Time to look beyond cash returns?

As employee health and wellbeing programmes evolve, organisations are refining how they measure the impact of interventions. Companies should look for new ways to show return on investment (ROI), says workplace wellbeing expert **Bridget Juniper**.

How can we measure the effectiveness of employee wellbeing programmes? This is a question that is increasingly being mooted at workshops and seminars I attend. The challenge merits a considered answer because it is an important one to pose and marks another key milestone in how the employee health movement is beginning to grow up.

ROI type 1: financial return on investment

There are many ways to evaluate programme effectiveness. When talking about effectiveness, the term return on investment (ROI) often crops up in the same sentence.

Strictly speaking, ROI signifies how successful financially a particular venture has been. If executives want hard numbers on sales generated by a high-profile advertising campaign to determine the ROI, why not the same for a workplace health promotion? After all, ROI justifies spend.

The problem with fiscal ROI is that examining the payback of a programme on someone's health status is not a straightforward business. Unlike an advertising campaign and resulting sales, there is never going to be a neat, linear relationship owing to the fact that our own physiological make-up is the primary predictor of our individual health status.

Not all smokers will develop lung cancer. Not everyone who is overweight will become diabetic. And for those who will become ill, it is inherently tricky to evaluate savings if their symptoms do not present themselves for another 20 years.

Even for the most effective health initiatives, according to Professor Dee Edington, who has spent a lot of time studying financial ROI in the wellness industry, it takes an average of between eight and 16 years before a positive ROI can be realised.

Even where researchers have sought doggedly to determine ROI on employee wellbeing programmes, the results have been largely discredited. For example, an often-referenced Harvard meta-analysis (Baicker et al, 2010) reporting a clear ROI on medical costs ($3.27:1) has recently been "retired" because the data methods used lacked proper scientific rigour.

Nagging doubts about traditional ROI are given further credence by the comprehensive 2013 *RAND Employer Survey on Wellness Programme Effectiveness*. The findings across some 600,000 US staff showed that wellness programmes were having only modest, if any, effect on healthcare spend, delivering a body blow to the popular view that spend on healthcare automatically results in cash savings.

If all this sounds depressing – it shouldn't be. The simple answer is that the language around ROI needs to change. Instead of nailing programme metrics to a strict, financial ROI mast, here are two other types of ROI to consider.

ROI type 2: rate of interest

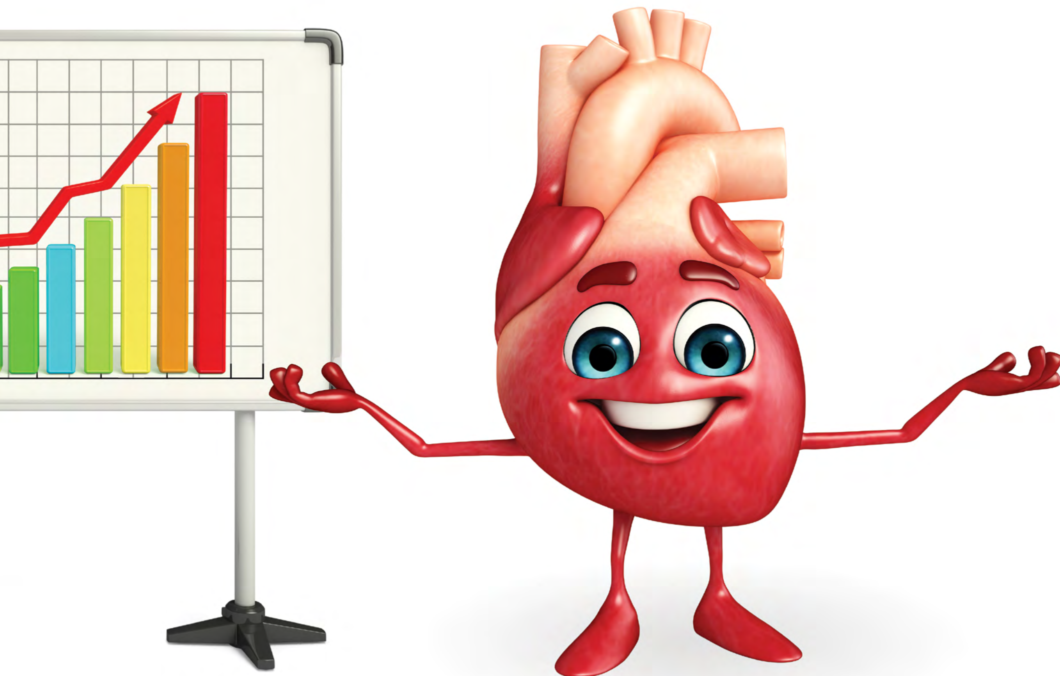
It might be that simply increasing employees' awareness of their health status or counting the rise in visits to a health portal might be sufficient. Not the monetised, firepower analytics following an advertising campaign, but perhaps good enough for a fledgling wellness programme that is taking its first steps. The level of interest shown by employees is a valid barometer on how aligned an initiative is with staff needs. Rate of interest might be in the guise of registering for a new health-related benefit, take-up of a new health screening offer, or simply the number of visitors to your health fair.

