companies are no longer operating on a 20th century model and the economics of scarcity; instead, companies are increasingly recognizing that an employee’s life is more than just his or her job, and they’re constructing policies and benefits accordingly. Corporate health and wellness is a significant component of that concession.

To really understand where corporate wellness comes from and why it’s increasingly relevant today, companies should first consider the changing dynamics of today’s workforce. One of the major workplace shifts of the last five years is the fact that millennials – anyone born roughly between 1981 and 1996 – have now become the majority in the western workforce.

Even by generational standards, millennials are a tough group to describe monolithically; because of the rate at which telecommunication technology began evolving in the final part of the 20th century, an employee born in 1984 would have grown up very differently than the exact same employee, just 10 years later.

A 1984 baby may very well have had limited access to the internet as a child/adolescent, and likely did not own a cell phone until he or she reached full adulthood; meanwhile, the ’94 baby would be a full digital native, who was likely taught computer skills in early primary school and grew up with a cell phone and easy internet access from a relatively young age.

Both are firmly considered millennials, which makes it difficult to draw large-scale generational conclusions.

Introduction

Still, most data suggest that millennials show multi-dimensional engagement, work best when they're working collaboratively, and feel responsible to a greater sense of community, national, or worldwide duty. Millennials are often tagged as job-hoppers, which is a trend that the data support; nonetheless, they are more likely than previous generations to prioritize principle over employment. They are far more likely to stick with a company that demonstrably shares their values, too. Right or wrong, millennials in the professional sphere believe that businesses should engage in certain types of behavior – both internally and externally – meaning they are more likely or more willing to hold out for a job they feel is in line with their belief system or worldview.

Businesses may be more likely to cite financial reasons as the primary motivation behind the presence of a corporate wellness program, but this employee profile is an increasingly important factor in the appeal of corporate wellness. In fact, it's a component of the main thesis of our introduction – we believe that human factors are far more important than economic factors when designing or executing a corporate wellness program.

Birth of an Industry

Though corporate staples such as Henry Ford's 40-hour work week are sometimes associated with the field, Johnson & Johnson is generally credited with the creation of the first modern corporate wellness program. In the 1970s, the growing multinational corporation designed and installed a visionary plan called Live for Life®, which included the installation of an on-site health center, fitness rooms, and athletics facilities at the Johnson & Johnson compound in New Jersey. The backbone of the program was its genuine willingness to improve the lives of its employees, offering education on important topics like nutrition and stress management.

The J&J wellness program continued to expand through the 70s and 80s, with health announcements that were continually ahead of the curve of the American culture. Decades before smoking was banned in American restaurants, Johnson & Johnson became the first workplace to go totally smoke-free. As motor vehicle fatalities and HIV awareness became hot social topics in the 1980s, Johnson & Johnson had already implemented programs that promoted safe driving and disease prevention.

Even now, in the 21st century, Johnson & Johnson is still a forward-thinking leader in the corporate wellness space. As the United States has lagged behind the rest of the developed world in paid family leave, Johnson & Johnson employees enjoy expanded parental leave benefits. According to a 2018 post on the company's website, employee health marks consistently beat the Center for Disease Control and Prevention's (CDC) national averages by wide margins.

"We know that we have one of the healthiest workforces," said Peter Fasolo, EVP & Chief Human Resources Officer, in the same article. Fasolo later remarks that because of the focus on healthcare and wellness, "our healthcare costs in the U.S. are, on average, two to three percentage points lower than the costs major corporations deal with on an annual basis."
And therein lies where much of the industry goes wrong.

Spreadsheet Corrosion

In the final years of the 20th century, more companies began following the Johnson & Johnson model, providing their employees with gym memberships, on-site privileges, or other wellness perks designed to support healthy lifestyles. By the 1990s, wellness programs were common enough to merit scholastic review, but not necessarily executed with employee wellness explicitly in mind. In her 1998 paper, The History and Impact of Worksite Wellness, Jennifer Reardon argues that the primary objective of wellness programs was cost containment.

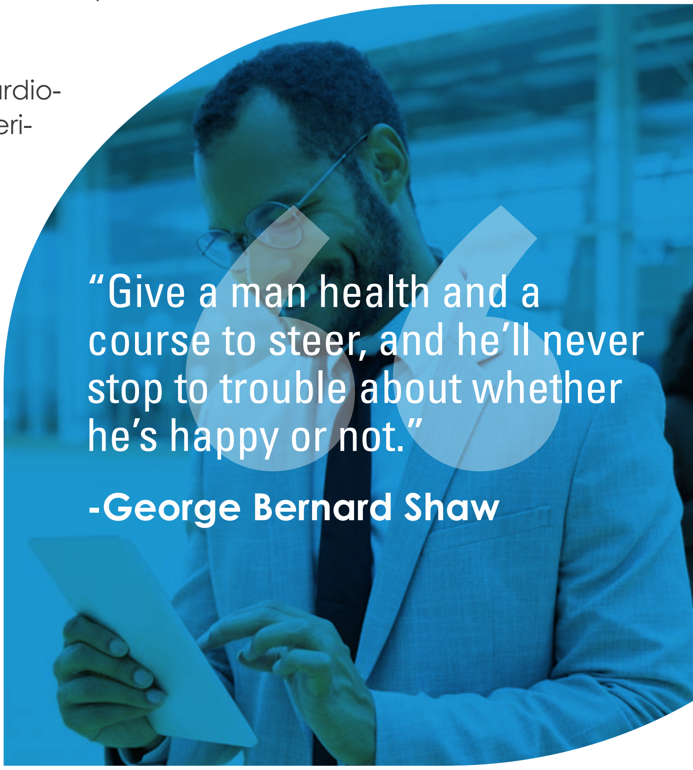
A passage from Reardon's paper:

"The interest in the health and wellness of Americans may be grounded in financial incentives. Consider, for example, the cost of cardiovascular disease in relation to prevention. Studies have supported the idea that reducing serum cholesterol by diet and medications can reduce one's risk for cardiovascular disease. A survey of 75,000 employees in 100 worksites indicates that 45% to 60% have high and borderline-high cholesterol (National Institutes of Health, 1995).

Given that many of these individuals may develop cardiovascular disease, consider costs offered by the American Heart Association.

A coronary artery bypass is $32,465 (American Heart Association [AHA], 1990). The AHA (1990) projects the 5-year cost for care following a myocardial infarct at $51,000. The annual cardiovascular disease price is $95 billion to $127 billion (AHA, 1990).

The cost benefit of cholesterol, LDL, and HDL intervention quickly exceeds the financial loss of unmonitored cardiovascular risk. As research identifies modifiable risk factors, counseling and education directed at promoting health with respect to these variables yields cost savings, employee retention, and individual well being."



It could be a benign rhetorical choice, but look again at the order of the list in Reardon's final sentence:

COST SAVINGS | **EMPLOYEE RETENTION** | **INDIVIDUAL WELL-BEING**

Intentional or not, Reardon's passage would prove symptomatic of a growing problem in the wellness industry: prioritizing fiscal benefits over human benefits.

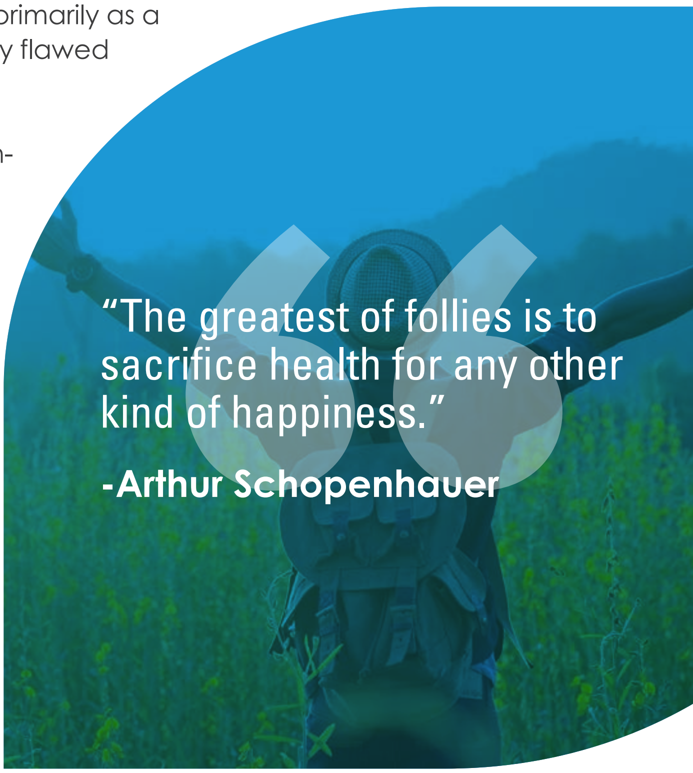
Corporate Wellness in the 21st Century

The growing trajectory of wellness program development continued into the 21st century. A CDC study of corporate wellness in 2017 revealed that roughly half of all American employers, including a large number of small businesses, featured some form of a wellness program.

This statistic is backed up by a separate paper, published in 2012 by the RAND Corporation in conjunction with the U.S. government. The financial incentive that many businesses are chasing? A 2014 Harvard Business investigation reported that American companies could reap back-end returns of $3.27 in medical expenses, plus an additional $2.73 in recouped absenteeism costs, for every $1 spent on wellness programs.

The results here are both good and bad. The growing ubiquity of wellness programs is undoubtedly a strong indicator that health and wellness is, at the very least, not an unknown concept to corporate America. The return on investment is an objective economic good, as well as a signal that wellness programs are solid investments.

On the other hand, the growing spreadsheet mentality that appears to be driving the growth in corporate wellness is not a good foundation for the industry. A corporate landscape that invokes wellness primarily as a means to save money is, more often than not, a fatally flawed system doomed to create more complex problems.



Let's briefly revisit our original model. Johnson & Johnson successfully created a culture of health and wellness not just by creating a program for their employees, but by genuinely caring about their well-being.

As part of a 2001 review of the evolution of the J&J wellness program, author Fikry Isaac writes that "investing in our employee's health and well-being is justified by our conviction that one of Johnson & Johnson's most important competitive advantages is the quality of our people and their organizational capability."

In other words, Johnson & Johnson is investing in their employees for the human benefits, and the capital benefits are merely a function of that investment. This should contrast starkly with companies who invest in corporate wellness for spreadsheet benefits, with genuine employee wellness coming as a byproduct.

This may seem like a trivial difference, but the difference between the two often manifest in problematic program execution.

Crafting a Solution

In 2017, Limeade CEO Henry Albrecht wrote a short piece for Forbes, explaining why and how he believes the Corporate Wellness industry has failed its primary stakeholders – the employees that these programs are purported to serve.

In his opening, Albrecht references examples of "Wellness Gone Wrong," or examples of programs where the alleged goal and the underlining methodologies are in complete conflict. One of the common themes of a corporate wellness program is stress management, yet some corporate wellness programs actually add stress to an employee's life by pressuring, or even explicitly requiring, benchmark performances or program participation.

