

# The missing piece of the wellness puzzle

How character development  
can make the difference

# Contents



## Executive summary



### Section one

#### The lay of the land

What is wellness?

The hype

What if wellness doesn't work?

Before asking 'how?' ask 'why?'

The irony of incentivisation

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### Section two

#### Where can you really make a difference?

Finding a truer focus

Mental health

Financial wellness

Personal development



### Conclusion

**If it's right for your people, it's right for your business**

### Postscript

**Preparing to put it into practice**

## Who and what is this document for?

This report is aimed at decision makers looking for ways to improve the wellbeing of their employees and - ultimately, boost their bottom line. In it, we'll take you through what we see as being important pitfalls in the way wellness is often practised, and make our argument for a different approach. It should help inform the thinking behind your overall strategy.

## What is it not?

This isn't an exhaustive how-to guide. In our view, wellness is holistic - and there are many aspects of it that fall outside our expertise. We don't provide a detailed breakdown of how to execute in the different areas covered here - though you'll find our thinking on the best way forward in the postscript.

# Executive summary

Whatever our industry, whatever our technical expertise, as leaders we are all in the same business: people. A strategy is only as good as the team that carry it out, a product or service only as impressive as those who deliver it. As such, a commitment to wellness isn't so much an investment as a means of leveraging each and every one of your other investments.

But what does wellness really look like? And where can you make the most difference?

It's our contention that while the emergence of wellness as a corporate priority is a hugely positive thing, too much is being done to tackle the symptoms of unwellness rather than its fundamental root causes. In many cases efforts risk being ineffective because they focus solely on offering staff help, without increasing their capacity to accept help - or to help themselves.

We see a different way forward, with interventions based on people's deepest needs and a wider scope for beneficial outcomes, from better decision making to greater job satisfaction.

Though traditional facets of wellness - including physical, mental and financial health - all remain critical, in this new approach they are underpinned and amplified by an additional element: character development.

We know that when you grow your people, your business will follow suit. In this report we hope to convince you likewise.



**Sandra Bullen**  
CMO Heartstyles



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Researcher and writer



## Who are we?

We're personal development practitioners. Our expertise is in helping people and their organisations to grow. We use our [Heartstyles Indicator](#) to get a 360° view of the way individuals and teams behave - data we harness to create [positive shifts](#) in [Leadership](#), [Values](#), [Culture](#), [Teams](#) and overall wellbeing.





## Section one

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# The lay of the land

# What is wellness?

It's a simple question, but nailing down a watertight answer is surprisingly difficult. Deciding where we draw the dividing line between 'unwell' and 'well' can be a highly subjective matter. And - supposing there is even a distinct line to be drawn, where do you look for it?

After all, everything that can possibly happen to us has the capacity to impact our overall wellbeing. This makes getting a clear picture of things tricky. You might be free of debt, in a highly-skilled job and running marathons every three months (all indicators of kinds of wellness) whilst also feeling isolated, bored and unhappy - in other words, pretty unwell.

This is something that we, as a culture at large, are increasingly aware of. As a result, definitions of what constitute wellness are constantly expanding. Not that long ago wellness was more or less synonymous with physical health. Today, even health is thought of as comprising of at least three distinct parts, with the [World Health Organisation defining it as:](#)

**“a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”<sup>1</sup>**

When it comes to wellness, definitions tend to be even more comprehensive. It's become something of an arms race. While some organisations talk about five [dimensions of wellness](#), for others there are six, seven, eight or even nine.<sup>2</sup>

As many of the [diagrams illustrating these dimensions show](#)<sup>3</sup>, there are very obvious overlaps between some segments. In reality they all overlap to a greater or lesser degree. And one of the areas that seems to have the biggest influence on the others is occupational wellness.

## Just consider the impact our jobs have on:

### Financial wellness

There's more to the question of financial wellbeing than how much we're paid, but it's obviously a big factor.

### Social wellness

Many of us spend more time with our colleagues than our friends - so work is hugely important socially.

### Environmental wellness

We spend a huge proportion of our waking hours either at work, or travelling to and from it. And, as it influences where we live, work is probably the single biggest determinant of our environment.

### Physical wellness

Whether our work is sedentary or physically demanding, it will always play a big role in shaping our fitness.

### Intellectual wellness

Most of us define our career progress by the extent to which we've been able to hone our skills and learn new ones. Work is central to our intellectual fulfilment.