If interest is low or soon wanes, this is a wake-up call to programme managers to change direction. According to a recent REBA/Punter Southall report on employee wellness, 78% of employers use employee participation rates and engagement levels as the chief way to evaluate effectiveness. Rate of interest is cheap to monitor, quick to assess and certainly better than nothing.

ROI type 3: realm of influence

In my view, realm of influence is where employers should invest their efforts.

Rate of interest is an indicator of awareness for a programme, but tells us nothing



about how employees' health status may change. A company can claim that its free fruit is popular among staff because it is all eaten. However, it cannot claim employees are fitter or slimmer as a result.

This is where realm of influence comes in because it considers outcomes associated directly with programmes aimed to help staff get well or prevent them from becoming ill in the first place.

This can take a variety of different forms depending on programme content. As already noted, it is notoriously hard to track accurate financial returns. The best thing about realm of influence is that it doesn't try to substitute a change in staff behaviour with a hard number. Instead, employers determine, at the outset, particular objectives for their workplace health programme and then monitor them. So for our free fruit example above, an outcome might be the net change in fresh fruit intake over a period of time, which might then evolve into a weight-loss measure.

When developing its two-day resilience programme for staff, BT carried out a thorough investigation using a form of realm of influence.

As well as a one-month follow-up with the participants of the pilot course to gauge their views on how beneficial they perceived it to be, the programme architects analysed pre- and post-mean scores for various validated psychometric measures, which mostly indicated a statistically significant improvement, and certainly provided an encouraging starting point for the course. For any new programme or initiative, BT routinely monitors a range of indicators, including mental health, plus clinical and work status impact of its rehabilitation suppliers.

In the same vein, Guy's and St Thomas' NHS Foundation Trust wanted to test out the realm of influence for an email training course it wished to trial.

Particularly keen to monitor how people's stress levels were affected by email, the Trust worked with its supplier, Emailogic Ltd, to monitor levels. The pre- and post-study results showed conclusively that face-to-face email training saved staff, on average, 31 minutes each day. Employees also reported they were more effective in their roles compared with two control groups.

Choosing the right operational indicators to influence is key to this type of evaluation. Where they are practical and can align with the business, so much the better. For example, a manufacturing environment might look at the influence on defect rates. Similarly, a call centre might consider net promoter scores – a proxy for business performance through the eyes of the customer.

Reductions in sickness absence rates could also be an indicator. However, in my experience, organisations struggle with measuring this accurately, so small but meaningful changes in the data may be difficult to capture.

ROI type 4: ring of illusion

This last type of ROI describes the statements about wellness programmes that can be illusionary and is not to be recommended. There are two main camps where this is common practice. In the first are some of the wellness providers who make unsubstantiated claims about their services; while in the second are the employers who use them.

Just yesterday, I was emailed by a company that claimed its particular product offered "excellent ROI for minimum effort".

As part of my research for this article, I contacted five reputable wellness providers to ask how they are able to verify their promises. To date, not one has responded. This is disappointing and, in the absence of any evidence to the contrary, makes me suspect that there is a fair bit of exaggeration, possibly to the point of misrepresentation.

What next in evaluating wellbeing programmes?

The research argues, rightly, that employee wellbeing needs to be part of wider, healthy business culture. Employers who invest in wellness purely to cut people costs are going to be disappointed. No proper return is going to be realised if the workplace environment is hostile and unhealthy.

If the ROI debate surrounding wellness programmes is going to evolve, programme managers themselves need to take more responsibility. According to the US Rand study, only 2% of employers even sought to evaluate monetary savings, preferring instead to rely on their seemingly blind faith that their choice of programmes constituted a good investment. Likewise, the recent REBA/Punter Southall report indicated that only a quarter of companies evaluate effectiveness of any description.

We can choose to point the finger at vendors who might be guilty of embellishing their programme benefits and misleading the debate on ROI. But this is the lazy option. Unless employers start to take ROI seriously and insist on practical, meaningful measures, nothing much will change. Only when we do this will people be more accountable for their investment decisions and health programme providers more liable for their promises.

Without this shift, rings of illusion will remain a blot on the corporate wellness landscape and continue to frustrate the potential that employee wellbeing offers. If we really believe that the health and wellbeing of our workforce is a key strategic lever to performance, we must be prepared to stand up and be counted. Literally.

■ *Bridget Juniper is head of Work and Well-Being Ltd, which specialises in the measurement of employee wellbeing. A chartered organisational psychologist, Dr Juniper has conducted award-winning research on employee wellbeing at Cranfield University. She publishes regularly in scholarly journals and frequently presents to academic and corporate audiences. www.workandwellbeing.com.*

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