Albrecht also references the idea of paid compliance – that companies may reward employees for participating and, by extension, penalize those who don't. But even if it's effective in the short-term, this model isn't actually exhibiting wellness. It's healthcare bribery.

"Beneath surface-level messaging about improving health, most traditional workplace wellness programs were exclusively about slashing employer's healthcare costs," Albrecht writes.

As this report touches on, there is a blurry but critically important line in corporate wellness between rewarding participation and compelling performance. The difference lies not just in execution, but in intent, too; as Albrecht and others have observed, the science of motivation should be the primary engine that drives wellness programs. It's important for employees to feel empowered as participants, instead of limited as objects. Genuine engagement can't be faked.

As we've discussed here, fostering a culture of wellness (and, by extension, community and purpose) is far more powerful (and more sustainable) than a culture of economic prudence or forced compliance. We recommend that engaged businesses who want to create an effective corporate wellness initiative ignore financial benefits during the initial design & implementation phase of the program, then study the economic implications later and adjust accordingly.

As has been demonstrated both in this paper and in others, wellness designed for cost containment is not an effective long-term solution. "Pavlovian approaches to wellness and recognition programs are shortsighted and doomed to either backfire or create entitlements," Albrecht says. "It's high time to move beyond 'wellness' to embrace whole-person, whole-company, whole-ecosystem well-being and engagement."

What Role does the CHWA Play in All of This?

The Corporate Health & Wellness Association (CHWA) enriches the corporate wellness landscape in many ways.

We are the largest influencer of corporate wellness both in the United States and abroad, with a total network of more than **1.5 million B2B professionals**. In the U.S., the CHWA is also the largest influencer of HR and Insurance executives, with a network in the hundreds of thousands.

Our social net on LinkedIn alone is an always-growing umbrella of more than **600,000 professionals.**

One of the reasons our size is relevant is intra-networking opportunities. We connect many members who are looking to compare corporate wellness notes; we all also accept submissions from dozens of qualified experts in the field for our web publication, Corporate Wellness Magazine.

Perhaps more importantly, our size lends us some degree of staying power in the industry. The CHWA can afford to commission more in-depth investigations like this report because of the number of stakeholders we connect and the scope of their interests. We're empowered to write reports objectively, with no real financial stake in the outcome, outside of the natural growth of the field.

For this report, the CHWA polled 239 professionals who work directly inside, or adjacent to, corporate wellness and healthcare fields. In the following pages, we lay out the questions we asked, the responses we received, and the conclusions that we can reasonably draw from the results.

We hope that the data we provide in the body of this report, as well as the context we provide in the introduction and conclusion, empowers companies to design and install a more effective generation of corporate wellness programs.

Put more simply: the first wealth really *is* health. Companies who prioritize employee well-being are far more likely to reap long-term financial rewards.

Section 2

Profile of a Wellness Provider

Profile of a Wellness Provider

Corporate wellness is a growing industry, but it may still be a fragile one in need of proper guidance, too. That could be the primary takeaway of the 2020 Corporate Health & Wellness Association Report, which investigated general practices, tendencies, opinions, and concerns from the international landscape of wellness programs.

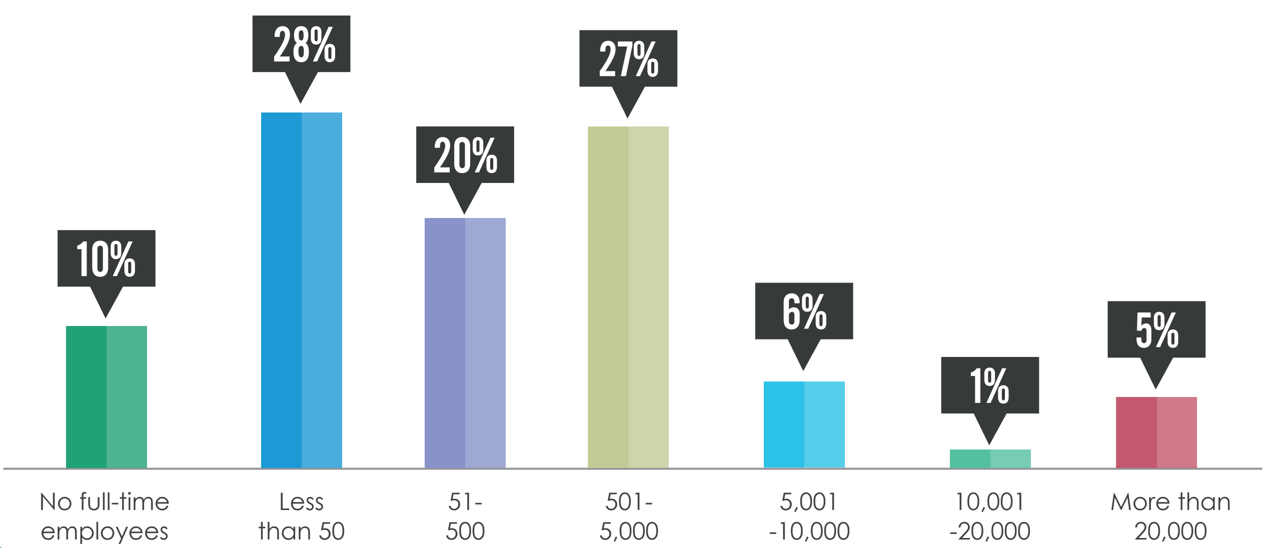
Corporate wellness programs are constructed and utilized by both fully-insured and self-funded businesses. In both cases, employers generally hope that the presence of a wellness program may reduce healthcare-related costs. The main difference is that wellness savings tend to tie more directly to a self-funded business, which is paying its employees' healthcare costs out of pocket. By contrast, the presence of a robust wellness program may not lead to direct savings for companies that rely on outside insurance, but their efficacy may lead to discounts and/or lower premiums.

Companies who are installing a corporate wellness program may work closely with a corporate wellness broker, which is a company that advises HR and/or management on what programs to implement and how to effectively operate them. Brokers should not be confused with vendors, which sell specific products or provide activity-specific engagement and feedback.

In an effort to provide greater context for where these results come from, we want to share some basic demographic information that describes the average survey respondent.

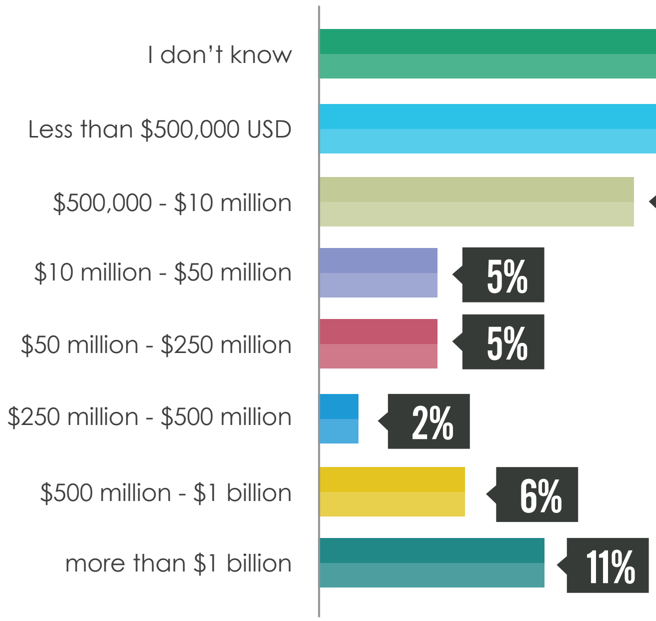
Of the 239 responses our survey recorded, the vast majority hail from the western world. The United States represents more than 80 percent of respondents. Many other respondents come from western cultures – Canada, Australia, the United Kingdom, etc. Many of the remaining countries represented here are spaces where health tourism or healthcare has an established reputation, like India or Singapore. Business sizes trended larger in this survey; while more than 10 percent of the businesses represented had zero full-time employees, we considered more than 60 percent of respondents to be large operations, with 50 or more full-time employees.

How many full-time employees does your company have?



About one-fifth (21 percent) of business reported a gross annual income of less than USD $500,000 in 2018, while 11 percent reported gross income in excess of USD $1 Billion.

In the last year, what was your company's estimated revenue from business activities?

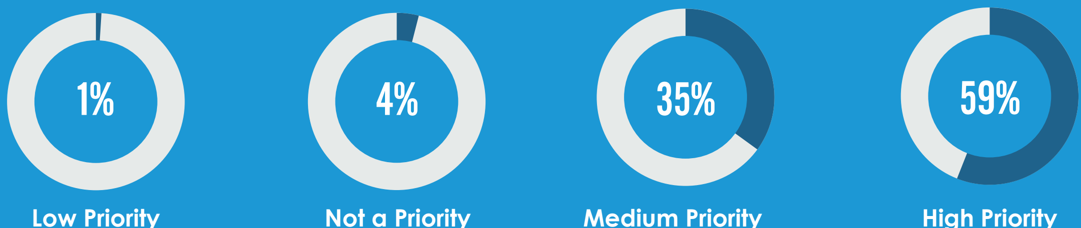


Respondents come from several different types of companies; wellness providers, self-insured employers, and agents & consultants each make up at least 15 percent of the data pool. Data providers tend to be in a high-authority position, with 45 percent working as either the business owner or some sort of executive. Only 16 percent are individual, non-managerial staffers. Given the nature of our survey, these are most likely to be base-level HR employees.

Regardless of position or business, more than half (54 percent) of our respondents identify their organization as working in the corporate wellness space. More than a third (35 percent) classified their operation as an explicit healthcare organization. Wellness travel touched just over one-fourth (26 percent) of respondents. One in eight (12 percent) considered themselves to be healthcare reformers.

ONLY FIVE PERCENT CONSIDER CORPORATE WELLNESS TO BE UNIMPORTANT TO THEIR BUSINESS

How much of a priority is corporate wellness to your business?