### Emotional wellness

Whether we're stressed out or deeply satisfied will usually have a lot to do with our work situation.

### Spiritual wellness

Spiritual wellbeing is about feeling a sense of purpose, something people are increasingly [demanding from their work](#)<sup>4</sup>.

<sup>1</sup> World Health Organization, Constitution of WHO: <https://www.who.int/about/mission/en>

<sup>2</sup> University of Houston, Nine dimensions of wellness: <https://www.uh.edu/wellness/dimensions>

<sup>3</sup> UNC Healthy Heels, The forgotten dimensions of Wellness: <https://goo.gl/images/cszGbL>

<sup>4</sup> Forbes (2017) The new workplace: Where meaning and purpose are more important than ever: <https://www.forbes.com/sites/forbescoachescouncil/2017/09/13/the-new-workplace-where-meaning-and-purpose-are-more-important-than-ever/#3363e4825a46>



# What is wellness?

Not only is work the area that has arguably the biggest overall impact on wellness, it's also one where opportunities for interventions are rife. Our bank may be able to help us with our financial health, and that might improve our environment or our emotional state - but it's hard to see how they could push us toward intellectual or spiritual fulfilment.

Likewise, our church can offer spiritual guidance, a social network or even financial aid - but in practical terms there may be little they can do to help us improve our physical fitness or job prospects.

Employers, on the other hand, very often have an opportunity to do all of these things. What's more, this is increasingly clear to the general population. As a result, there's pressure for business leaders to take greater levels of responsibility for their workers' welfare.

But it's not all about duty.

It's hard to make change happen when the changes in question are viewed as unprofitable. And in the past, leaders have clearly felt investing in workers to be wasteful if it wasn't going to pay off. Now, it's more common to hear the contrary sentiment: that investing in wellness cannot help but bring a return.

Just consider the wording of this letter from a collection of fifty plus British Businesses to Prime Minister, Theresa May, stating that mental health first aid should be mandatory in every workplace:

**“As an employer, we have a duty of care for our staff [...] we cannot afford to leave anyone behind [...] cost cannot be a reason for objections because, in the long run, it is inevitable that making mental health first aid in the workplace mandatory will save money.”<sup>5</sup>**

This is a clear example of what has become the prevailing attitude: not only should employers invest in wellness, they should **want** to. This thinking has seen the subject of wellness rocket up the corporate agenda. Today, 96% of organisations<sup>6</sup> agree they need to promote wellness among their workers, and 35% are setting money aside to increase their spending in this area.<sup>7</sup>

Ultimately, we have total belief that this will pay significant dividends. But it's not simply a question of investing - it's about investing in the right things. And now that there's an industry worth billions built around the nebulous and complex question of wellness, it's inevitable that not everything that glitters in the sphere will turn out to be gold...



<sup>5</sup> Independent (2018) Mental health first aid should be mandatory in every workplace, business leaders tell Theresa May: <https://www.independent.co.uk/news/health/mental-health-first-aid-theresa-may-uk-businesses-wh-smith-pwc-alan-sugar-royal-mail-legislation-a8639516.html>

<sup>6</sup> Relocate Global (2017) Employee health and wellbeing rising up corporate agenda: <https://www.relocatemagazine.com/news/health-employee-health-and-wellbeing-rising-up-corporate-agenda>

<sup>7</sup> Wellable (2018) 2018 Industry Trends: <https://resources.wellable.co/2018-wellness-industry-trends-report>

# The hype

It's widely accepted that people are your biggest asset. It follows that while their absence will hurt your bottom line, their peak performance will boost it. Therefore, in theory at least, the right wellness programme can offer the double-edged benefit of ensuring your people are not only at work, but also at their best.

There can be no denying that when employees are unwell, the costs are considerable. In the UK, nearly 140 million days of productivity are lost to sickness each year<sup>8</sup> costing businesses an average of £522 per employee.<sup>9</sup> But absenteeism is only the tip of the iceberg. After all, dragging yourself to your desk doesn't mean you'll be productive when you get there - quite the opposite.



*the cost to businesses per employee in loss of productivity due to sickness.*

Naturally, presenteeism is less visible, making it harder to address. As a result, costs can accumulate. In the US presenteeism is now estimated to cost the economy \$150 billion a year.<sup>10</sup>

As these eye-catching (or perhaps eye-watering) figures suggest, there are huge savings to be achieved with the right investment. But what if you can do more than just reduce lost time? What if you can use wellness to elevate performance - to make every second your employees do spend with you even more valuable?

