



Well people + Well managed
A well organisation™

Why Invest in Wellness Management?

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1. Background

The Work Foundation and WellKom estimate that, on average, up to 10% of payroll is wasted as people are absent from work. However, an even greater opportunity for performance improvement lies in the 25% of people at work on any one day who are under-performing due to sub-optimal physical and/or mental health (an estimate from the Work Foundation). UK productivity levels are still significantly lower than some of our major European competitors, such as Germany, despite the fact we have the longest working hours. One major determinant of this gap could be differences in levels of personal wellness in the UK workforce compared to other countries.

It is increasingly recognised by all types of stakeholders that the world of work and life in general is getting faster, more uncertain and more pressurised. For example, Unison talk about the pressure of life on its members; and Scotland’s business plan for the economy recognises that the faster pace of life needs to be addressed by Scottish businesses if they are to become internationally competitive. In response to this changing world, more and more leading employers are implementing Wellness Management programmes to enable people, not just to cope better in today’s and tomorrow’s world, but to perform even better and enjoy life even more – both at work and outside of work (perhaps working to an older age but still being well enough to enjoy retirement).

2. The five reasons why employers are investing in wellness

I) Risk / stress claims

Stress claims which are defended successfully usually result in costs of well over £100k. There is also increasing attention on the risks associated with poor concentration and decision-making which can arise as a result of poor working practices and leadership style. Organisations are taking these issues seriously to avoid major claims which may even be as serious as corporate manslaughter. A wellness programme can provide a proactive and strong defence against such claims.

II) Absence Management

WellKom is working with the Work Foundation to develop **The UK Wellness Index**, which is compiled using data from the Personal Wellness Profile™. The research completed so far has identified several key aspects of personal wellness which have strong links to sickness absence, e.g. employees’ beliefs about personal control (“locus of control”);

financial wellness and general well-being. The UK Wellness Index provides unique insight into how best to manage sickness absence using Wellness Management practices.

III) People Turnover

Many types of employers, from big multinationals to public sector organisations, are beginning to recognise that if they invest in Wellness Management for both frontline employees and leaders (who will lead better), they are less likely to leave. The cost of people turnover can be anything from half a year to more than two years of employment costs for some employees.

IV) Productivity

The amount of rework in a top organisation is about 15% (source: global productivity experts like Metra Proudfoot). In organisations with poor people management practices as well as employees who are unwell, Metra Proudfoot has found that the figure can be as high as 40%. Then there is the level of presenteeism, which probably offers the biggest opportunity for performance gains; the Work Foundation has concluded that up to 25% of people are under-performing at work due to sub-optimal health.

The ROI in personal wellness can yield short term (within hours / days) as well as long term benefits. In the short term, for example, personal energy levels can be boosted by managing issues such as sleep and mental health problems (e.g. anxiety), both of which can be achieved through Wellness Coaching. This situation was described (during a Wellness Management project) by an administrator in the NHS and after her coaching session with WellKom; she came back the following morning having had the best night sleep for months. This pattern continued, giving her the platform to make significant and lasting changes which had a positive impact in terms of both performance and attendance at work.

It is also increasingly recognised that a lot of learning and development spend is being wasted as many people are not sufficiently well to gain fully from training and coaching programmes. Training needs are based on behaviours e.g. team working; customer care; ability to perform specific procedures, but these are linked to personal wellness as well as skill levels.

V) Employer brand

Talent management leaders such as TMPW (the largest global recruitment and resourcing company) are becoming aware that people are choosing employers who really do care / demonstrate that people are their most important asset. More and more prospective employees are demanding to know what employers actually do in this area. Gym membership, for example, only appeals to 10 to 13% of the workforce, and is not seen as a sufficient answer. So there is a need to compete effectively with other employers and to respond to the demands of top talent. This can be achieved by investing in Wellness Management.

3. What are leading employers doing?

(See the article 'Why Wellness Management Matters' and 'Wellness Management advert_2006')

Leading employers such as **Nationwide Building Society** and **Friends Provident** are investing in Wellness Management programmes in collaboration with WellKom. Their goals are to attain higher sustainable performance as well as enable their employees to

enjoy life even more. Nationwide call its approach “Looking after Yourself” and Friends Provident have branded its programme “Work Well”. Evidence of the impact of wellness management comes in part from the fact that both organisations are extending their work with WellKom (see below).

Talent management at **Johnson & Johnson** are now looking to upgrade people practices within their organisation to include Personal Wellness Profiling and Coaching, even in emerging markets such as Turkey.

Organisations such as **Debenhams**, **GSK** and **AstraZeneca** have developed their own Wellness Management practices but are now engaging with WellKom to further develop their capabilities in this area. This includes participating in the UK Wellness Index; implementing Wellness Coaching and becoming active in the Wellness Management Community.

Nestle in Europe is investing in its own internal wellness brand.