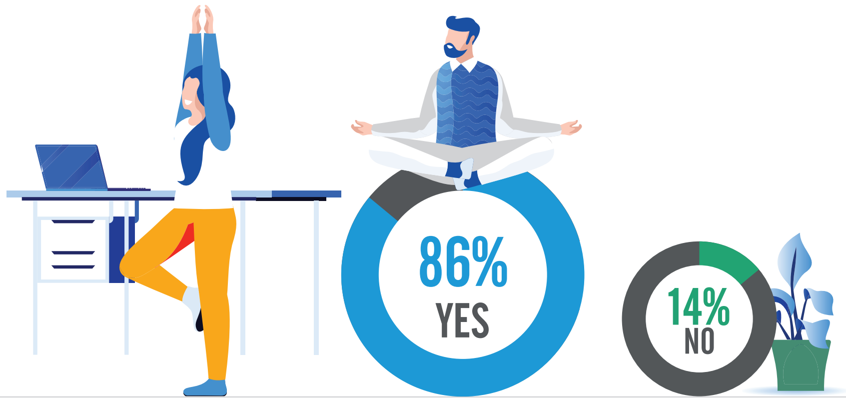
Section 3

Wellness Program Benefits *and* Services

 |

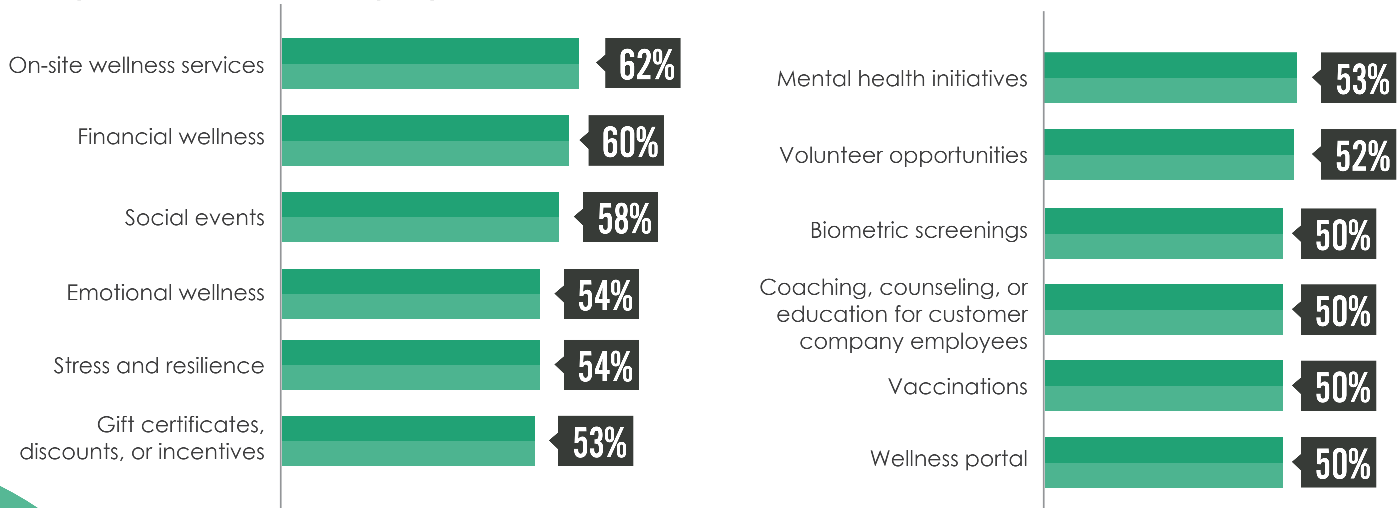
Wellness Program Benefits & Service

At its most basic level, our report reveals that a huge majority of every modern companies offers some form of corporate wellness benefit. Our results show that 86 percent of respondents offered some form of wellness product or service to their employees. This should not be surprising to readers, since the flexible nature of Corporate Wellness allows its label to be applied to many different kinds of benefits.



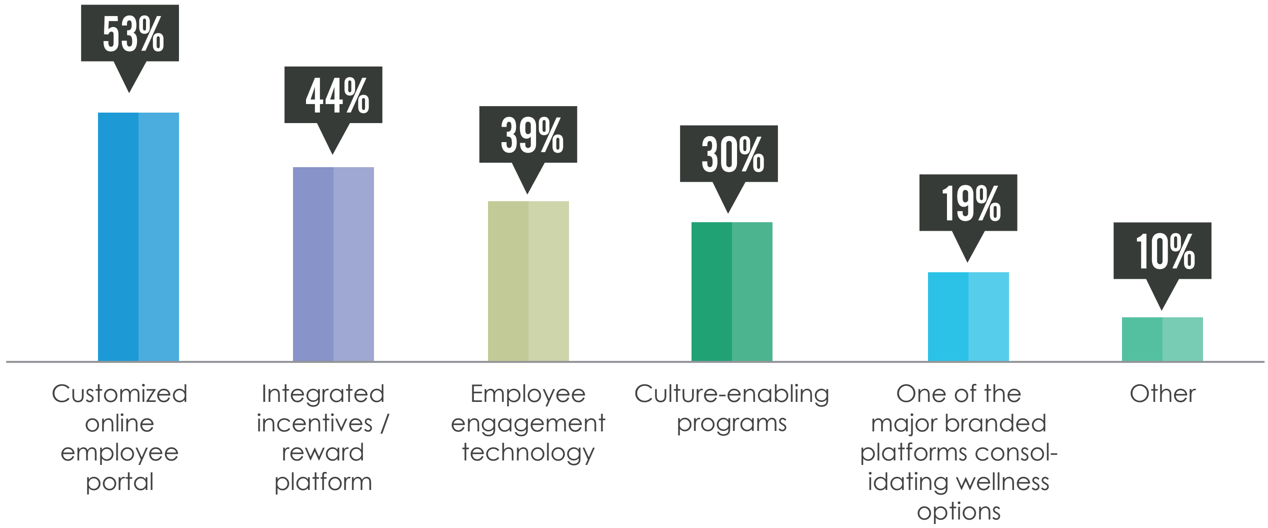
According to our survey, 12 different benefits or services are provided to employees via a corporate wellness program by at least half of our respondents. Wellness Portals (50 percent), Vaccinations (50 percent), Coaching & Counseling for Customer Company Employees (50 percent), Biometric Screenings (50 percent), Stress & Resilience Reduction (52 percent), Gift Certificates or Discounts (52 percent), Volunteer Opportunities (53 percent), Mental Health Initiatives (54 percent), Emotional Wellness Support (54 percent), Social Events (58 percent), Financial Wellness (60 percent), and On-Site Wellness Services (62 percent) were all common program elements.

What products or services do you provide?

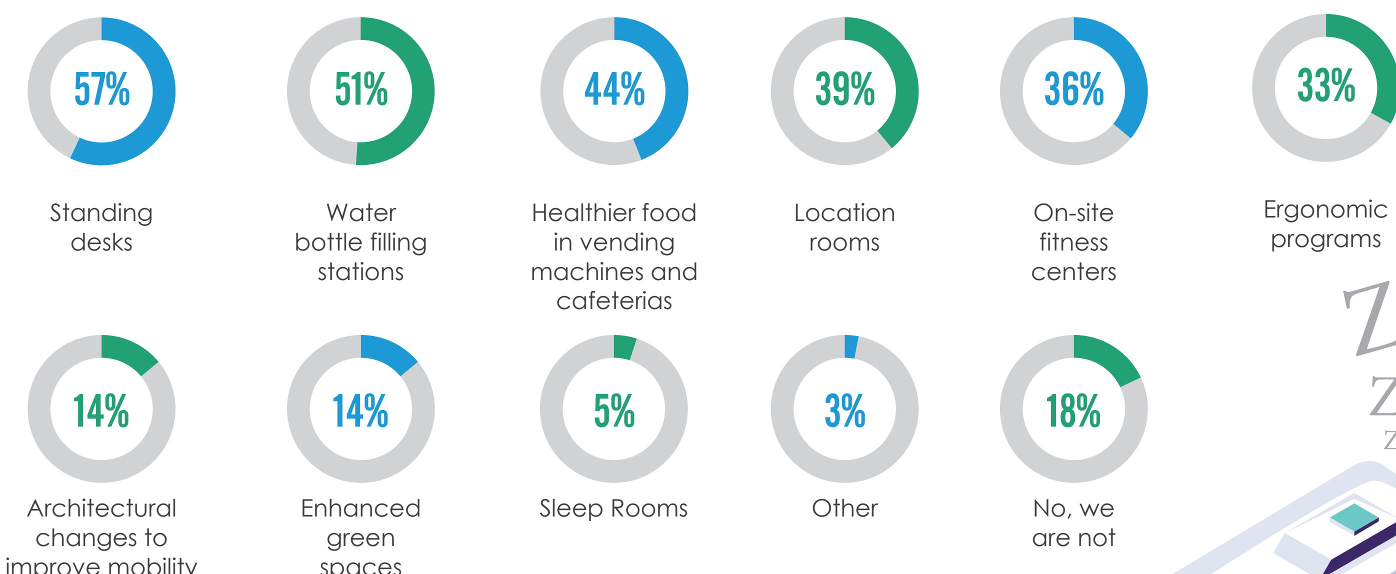


More than half of respondents report their company also uses a customized online portal that is specifically addressed to individual employees. More than 40 percent also reported using an integrated rewards platform.

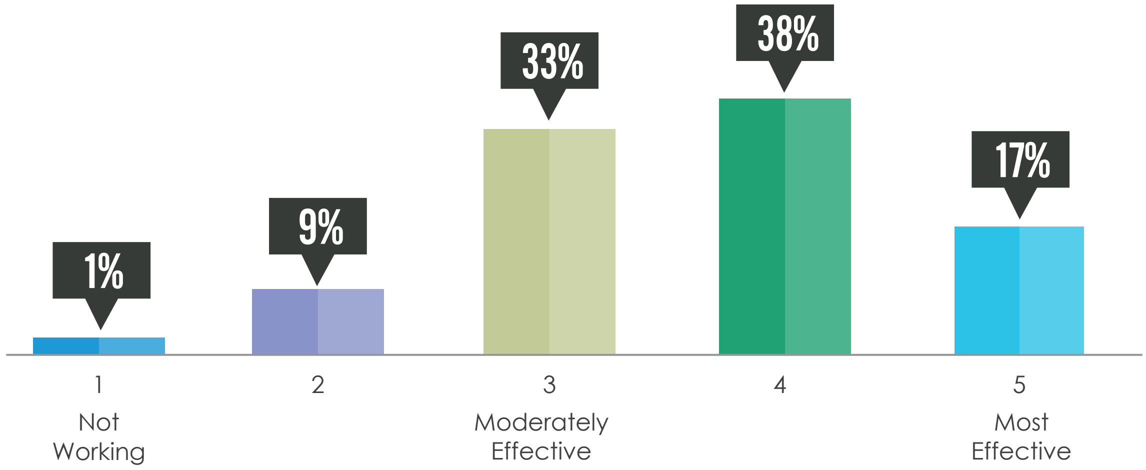
What type of technology is used to deliver, measure, and engage users in your wellness program?