It's not hard to find sources that claim you can. Here's a sample of the sort of statistics that are doing so much to make wellness a priority:

28%

The Buffett National Wellness Survey suggests organisations with highly effective programmes see a 28% greater shareholder return.<sup>11</sup>

76%

The authors of 'Doing well by making well: The impact of corporate wellness programmes on productivity' claim programmes can increase productivity by as much as 11%, resulting in an ROI of 76%.<sup>12</sup>

400%

An often-repeated statistic attributed to the European Network for Workplace Health Promotion claims the estimated ROI for health promotion and intervention is 400% (with £4 saved for every 80p spent).<sup>13</sup>

But is it all too good to be true? There are certainly doubters - and we believe many of their doubts to be valid.

So before building towards an outline of an effective programme, we first need to understand why some of the current buzz is misguided - and what it can teach us about a deeper kind of wellness.

<sup>8</sup> Office for National Statistics (2016) Sickness absence in the UK labor market: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2016>

<sup>9</sup> CIPD (2016) Annual survey report: Absence management: [https://www.cipd.co.uk/Images/absence-management\\_2016\\_tcm18-16360.pdf](https://www.cipd.co.uk/Images/absence-management_2016_tcm18-16360.pdf)

<sup>10</sup> Forbes (2018) The price of presenteeism: <https://www.forbes.com/sites/karenhigginbottom/2018/04/20/the-price-of-presenteeism-2/#522993d07f9c>

<sup>11</sup> The Buffett National Wellness Survey (2011): <https://www.sunlife.ca/static/canada/Sponsor/About%20Group%20Benefits/Group%20benefits%20products%20and%20services/The%20Conversation/Bright%20Papers/files/1748-03-12-e.pdf>

<sup>12</sup> Gubler, Larkin, Pierce (2017) Doing well by making well: The impact of corporate wellness programs on employee productivity: [https://docs.wixstatic.com/ugd/ab7728\\_753eec199fab4786979d476606bce60.pdf](https://docs.wixstatic.com/ugd/ab7728_753eec199fab4786979d476606bce60.pdf)

<sup>13</sup> Mind (2011) Time for employers to become mindful of mental health: <https://www.mind.org.uk/information-support/your-stories/time-for-employers-to-become-mindful-of-mental-health/#.XG4t85MzaT9>

# What if wellness doesn't work?

Correlation and causality aren't the same thing. It's a simple principle on paper, but in complex, real-life scenarios it can be hard to tell whether something is driving change or simply a symptom of it.

That's certainly true of wellness programmes. Usually, when efficacy is analysed, employees who engaged with the programme are compared against those that didn't. For example, a recent study conducted at the [University of Illinois](#) compared outcomes for 3,300 employees who signed up to a wellness programme against roughly 7,000 who didn't.<sup>14</sup>

## The results look positive. Those on the programme:

- Went to the gym twice as often
- Were 6% more likely to take part in an event such as a marathon
- Spent about \$140 less on health care and hospital visits
- Were 8.2% less likely to leave their job

That sounds like a group who are healthier, happier and more engaged than their non-participating peers - a good all-round investment.

## But there's a twist...

As well as comparing the 3,300 participants to the 7,000 employees who declined to sign up (which is known as observational methodology), the researchers also created a control group of 1,500 people who wanted to participate, but were then told they couldn't (a method known as randomised control).

## This gave very different results. Compared to the randomised control group, those on the programme:

- Actually went to the gym less (by 0.1 day a year)
- Were less likely to participate in an event such as a marathon (by 0.5%)
- Spent \$12 more on healthcare and hospital visits
- Were only 1.2% less likely to leave their job

These two sets of results provide a stark contrast and a clear implication. Participating in the programme *correlated* with good health and engagement, but didn't seem to be *causing* it. Rather, the people who wanted to join were already the most healthy and engaged in any case. As Julian Reif, one of the study's principal investigators, [puts it](#):

**“When a wellness program is offered, the differences seen between those who take advantage of it and those who don't are due to differences in the people rather than differences from the program.”<sup>15</sup>**

Some have already decided these findings 'prove' that, far from offering huge ROI, investing in wellness is a waste of money.