Many public sector organisations have also implemented ‘Well People’ practices to enable their employees to cope / flourish in an increasingly demanding environment. For example, the **Qualifications and Curriculum Authority (QCA)** is providing both Wellness Profiling and Coaching for its staff (in collaboration with WellKom) as it goes through a major re-structuring. Similarly the **Crown Prosecution Service (CPS)** has initiated a collaborative programme with WellKom aimed at enhancing the Wellness Management capabilities of its staff as well as ensuring that its people practices are designed and implemented to enable high performance. **Hampshire County Council** (38,000 employees), which has been an ‘excellent’ rated Council for a number of years, recognised the need to fundamentally upgrade the way it managed its people and consequently re-organised practices along the lines of Well people + Well managed = A Well organisation. **Hampshire County Council** invested heavily in executive coaching (before working with WellKom) but found the returns lower than expected due to the fact that the learning assumed all people to be well and ready and able to learn effectively. WellKom is also working with **schools in Hampshire** to enhance the ability of the teaching staff (and other employees) to manage personal wellness. Personal Wellness Profiling, in conjunction with a training programme on ‘Personal Wellness and Building Resilience’ has proven to be very successful amongst school staff in the county.

Nike Europe in German retailing achieved outstanding performance by combining well people with a well managed/ high performance culture.

Many employers of all types (from **Bovis Lend Lease**, a multinational construction company, to **Origin Housing Association**, and from **Healthy Living Centres** to **Sue Ryder Charity**) are investing resources in Wellness Management.

In addition, many different types of employers are beginning to develop their competency frameworks to include a personal wellness management component and for leaders to have new competencies relating to personal wellness and managing the wellness of others.

4. What are professional associations doing?

PPMA (Public Sector People Managers Association – was SOCPO) is the professional body which represents HR professionals in the public sector. **The PPMA** backs the positive, proactive approach to well people. It is active in supporting the development of the UK Wellness Index, Wellness Management portal and the regional and national Wellness Management Communities.

The Institute of Directors (IoD) also supports Wellness Management. In its new Health & Well-being Guide (*'wellbeing at work, how to manage workplace wellness to boost your staff and business performance'*), the IoD encourages employers to join the Wellness Management Community and engage in the UK Wellness Index.

The TUC was among the first group of employers and stakeholders to participate in a national Wellness Management Community Forum.

The agendas of the **Department of Health (Health at Work Team)** and the **Health & Safety Executive** (with its move to cover more of health) are aligned with those of Wellness Management.

Investors in People are very interested in using the UK Wellness Index in the development of their new health standard.

Government efficiency agendas led by the relevant government departments are becoming more aware of the need to combine process re-engineering with personal wellness to attain significant and sustainable performance improvements.

5. What's the evidence to support Wellness Management?

Nationwide Building Society initiated a Wellness Management Programme at the end of 2005; it developed its own branded version of WellKom's Personal Wellness Profile™ and accredited its own Personal Wellness Coaches (through WellKom's internationally recognised programme) to support the implementation of Wellness Management internally. Personal Wellness Profiling and Coaching were offered to a group of employees at Nationwide's Head Office. Interim analysis shows significant benefits. At six months, the majority of participants involved in the research stated that the programme had a positive impact on their ability to manage their own personal wellness, and many reported an improvement in physical and/or psychological wellness as consequence of the programme. Furthermore, participants reported being (on average) 30% more productive than other workers in Nationwide doing a similar job (as assessed using the World Health Organization's 'Health and Performance Questionnaire'). The outcome of this study was presented at the first European Employee Wellness Conference held in London in June 2006. Nationwide is now extending the Wellness Management Programme to its branch network.

It is important to point out, however, that hard outcome measures are not always the main reason for choosing to invest in Wellness Management. Senior Managers are, of course, human beings themselves and therefore recognise that the world of work, and life in general, is getting faster; more uncertain and more pressurised. Hence many, although

not all, recognise personally and professionally the need to invest in and develop personal wellness management capabilities to enable people to develop the right approaches to thrive in this world. They are looking for evidence that wellness investments will have an impact within their organisation but also recognise that it is too simplistic to simply set a reduction in absence or an increase in performance as the absolute measure. Senior managers recognise that there are multiple factors, including leadership style and people policies (such as flexible working), that have an impact on absence levels and staff turnover. It is usually somewhat of a “leap in faith”, but having made the investment in Wellness Management, it is perceived as being very much worthwhile for all kinds of reasons. Stephen Bevan, director of research at the **Work Foundation**, advises employers to be 'cautiously optimistic' about the effect wellness management programmes can have on employees' performance. He also states that even if staff don't take part, it gives them that 'warm glow' feeling that their employer cares about them. 'This may be difficult to quantify,' he states 'but it is an enormous benefit to any organisation in terms of loyalty and goodwill.'