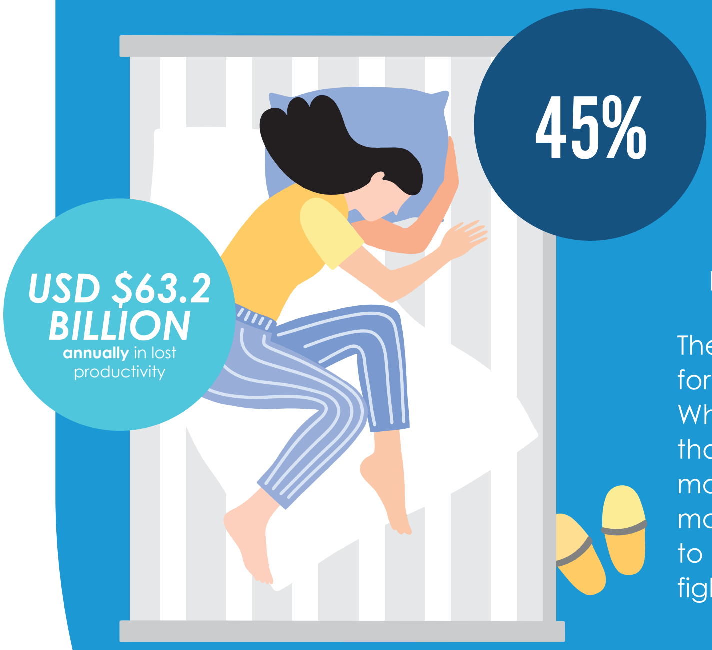
Many businesses are also targeting physical improvements to their space to maximize employee wellness. For instance, 57 percent of respondents have installed standing desks for their employees in an effort to reduce prolonged sedentary behaviors. More than half have installed water bottle stations. More than 40 percent have made a concentrated effort to stock break rooms, cafeterias, or vending machine with healthy choices, rather than typical junk food options. At least one in three businesses have created on-site fitness centers (37 percent) or a private lactation room for nursing mothers (39 percent). Rarer are employers who have implemented enhanced green spaces (14 percent) or sleep rooms (5 percent).



On a scale of 1-5, how effective do you find healthy physical work environment installations to be?



It is unsurprising to see a more radical idea like sleep rooms has not yet been fully accepted by the corporate community. While many modern businesses recognize the relationship between health and productivity, or comfort and productivity, allowing employees to literally sleep on the job is a much more challenging mental hill to climb for many decision-makers.



The argument for it is not entirely crazy, though – a 2014 study from the US National Sleep Foundation revealed that **45 percent of Americans** record at least one bad night of sleep in a seven-day period, and that insufficient rest affected their daily activity or productivity the following day.

The NSF also reports that sleep deprivation accounts for **USD $63.2 billion annually** in lost productivity. When joined together, these two statistics suggest that a designated sleep area at certain companies may enable employees to use it for power naps or mandatory rest when needed, allowing employees to return to optimal production levels, rather than fight through a lost day with minimal return.

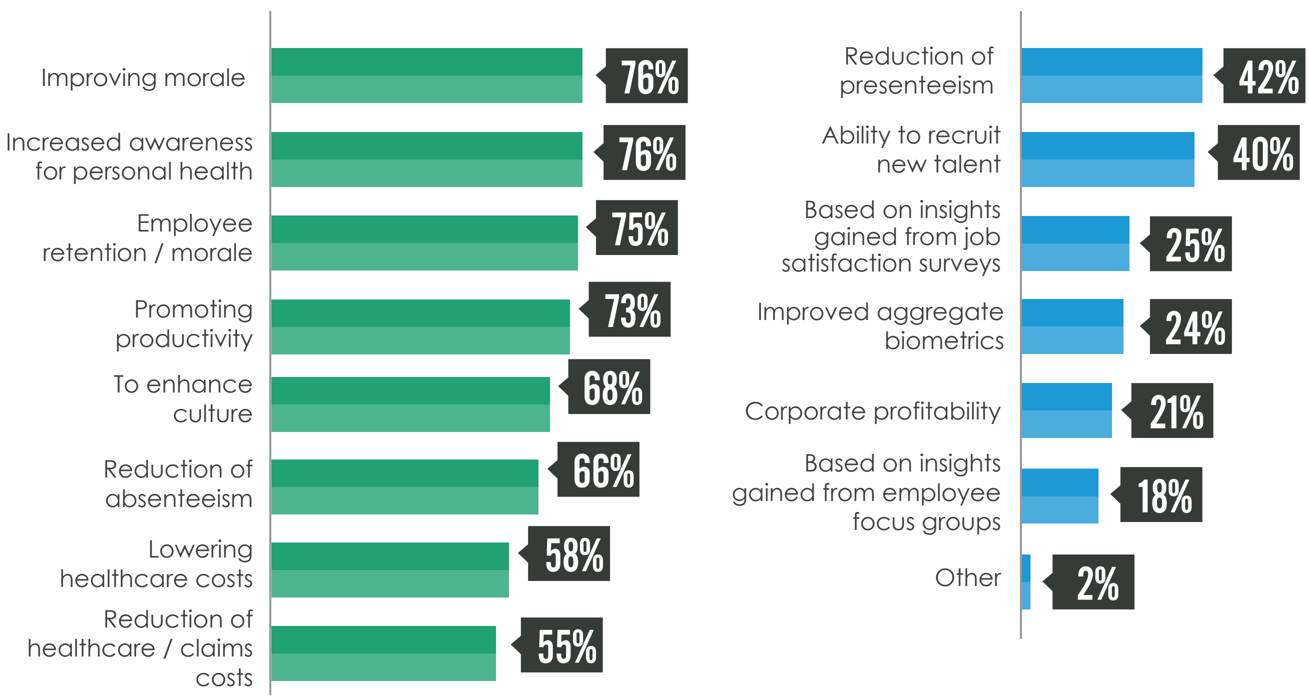
Section 4
Strategies & Goals

Strategies & Goals

One of the major ideas that the 2020 Corporate Health & Wellness Report wanted to investigate is why employers choose to institute a wellness program in the first place. We asked respondents, "What are the main reasons you offer corporate health and well-being programs?"

While respondents were able to select more than one response while answering this question, the results nevertheless indicate divergent strategies in the corporate creation of Wellness Programs. To begin with, the Reduction of Health Costs (58 percent) or Claims Costs (55 percent) were nowhere near the top of the list, suggesting that explicit financial considerations may be a secondary concern for many executives, at least when considering wellness.

What are the main reasons you offer corporate health and well-being programs?



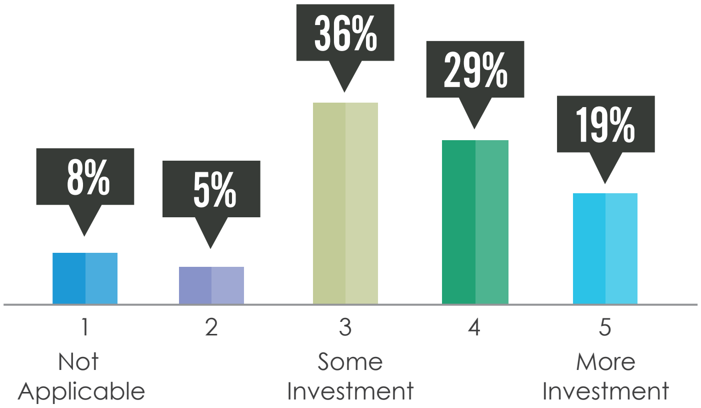
There seem to be two primary strategies at the top of the results. The first is the classic Wellness Program theory: increasing individual health through wellness incentives will eventually buoy that employee's job performance and productivity. Increased Awareness for Personal Health (76 percent), Promoting Productivity (73 percent), and Enhanced Culture (68 percent) all received high marks during this survey, and all three are closely linked.

The second line of thinking is a distinctly 21st century idea: creating alluring incentives to maximize the appeal of a particular business to prospective employees. In some circles, corporate wellness has become something of a recruitment battle, with companies racing to one-up competitors with extravagant or elaborate perks. This Corporate Perks Arms Race, which is not unlike the competition taking place at American Universities for high-level football & basketball recruits, is clearly visible in our survey results. "Improving Morale" was the No. 1 answer to this question, with "Employee Retention" right behind it. Together, those results create a clear image of a company trying to make itself as appealing as possible to current and future employees, lest they walk across the street to a new employer.

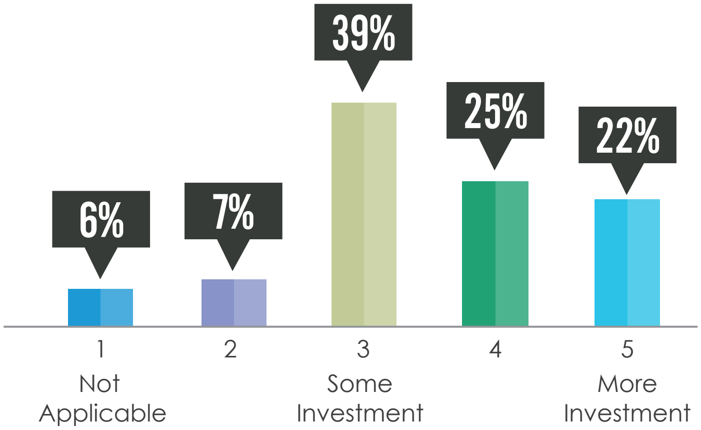
To stick with the sports metaphor, this is an age where both collegiate and professional athletes have more individual power than ever before. A 21st century microscope has been applied to many sports franchises, and the pressure to win is bigger than ever before. As a result, teams are trying everything they can – even if it means breaking the rules of the sport – to get ahead. This, alongside the rise of social media, has given both amateur and professional athletes an unprecedented level of individual power, as brands or franchises must accept a certain amount of individual autonomy in order to receive the uncommon benefits a singular sports star can provide.

Similarly, in the corporate sphere, employees appear to wield more power than ever. The rush to provide incentives for employees is a noble, natural evolution of a corporate structure that spent much of the 20th century unconcerned by the status of its rank-and-file workers. Nevertheless, it's hard not to recognize the shifting seat of power in the employee-employer relationship. Wellness programs have primary health goals, but there appear to be other forces at work here, too. Corporate recruitment is highly competitive in the 21st century, and businesses are increasingly willing to reach deep into their budgets if it means creating a personnel advantage.

On a scale of 1-5, what amount of resources will your company devote toward supporting **Employee Financial Wellness** in 2020?



On a scale of 1-5, what amount of resources will your company devote toward supporting **Employee Weight Management** in 2020?



Section 5

Engagement *and* Rewards

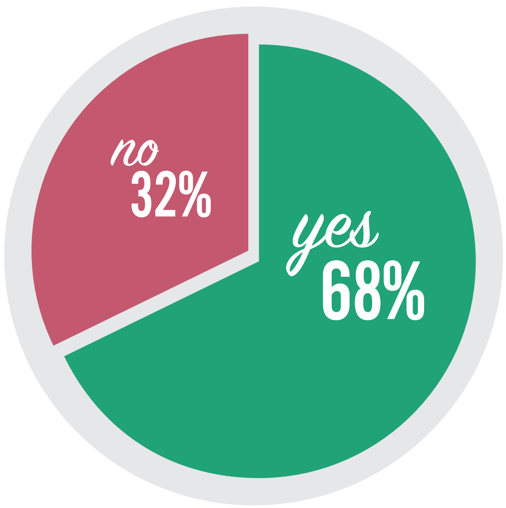
Engagement and Rewards

When employees regularly participate in wellness programs, they are rewarded. More than two-thirds of respondents (68 percent) report that they incentivize healthy behaviors, though only 38 percent report the use of an integrated rewards portal that offers an employee a choice in what they receive.

