

Wellness Incentives Process Tool Improves Workplace Productivity

Apr 11, 2010 [Jerry Lopper](#)



Wellness Incentives Improving Workplace Production - boroda003

Employee incentives to maintain healthy behaviors in four target areas reduces absenteeism, improves productivity, and provides strong return on investment.



Is employee wellness an opportunity for greater profitability? Attendees of the Psychologically Healthy Workplace Conference 2010 provided compelling evidence that employee wellness incentives improve workplace productivity and are effective business process management tools.

The theme of the conference, held March 5th and 6th, 2010 in Washington, DC, was "Building the Business Case for Employee Well-Being." Intuitively, a business manager might assume that healthier and more engaged employees would result in less absenteeism, greater employee productivity, and greater business profitability. Presentations at this year's conference erased all doubt. Corporate wellness programs are not only the right thing for employees, they're good business process tools, too.

The Case for Corporate Wellness Programs

Reporting on Positive Psychology News Daily ("Psychologically Healthy Workplace Conference 2010: Building the Business Case for Employee Well-Being," March 15, 2010) Marie-Josée Salvas summarized conference findings as "organizations that provide employees with resources to adopt healthy lifestyles achieve lower health care costs, higher productivity and healthier bottom lines."

In a pre-conference session, Nico Pronk, Ph.D. Vice-President of Journey Well, presented evidence of "an explicit connection between worker health and business performance." Pronk noted that the four behaviors accounting for forty-percent of deaths in the U.S. are personal behavioral issues that also affect absenteeism and employee productivity. Pronk indicated that employees with these four behaviors, having poor diets, being physically inactive, smoking, and overusing alcohol, are one-fifth as productive as employees with healthier behaviors. He found healthier behavior in these four areas reduces annual employee health care costs by nearly fifty percent.

Fran Melmed, M.Ed. of Context Communication Consulting summarized recent literature analysis of the [cost/benefit of wellness incentives](#) as a business process tool. Harvard researchers find that every dollar spent on wellness programs reduces medical costs by over three dollars and absenteeism costs fall by over two and a half dollars.

Wellness Incentives Reduce Costs

Corroborating this information, another source, [Natural Healthcare](#), a Canadian site devoted to preventative health information, indicates "For every dollar spent on a Corporate Wellness Program, the returns have been cost savings of between \$2.30 and \$10.10 in the areas of decreased absenteeism, fewer

sick days, reduced WSIB/WCB (workers compensation) claims, lowered health and insurance costs, and improvements to employee performance and productivity."

The four unhealthy behaviors noted by Pronk are also the top four leading health indicators targeted by [Healthy People 2010](#), the U.S. government sponsored consortium devoted to improving the health of the nation. The site suggests "Designing worksite wellness programs to address several indicators simultaneously, such as physical activity, overweight and obesity, and tobacco use."

Employee Wellness Programs

Wellness Proposals, an independent organization providing support for wellness programs, indicates it generally takes eighteen months for a corporate wellness program to recover costs, which average three to five dollars per month per participating employee. The return on investment for corporate wellness programs is generally a healthy four to five dollars for each dollar spent. The site suggests a technique for rendering wellness incentives "budget-neutral" to offset the eighteen-month interval of negative return.

Helping employees maintain healthy behaviors in four key areas—physical activity, healthy diet, tobacco avoidance, and moderate alcohol use—is not only an altruistic use of corporate funds, it's a good business process tool with an attractive return on investment.