Corporate wellbeing providers: 5 tips to pick a winner

Corporate wellbeing providers promise a high return on investment on programmes, but don't always deliver. **Dr Bridget Juniper** advises on how to evaluate their claims before making a choice.

Last year, I wrote an article that looked at the return on investment (ROI) on employee wellbeing programmes. It described four different types: return on investment (the fiscal return); rate of interest (a starting point for fledgling programmes); realm of influence (change in health status); and ring of illusion (delusional claims that cannot be substantiated).

This follow-up article considers what employers can do practically to improve programme evaluation so that we move towards more credible measures that document what is really going on. We need this so we can spread good practice in a sector that is continuing to mushroom, but still finding its feet in terms of what is effective and what is a waste of time and money.

Evaluation is critical. Without it, it is just not possible to make a valid judgement on the impact an initiative has had; either good or bad. As The Work Foundation observes: "... if organisations fail to capture all the benefits of their programmes, making a business case for further interventions becomes difficult" (Health at Work Policy Unit, 2014). While is it is hard to argue with this viewpoint, only a few organisations put resource behind this.

Even researchers, who are all about demonstrating cause and effect, have a pretty poor track record of ROI appraisal when it comes to employee wellbeing.

Kevin Daniels, professor of organisational behaviour at the University of East Anglia, has just completed a review of wellbeing practices. He points to a total absence of fiscal evaluation: "Our review found good evidence to support improved performance and safety, but not cost effectiveness. We should start looking at this evidence as there is lots to play for," he says.

Calculating hard economic return is tricky – even for the most effective health initiatives, according to Dr Dee Edington, the founder of the University of Michigan Health Management Center.

Dr Edington has studied financial ROI in the wellness industry, and says it takes an average of between eight and 16 years before a positive ROI can be realised.

So, if you are an employer wanting to select a wellbeing partner, but you don't have the resources to conduct a rigorous evaluation, what can you do, practically, that ensures you choose a third-party provider that will make a positive impact and give you the best chance of success? The following are five tips to help make the right choice.

1 Do your due diligence

So you have identified a clear health-based need and want to engage a provider to support your workforce. If you are keen to demonstrate ROI (in whichever form you choose), the number-one rule is to do your homework before formalising the appointment. In my view, many providers make attractive claims about the pixie dust they can sprinkle around your workplace to bring about almost mythical results.

During your early discussions, ask to see the evidence from previous assignments that substantiate their claims. It is likely they will need to anonymise data, but it should be made available to you. If the supplier cannot produce results from earlier projects, warning lights should start flashing.

Even better; speak directly to previous and current customers to gauge their experience and viewpoints. Did the provider deliver? Did they have a good knowledge of their industry sector? What worked well? What could be improved upon? With the benefit of hindsight, would they appoint this organisation again?

2 Agree specific aims and objectives

If an organisation is setting up arrangements with a new IT partner, key performance criteria are agreed as part of the service-level agreement. Why not apply the same approach for wellbeing partners? In my experience, agreements about expectations and what is actually going to be delivered tend to be rather woolly.

Who is to blame for this vagueness? Employers are often guilty here. If a healthy lifestyle provider claims in its sales blurb to reduce people's BMI by x%, then why not write this into the terms of the agreement? If a wellbeing consultancy promises to improve productivity by x% through improving workforce health, then you need to agree at the outset exactly how this will manifest itself within your organisation and how it will be monitored. This must be cross-checked later down the line.

Providers can also help. Based on their experience, they can actively propose specific targets and goals that they know to be realistic.

These kind of objectives may not be pragmatic for a variety of reasons – the programme may not lend itself to this kind of inspection. At the very least, expected levels of workforce response or reach should be identified. The more specific, the better.

Management guru Peter Drucker once said: "What gets measured, gets done". If you at least have these markers written into the contract then you are justified in holding providers' feet to the fire. If they have clear accountabilities, they will focus more and work harder to deliver.

3 Pilot an initiative

If you're not totally convinced that a particular programme is going to be winner, why not trial it as a pilot? Employees involved in the pilot will be a helpful bellwether to enable you decide if you are on the right lines or completely wide of the mark.

Sadie Lofthouse, head of HR at brewery and retail chain Adnams, often adopts this approach. "We don't monetise our wellbeing initiatives, but we hold taster sessions and monitor take-up and follow-up. If we don't get the positive reaction we anticipate, we don't extend the offering," she explains. Testing demand through a pilot helps manage risk. Pilots are often easier to get approval for because they do not commit resource and budget on a large scale.

4 Ask your people

If it's just not feasible to appraise progress using hard-and-fast markers, then consider introducing a feedback loop from the employees you are seeking to target.

A very basic way to do this is asking people to rate their experience of a particular initiative using a "happy sheet". This will give you a rough idea of how a programme has been received in the immediate term.

Asking your staff what wellbeing activities they value is a better way of tapping into workforce sentiment and evaluating programmes. Wellbeing is a subjective concept and people's own interpretation of an event should prevail. Asking people what they consider to be valuable and important in terms of their health and wellness will provide a more robust measure of your current and planned activities. This is best done in the form of extra questions added to your annual staff survey or a separate wellbeing questionnaire.

5 And one final, general tip

Do not always believe what you read in the newspapers. All too often, the media runs stories about wellness programmes that escape proper scrutiny. Hard-pressed journalists do not have the time these days to challenge the headlines they are fed from overzealous publicity departments that are paid to secure positive coverage. The work and wellbeing industry press is littered with these stories.

A case in point is the 2008 report by auditors PricewaterhouseCoopers (PwC) on the economic benefits of wellness programmes to support the Government-sponsored report by Dame Carol Black, "Working for a healthier tomorrow". Based on 55 case studies, the report concluded irresponsibly that programme costs can quickly translate into financial benefits.

Rather than applying their auditor skills, PwC mistakenly took the information at face value. Had it been more forensic in its approach, the findings would have been more circumspect. Instead, these findings have become the stuff of legend and are still, eight years on, published repeatedly without question or query. This is unhelpful to the overall cause because it can lead to expectations that are improbable and naive.

We need better measures of wellbeing activity that are independent of the employer or the supplier. And we need our journalists who cover this sector to delve behind the claims and numbers that are put out in the market.

ROI need not be the corporate headache it is currently perceived to be. As with many things, it is horses for courses. No one is suggesting you need a sledgehammer to crack a nut, but until we include the most basic evaluative measures into our wellbeing programmes, we will not be able to fully leverage the power of a fit and healthy workforce.

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Reference

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