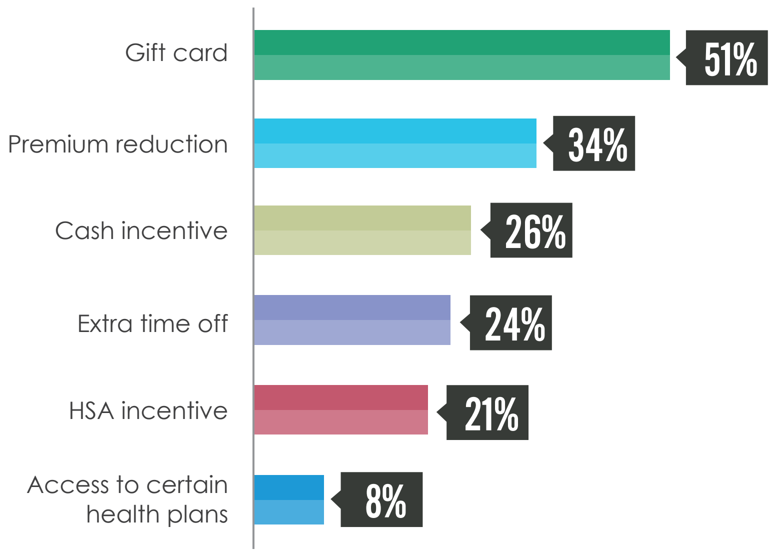
About one-fourth of companies report offering cash incentives (27 percent) or bonus time off (24 percent). Several companies tie wellness participation directly to health insurance, with one in three companies (33 percent) offering a premium reduction. About one in five (21 percent) offer some sort of bonus incentive for an employee's Health Savings Account.

Rewards are a good way to validate employees who participate in said programs, but they're also a good way to boost otherwise sluggish participation rates. We are encouraged by the fact that about one in eight respondents (13 percent) report employee participation rates of 90 percent or greater. Still, the industry average is likely somewhere between 40 and 50 percent, according to our data. Many programs (41 percent) see engagement numbers grow by less than 10 percent per annum; regardless of business, creating new habits in employees is consistently one of the biggest challenges for management.

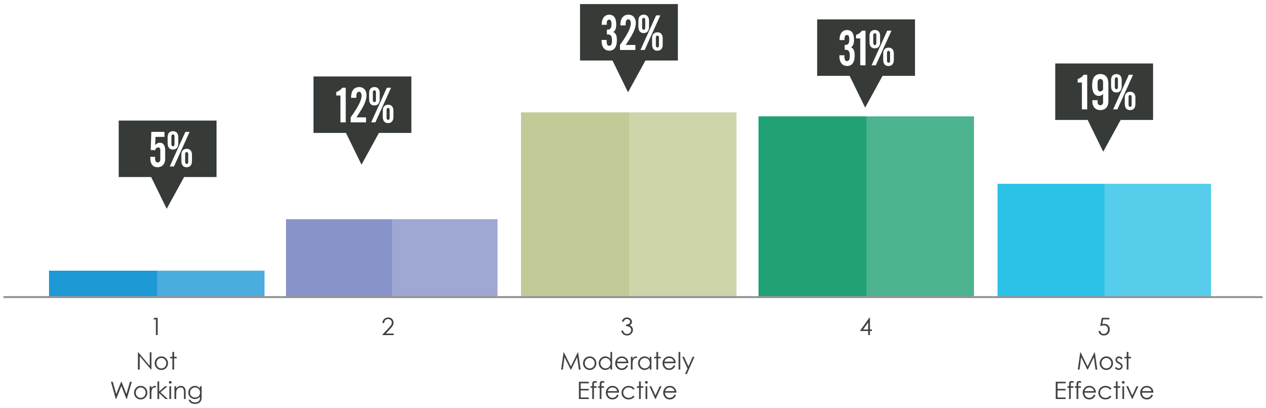
Does your company provide rewards for healthy behaviors?



What types of rewards have you used?



On a scale of 1-5, how effective do you find engagement incentive programs to be?



Section 6

Obstacles *and* Areas of Concern

Obstacles and Areas of Concern

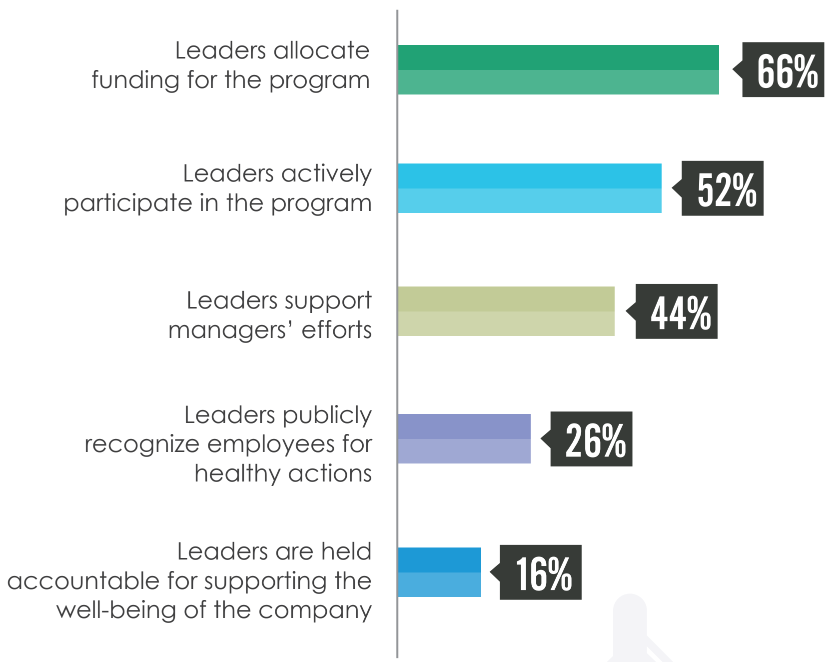
We believe no report would be complete without highlighting the concerns or questions of our respondents. Overall, the state of corporate wellness is vastly improved from a generation ago, in part simply because it exists at all. The level of attention and care that human capital received in 2019 is several orders of magnitude greater than that of the mid-20th century.

Despite the progress the industry has made in terms of both visibility and recognition, our results suggest that the fluctuating, adolescent nature of corporate wellness is actually its biggest weakness, as many executives face genuine questions about return on investment and overall effectiveness.

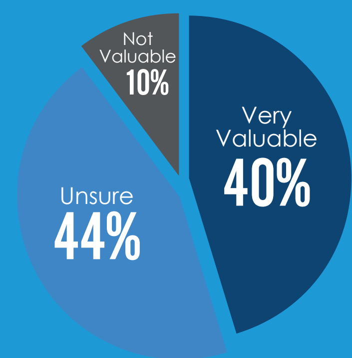
Problems with leadership

More than half of respondents (54 percent) do not believe, or are not sufficiently convinced, that their employees should have access to success/failure stories from their company's wellness initiative. This telegraphs a lack of transparency, a lack of confidence, or both.

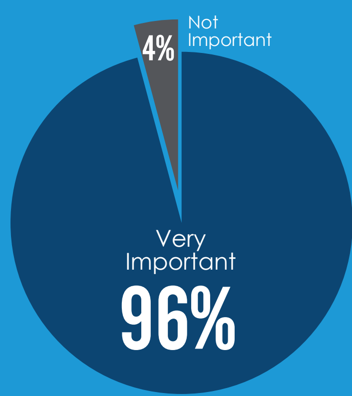
How does leadership support your wellness program?

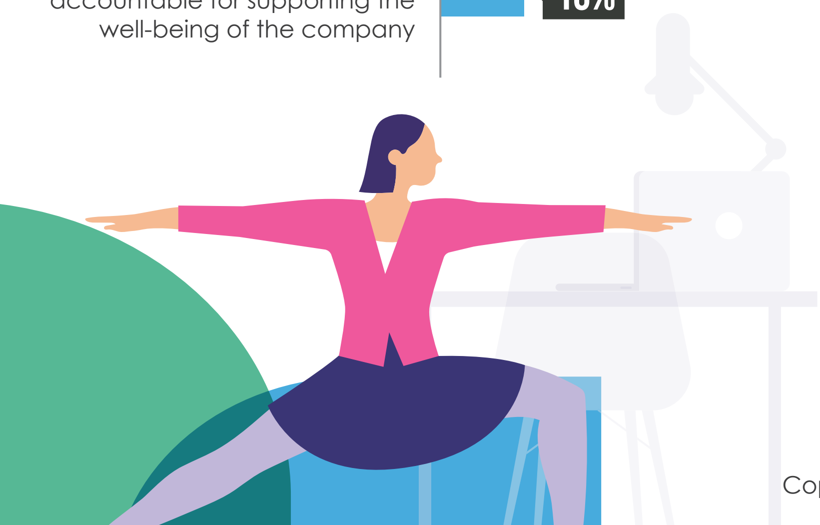


How important is it to stay on top of current trends and new innovative and disruptive ideas in corporate wellness?

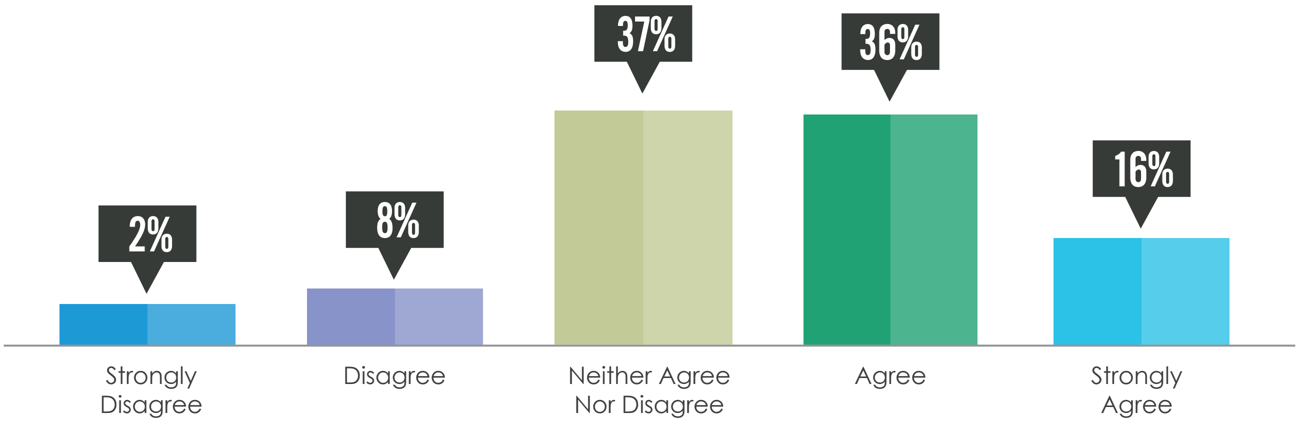


How valuable is it for employees to be able to access case studies, success stories, and failures from employers in their wellness and well-being initiative?