We'd argue that even though this study makes a hugely convincing case for the flaws of observational methods, and the drawbacks of making your programme all about physical health, wellness still has a lot to offer if (and it's a big 'if') we focus on the right things...

<sup>14</sup>Jones, Molitor, Reif (2018) What do workplace wellness programs do? Evidence from the Illinois workplace wellness study: [https://www.nber.org/workplacewellness/s/IL\\_Wellness\\_Study\\_1.pdf](https://www.nber.org/workplacewellness/s/IL_Wellness_Study_1.pdf)

<sup>15</sup>The New York Times (2018) Workplace wellness programs don't work well. Why some studies show otherwise: <https://www.nytimes.com/2018/08/06/upshot/employer-wellness-programs-randomized-trials.html>



# Before asking ‘how?’ ask ‘why?’

Stateside, the corporate wellness industry is now worth a reported \$8 billion.<sup>16</sup> Is this evidence that CEOs are seeing the far-reaching benefits of a workforce given holistic support to be at its absolute best? Not necessarily.

In the US, where most health care is private, one of the more attractive benefits an employer can offer is inclusion in their insurance plan - which may be far more comprehensive than workers could otherwise afford.



\$8bn

*Approximate value of America's corporate wellness industry.*

That's a big cost. Drive it down and businesses can enhance their profits. It's simply a case of convincing the insurers that your employees aren't such a risk. To a large extent that is exactly what wellness programmes in that country have been designed to do.

As a result, their focus is generally on facets of health that can be easily measured and where gains can be shown in the short to medium term. After all, insurers aren't going to be offering discounts without justifying data. Likewise, employers aren't going to wait four or five years to gather the evidence that their efforts have been effective.

If we return to the Illinois Workplace Wellness study cited earlier, it's a prime example of this approach. What was actually offered in the package? Biometric screening, weight loss classes, opportunities to exercise and help quitting smoking.



\$16tn

*Predicted cost of mental health issues to the global economy by 2030.*

Of course, giving up smoking and losing excess weight are both fantastic ways to improve fitness, but they hardly form a comprehensive picture of wellness. Given that mental health issues are expected to cost the global economy as much as \$16 trillion by 2030<sup>17</sup>, making no provision for them seems remiss...

Here, in our view, is the crux of the issue: cheaper premiums rather than healthier people are the 'why' behind these programmes. And when the 'why' is wrong, the 'how' will be too.

Before we examine the importance of the mental aspect of wellness more fully, there's another issue to examine: that of participation. When wellness is nothing more than a tool to prod workers into producing data, it's hardly likely to be engaging. To quote Henry Albrecht:

**“ Many of the programs [...] feel like something done to employees rather than for them. Even the most positive of these programs are often superficial, they don't elevate company culture, inspire commitment, or tie to business goals. Any program that alienates, annoys, and distracts those it means to serve will fail to deliver results in the long term.”<sup>18</sup>**

If programmes aren't built around a genuine sense of peoples' needs, getting them involved can be difficult. More often than not, firms fall back on offering a spoonful of sugar alongside the medicine. But this brings its own issues...

<sup>16</sup> Chicago Tribune (2016) Do workplace wellness programs work?: <https://www.chicagotribune.com/lifestyles/health/sc-wellness-programs-health-0720-20160718-story.html>

<sup>17</sup> The Workplace Wellness Alliance (2013) Making the right investment: Employee health and the power of metrics: [http://www3.weforum.org/docs/WEF\\_HE\\_WorkplaceWellnessAlliance\\_Report\\_2013.pdf](http://www3.weforum.org/docs/WEF_HE_WorkplaceWellnessAlliance_Report_2013.pdf)

<sup>18</sup> Forbes (2017) Three reasons corporate wellness failed -- and how to change the game: <https://www.forbes.com/sites/forbesfounders/2017/12/14/3-reasons-corporate-wellness-failed-and-how-to-change-the-game/#4aa40d834c12>

# The irony of incentivisation

In 2010 the Affordable Care Act (ACA) made it legal for American companies to offer participants of “results-based” wellness programmes incentives of up to 30% off their premiums (50% in the case of tobacco cessation).<sup>19</sup>

The government incentivised wellness for employers. In turn, employers have incentivised it for employees. This ranges from small perks (in the University of Illinois study Amazon vouchers were offered for completing a medical screening) to much larger rewards. According to the [National Business Group on Health](#), the average total incentive on offer per employee amounts to \$742.<sup>20</sup>



*off premiums for participants of “results-based” wellness programmes.*

That’s pretty logical. The more people join, the more the company will save and, logically speaking, what beats enjoying better health and a nice bit of extra cash? The problem is that people are governed by a lot more than just logic. As the burgeoning field of behavioural economics has illustrated over the last decade, humans simply aren’t [all that rational](#).