Management would provide more training if they knew staff would stay at the company for several years.



An overwhelming majority from our survey (95%) agree that tracking trends or new ideas in corporate wellness is a critically important process. This represents an obvious thought pattern – companies must stay current if they wish to offer competent, effective wellness programs – but taken into consideration with other results, it may also indicate a lack of long-term institutional knowledge or direction. Many programs are reacting to industry news and trends as they happen, relying on external brokers or non-specific information to grow their program. This makes it possible for bad-faith actors to easily hijack the industry's methodology and discourse. It also makes what the Corporate Health & Wellness Association does all the more important. Because of this, we aim to exercise more thought leadership in the coming decade.

Problems with vendors

Vendors that provide corporations with wellness benefits appear to be a source of controversy in the wellness community. About one third (34 percent) of respondents strongly believe their vendor is doing a verifiably good job; the remainder are skeptical, or at least struggle to verify whether or not their vendor is delivering results. A whopping 62 percent of respondents find it "difficult to determine" whether or not their vendor is successful, with 29 percent unable to come to any conclusion at all. Only 57 percent feel their vendor delivers tangible results.

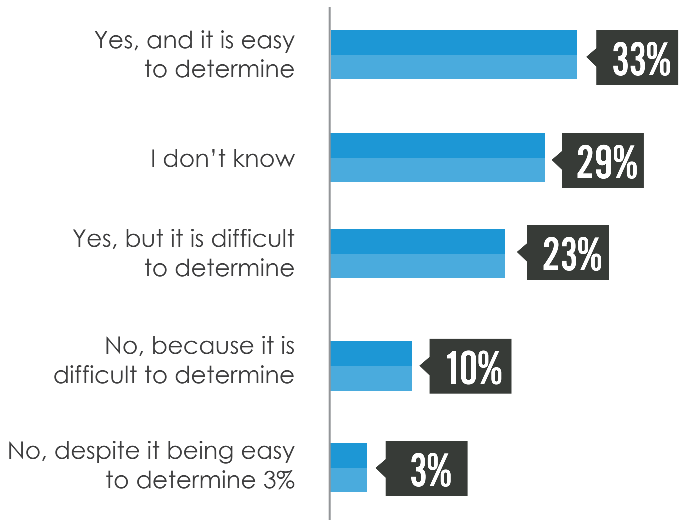
More than half of respondents (59 percent) feel that they are working with someone who is not the best solution provider for them, or else are unable to determine for themselves whether or not their vendor is the best fit. While this is obviously a major opportunity for high-quality vendors to swoop in and seize a potentially underserved market, this may also be a sign that companies do not feel confident in their ability to evaluate their own wellness programs. Many may be simply following secondary advice from the Internet, with no real grasp of the mechanisms that drive the industry.

Our data shows that two in five (40 percent) respondents don't even trust the data that vendors send them about engagement or wellness results.

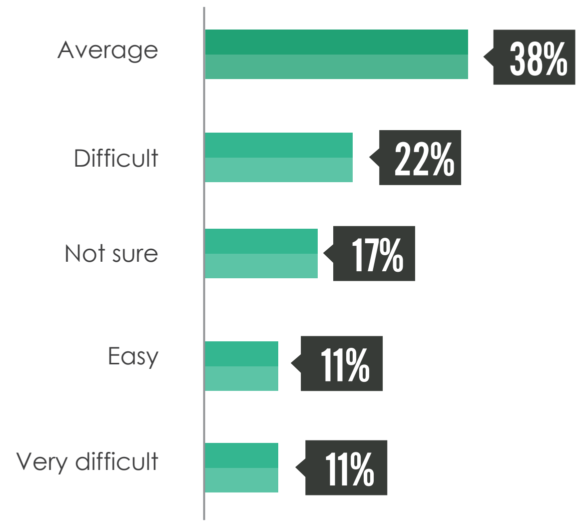
All of this would suggest that the industry may need its vendors to provide better, or at least clearer, more verifiable results. However, many companies stick to the status quo because the alternative is an arduous process of identifying and selecting new vendors, which may not deliver markedly better results, anyway. Only 1 in 9 (11 percent) respondents described the process of finding a new wellness program vendor as "easy."

More than half of respondents (59 percent) feel that they are working with someone who is not the best solution provider for them, or else are unable to determine for themselves whether or not their vendor is the best fit. While this is obviously a major opportunity for high-quality vendors to swoop in and seize a potentially underserved market, this may also be a sign that companies do not feel confident in their ability to evaluate their own wellness programs. Many may be simply following secondary advice from the Internet, with no real

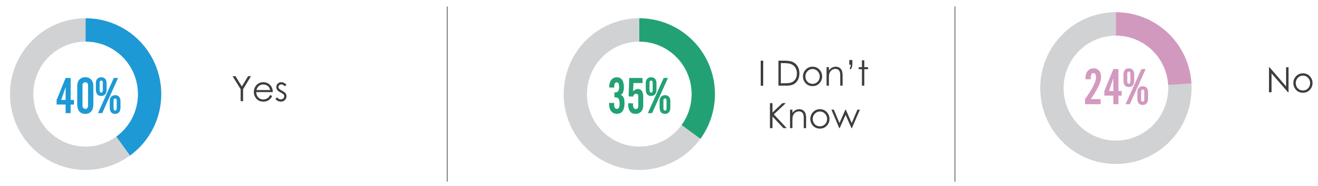
Are you able to determine if your corporate wellness vendor is successful and is delivering results?



With all the vendors currently in the well-being space, how easy is the process of finding a new vendor whose program creates successful engagement and utilization?



Do you feel you are currently working with the best possible solution provider/vendor in offering wellness to your company/employees?



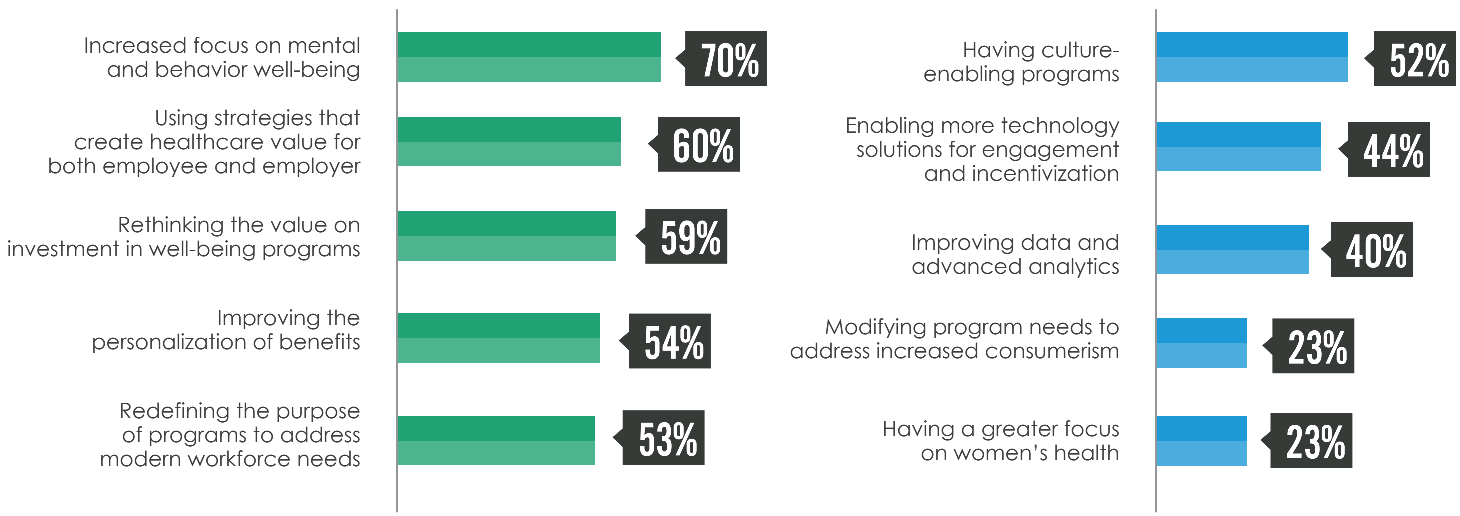
Section 7

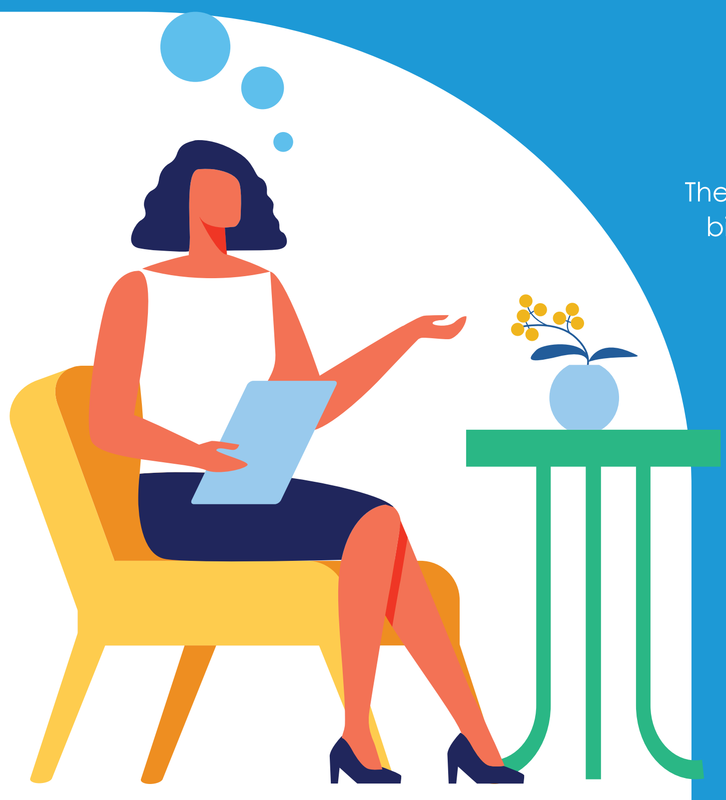
Themes & Trends

Themes & Trends

An important section of the 2020 Corporate Health & Wellness Report asked participants to identify trends that they felt were key developments in the wellness space. We felt the question was an important opportunity to survey a critical perspective from rank-and-file members of the industry.

What are some of the key trends in the workplace impacting health and well-being?





The question above undoubtedly generated some response bias, with each of 10 possible answers garnering at least 20 percent of the vote as significant.

Still, a focus on mental and behavioral well-being was the clear winner here, with 70 percent of respondents identifying it as a key topic. This is unsurprising, given the increased focus on mental health, particularly in the western world.

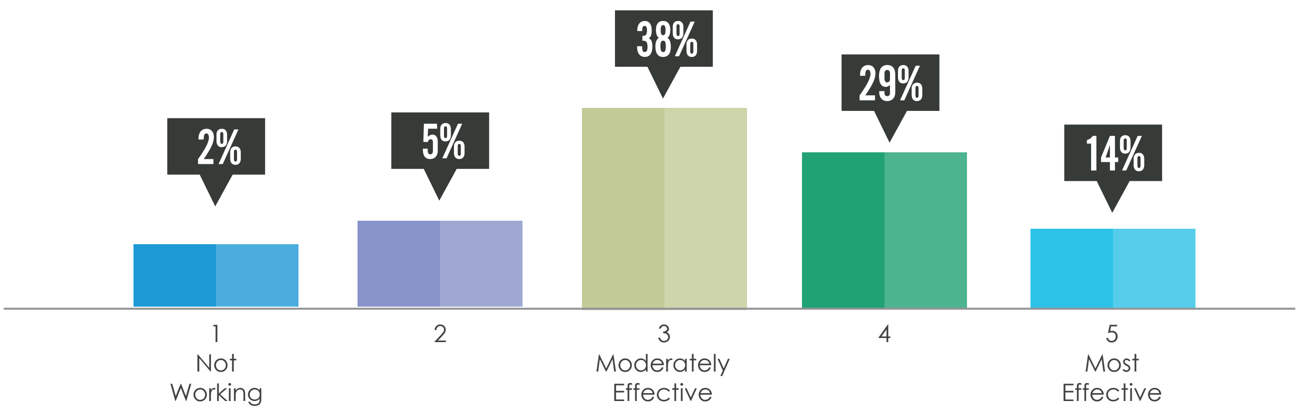
Focusing on Mental Health

Many 21st century corporate wellness programs have fully fleshed-out mental health components, including Google, which actually offers in-house therapy while at work.

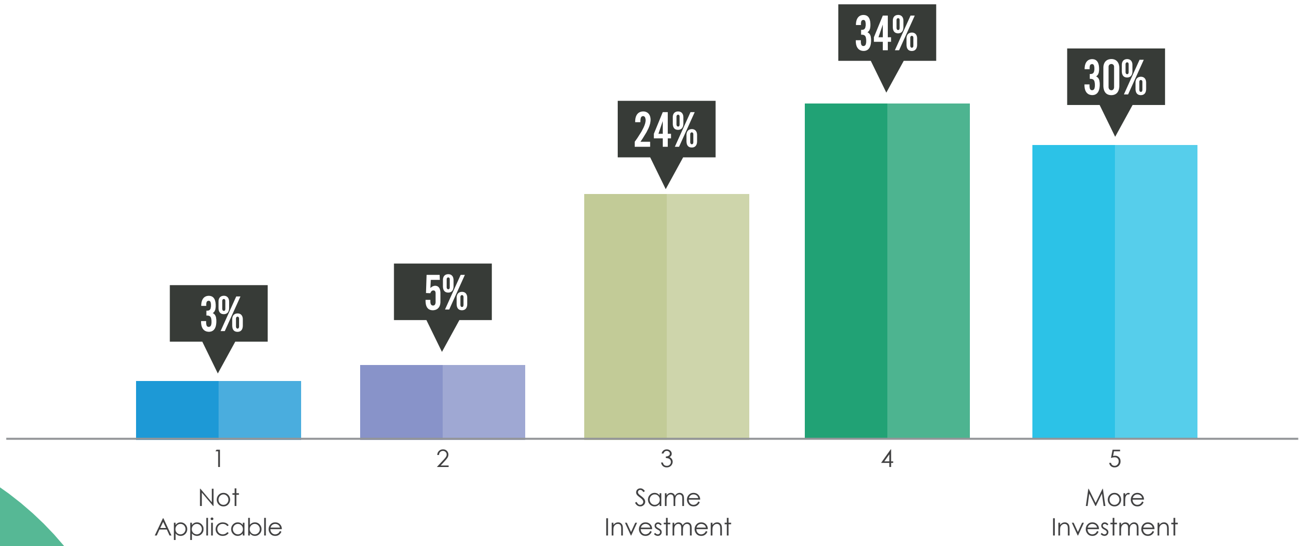
Some initial studies suggest that work therapy may ultimately boost production for many of the same broader reasons that corporate wellness can be effective: a healthy, driven, well-balanced employee is far more likely to show up and work effectively than his unhealthy counterparts.

Mental health is an increasingly recognized dimension of that healthiness that corporations are seeking to nurture.

On a scale of 1-5, how effective do you find programs that attempt to improve or optimize employee mental health (i.e. employee assistance programs, stress or sleep programs, etc)?



On a scale of 1-5, what amount of resources will your company devote toward supporting mental health and behavioral wellness in 2020?



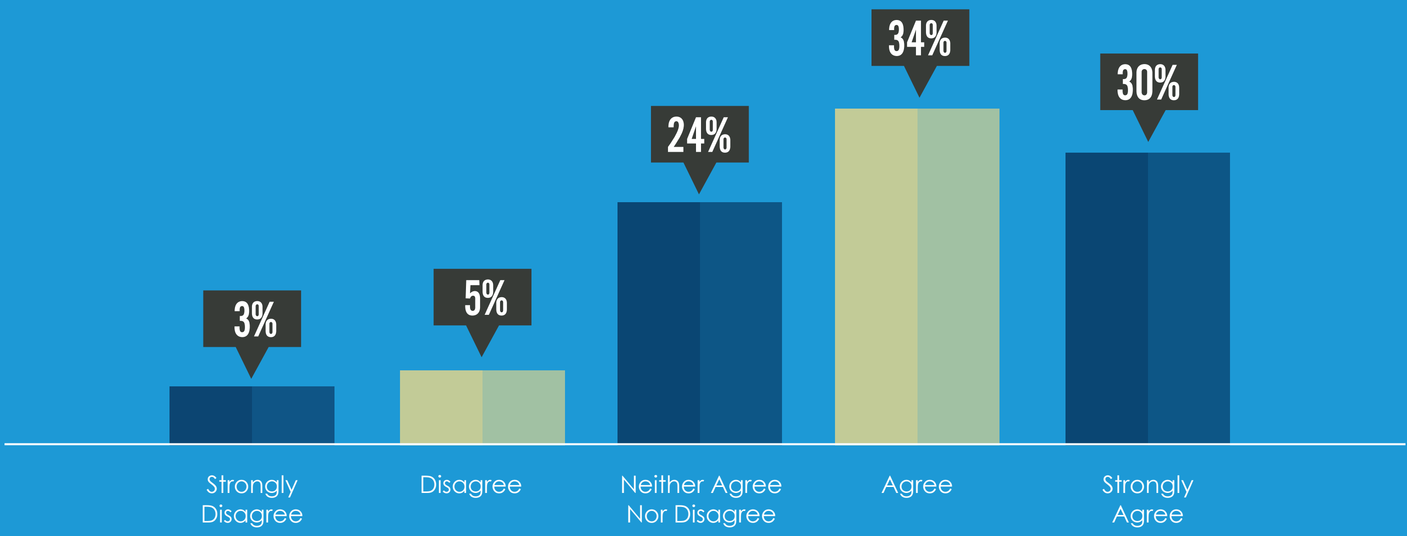
Mental health is important in its own right; according to the National Alliance on Mental Health, nearly 20 percent of American adults will experience mental illness each year, with four percent suffering from a serious episode. Mental health has been long overlooked in the west, where a staggering increase in public violence and mass shootings have rightfully forced mental health to the forefront of the American consciousness. Truthfully, it should have been a primary concern long before the present day.

But mental health is also important in the context of physical, biological wellness, too. A 2019 study from Lancet Psychiatry emphasized that people with depression are 40 percent more likely to develop cardiovascular or metabolic diseases than the general population. Serious mental conditions double the risk further.
Companies are right to consider mental health as a serious dimension of wellness programs, even if the means by which they do are not yet fully formulated or developed.

Data Personalization

Another major trend that businesses seem keyed in on is increased personalization of benefits and data. More than half of respondents (54 percent) believe that companies must continue to improve the personalization that wellness programs can offer individual employees. Similarly, 44 percent want to enable tech solutions for greater engagement of incentivization. About 2 in 5 (41 percent) want improved data or advanced analytics, which would likely drive the more personal approach that businesses are hoping for. A huge majority (85 percent) agree that consumers are interested in personalized experiences; many rightfully wish to incorporate that same logic into their wellness program.

Consumers are interested in personalized experiences



As was mentioned earlier in the report, more than half of respondents engage employees by offering individual portals that offer personalized access, content, or rewards. The focus on individual performance and unique access is a proven formula for engagement. As such, businesses who want to keep their employees engaged should continue to lean into personalization models.

Unease About ROI

One major trend that stands out amidst our results is the 58 percent of respondents that want to rethink the value on investing in a wellness program. Given the pro-wellness attitude that much of our results have transmitted, this was arguably the most surprising result of the entire survey

Because of the language used in the question, it's not clear whether this is a call for a simple re-evaluation, a downshift, an economic necessity, or something else entirely. Any questionnaire that probes a potential shift away from wellness could undoubtedly make for a fascinating follow-up to this report.

Still, for the sake of conversation, we're going to assume for the moment that there is a genuine desire to rethink the scope and scale of wellness throughout the industry. Perhaps executives were lured into chasing a series of en vogue employee perks to stay competitive in hiring and are unimpressed with the results. Even more likely, executives may have invested in corporate wellness as a means of cost containment, as was discussed at the beginning of this paper. If a wellness program is not executed with the considerations we have outlined in mind, ROI may appear disappointing to corporate leaders.

Generally speaking, the CHWA believes that ROI rates among wellness programs will continue to climb as more research and expert opinions circulate throughout the corporate landscape. While outliers will always exist, the most consistently successful programs are the ones that value employees first and receive return as a byproduct. Questions about long-term returns can almost certainly be tied to culture, program execution, or both.

Bridging the Gap between Program Creation and Culture Creation

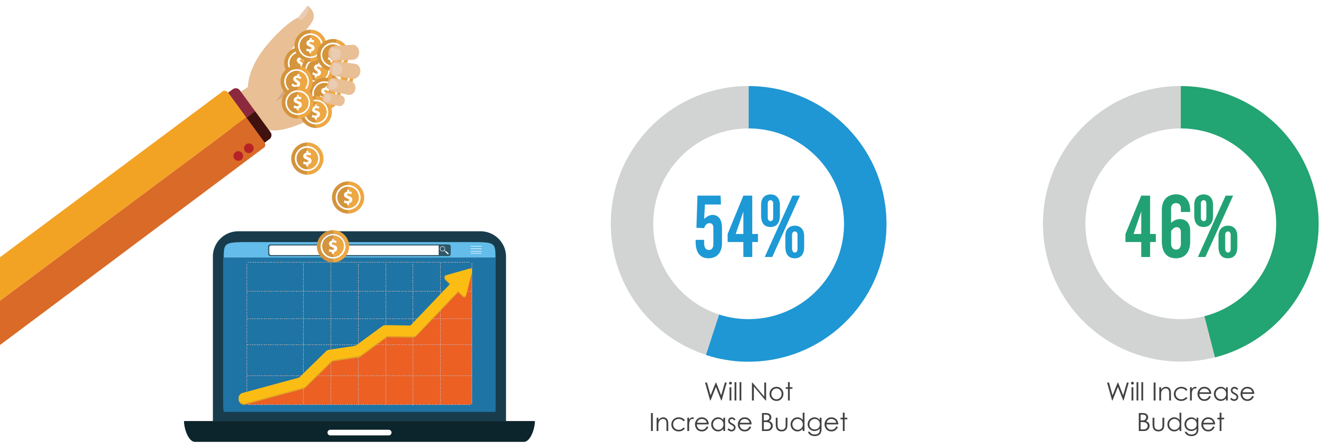
If there is one theme that ties together most of our survey results, it's the inefficiencies that exist between providing wellness benefits and establishing wellness culture. The data shared in this report underscores just how many companies have invested in corporate wellness, for one reason or another; however, the imperfections of the industry have left executives wondering what more they have to do maximize the effectiveness of their programs. Close to 90 percent of our respondents provide employees with wellness benefits, so we know the theory of corporate wellness has saturated the industry.

Still, the top concern that respondents shared (56 percent) was low engagement in the programs. As has been mentioned in this section, a parallel number (58 percent) was concerned that Wellness ROI should be revisited and reconsidered.

The CHWA Is left to wonder if some of these respondents are assessing their own corporate wellness programs with a strict spreadsheet mentality. Budgets are obviously critically important and, at times, very inflexible. Still, HR managers and other C-Suite executives must be willing to spend dollars on corporate wellness to make a sensible program work. No one can invest without make an investment.

This disconnect is one thing that comes to mind when viewing one particular dataset from our survey, which reveals that **more than half (54 percent) of all respondents will not increase the amount of money spent on corporate wellness in 2020.**

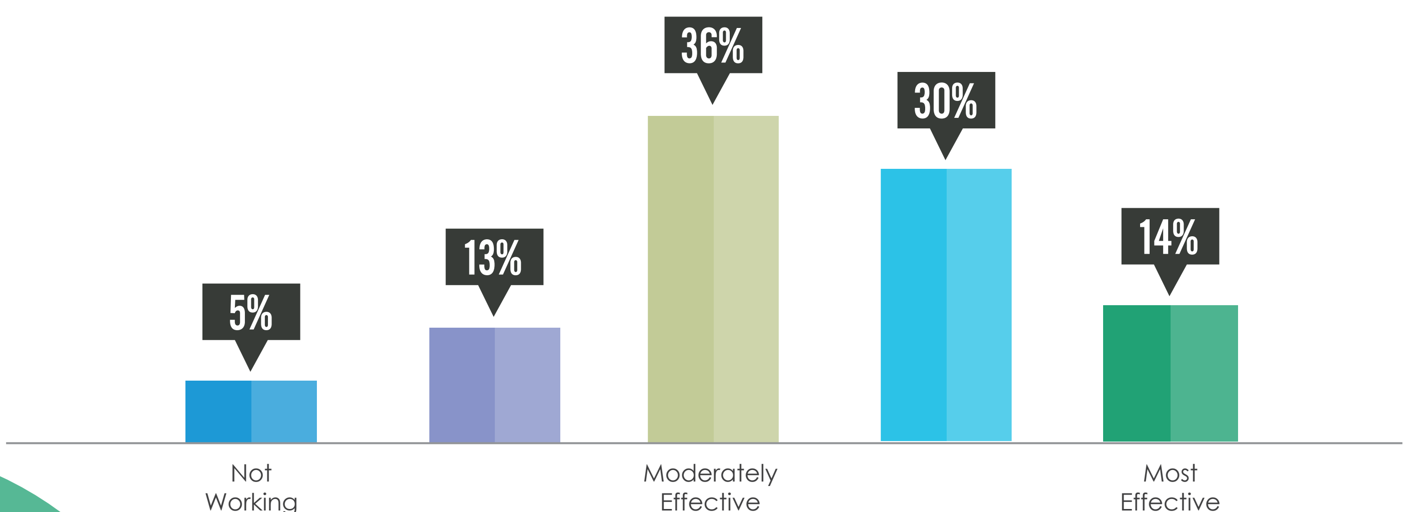
How will the budget for your Corporate Wellness Program change in 2020?



On a more positive note, our survey also asked respondents by what metric they measured success in the corporate wellness space. The No. 1 answer was that respondents were looking for enhanced culture, which is a positive sign for the industry.

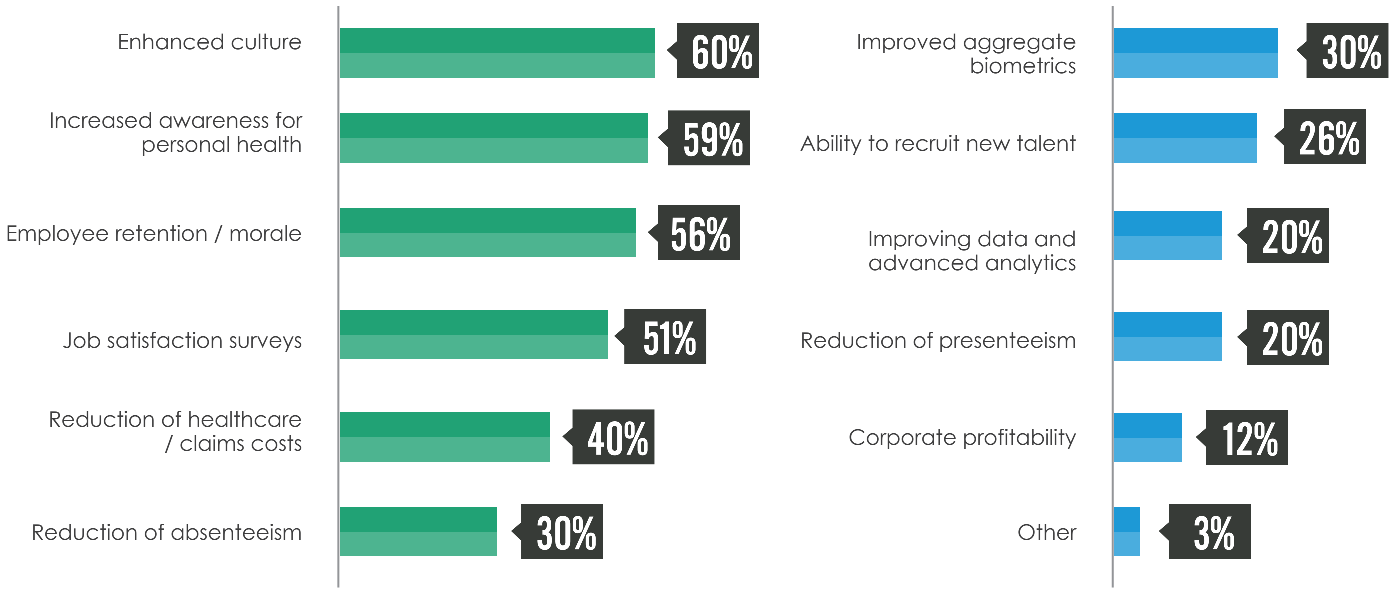
However, when considered in congress with other answers that suggest reticence about corporate wellness, this result may suggest that companies are looking for enhance culture and not seeing it – or, at the very least, are unsure how to track such an unquantifiable subject. Employee participation in wellness programs could be a reasonable place to start, but even that only tells us how many people have opted in to programs and how regularly they take advantage of benefits – it doesn't offer any sort of quantitative analysis on the productivity differences for individual employees or the value added to the company.

On a scale of 1-5, how effective do you find programs that explicitly attempt to build or improve a wellness culture at your company?



In the future, vendors may be able to develop some level of commodified analysis that quantifies such values for wellness managers. Given the nature our survey results regarding vendors, though, we're unsure how many businesses that employ corporate wellness programs would be willing to pay for such data.

How do you assess the success of your corporate wellness program?



Forward-thinking businesses should establish a wellness program in accordance with the guidelines outlined in this paper. To get the best out of your employees, companies should earnestly prioritize their health and monitor progress accordingly, trusting that the business incentives will fall into place once employees are thriving in the wellness space provided for them.

Corporate Wellness managers should ask themselves: are we doing something *for* our employees? Or are we doing something *to* them?

Section 8

Conclusion

Conclusion

Thoughtful 21st century businesses are not unaware of the corporate wellness space. At worst, they're nominally interested in paying lip service to employee service; at best, they genuinely believe in the theory behind corporate wellness – that ensuring a healthy, balanced life for their employees improves culture, increases retention, and maximizes profit. Our data, as well as that of many, many other studies in the industry, demonstrates the established presence of health & wellness in the corporate space. Now, with the infancy of modern wellness in the rear view mirror, it's our collective job to step forward through the growing pains and explore new, innovative methods of wellness.

It will be tempting for many businesses to install boilerplate wellness programs with minimum effort in a bid to save money. Corporations have a fiduciary responsibility to their shareholders and/or employees to run an effective, efficient business that generates a profit, so this is not a totally ignoble goal; however, as has been suggested many times, corporate wellness for the sole sake of financial gain is often ineffective.

It is the hope of the Corporate Health & Wellness Association that smart companies will read this report and observe both the strengths and weaknesses of their peers. Wellness directors should also carefully consider what programs would benefit their own employees, perhaps through an invitation for feedback or recommendations. After that, design a new program, or modify an existing one. Make your own plan unique to your business and customizable for individual employees. Corporate wellness isn't about copying what someone else is doing well; it's about using the underlying principles of health, wellness, retention, and culture to design something specifically tailored to amplify your own employees' lives.

Entering the third decade of the 20th century, the CHWA is more confident than ever that thoughtful corporate wellness is in the best interest of both employee and employer. This requires a wellness manager who prioritizes personnel over profit, and an executive team patient enough to let a program transform its work force.

An effective corporate wellness program is well worth its cost. Leaders who set spreadsheets aside and act with their employees in mind will reap huge rewards in the end.

Contributors

Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS®

DELTA

sqoozniк™
WHERE HEALTH BENEFITS

HOG SLAT

Northwest Bank

DukeREALTY

Boulder County

BCM
Baylor College of Medicine

CNO FINANCIAL GROUP

CTPF Chicago Teachers' Pension Fund

MOTIVITY PARTNERSHIPS INC.