Even if we are being cajoled into doing the right thing, our emotional response to being coerced tends to be negative. This may be part of the reason that despite the financial rewards on offer, [“a typical programme will see as little as 20% of eligible employees participate”](#).<sup>21</sup>

Where organisations have tried to think about wellness programmes in relation to behavioural economics, some have concluded that [disincentives are actually more powerful than incentives](#)<sup>22</sup>- the implication being that



*of eligible employees participate in a typical programme.*

if you really want to shape behaviour you should use the carrot rather than the stick. But that means actively monitoring employees and then punishing them if they aren’t healthy enough.

It’s not hard to imagine how this could create a toxic feeling around an initiative - or indeed an entire organisation. Some of the [available anecdotal evidence](#) paints a stark picture - with employees either cheating the system while maintaining their old habits, resenting their workplace or feeling more stressed than before.<sup>23</sup>

It’s important to recognise that a lot of the standard practices that have developed in the world of wellness are really by-products of the relationship between corporations and the American health insurance industry. It seems obvious to us that for wellness initiatives to be impactful they have to be built around the needs of employees - not insurers, or even employers.

The above applies to all firms wherever they may be based, but given that businesses outside the US may not have an insurance issue to consider anyway, it would be especially unfortunate to replicate a needlessly flawed approach.

<sup>19</sup> Annual Reviews (2018) Promoting prevention under the affordable care act: <https://www.annualreviews.org/doi/pdf/10.1146/annurev-publhealth-040617-013534>

<sup>20</sup> National Business Group on Health (2017) Companies expand wellness programs and increase financial incentives: <https://www.businessgrouphealth.org/news/nbgh-news/press-releases/press-release-details/?ID=322>

<sup>21</sup> Institute for Health and Productivity Studies (2015) From evidence to practice: Wellness that works: <https://www.transamericacenterforhealthstudies.org/docs/default-source/wellness-page/from-evidence-to-practice---workplace-wellness-that-works.pdf?sfvrsn=2>

<sup>22</sup> Lockton (2013) Applying behavioural economics to corporate wellness: New thinking about what motivates employees to change: [https://www.lockton.com/whitepapers/Behavior\\_Economics\\_and\\_Wellness.pdf](https://www.lockton.com/whitepapers/Behavior_Economics_and_Wellness.pdf)

<sup>23</sup> The Outline (2018) Your boss wants you healthy for all the wrong reasons: <https://theoutline.com/post/6714/your-boss-wants-you-healthy-for-all-the-wrong-reasons?zd=2&zi=zjp635g7>



## Section two

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Where can you really  
make a difference?

# Finding a truer focus

For us, there are two clear pitfalls with the status quo:



## The failure to recognise that wellness is far more than physical

Yes, physical sickness hurts productivity. Yes, reducing absences saves money. But savings are only one half of wellness' potential - if that.

We believe an approach that is longer-term in scope and takes a fuller account of the various factors that inform wellness (including mental health, financial stability and overall happiness) is more likely to deliver on the really meaningful benefits of wellness: a more engaged, loyal, productive and high-performing workforce.



## The failure to tap into what really drives people

As we've already seen, there is compelling evidence to suggest that programmes don't motivate people to make changes to their lives. Those that do, do so because it's their innate inclination - not for a reward.

This means promoting wellness is not merely a matter of changing your organisation's policies. There also has to be a fundamental shift in the way your people relate to themselves, their approach to life and their attitude towards the opportunities it presents them.

Character development can help transform the underlying behavioural patterns that inform whether or not a person is likely to make healthy decisions. This is vital because we can't be coerced into wellness - it has to be chosen.

Whilst, physical fitness still has an important role to play in wellness programmes, based on these two observations we see several key areas that justify greater attention...



# Mental health

We're living in times where harmful stigmas around mental health are rapidly disappearing. Unfortunately, this is partly down to the fact that such issues are now so widespread as to be impossible to ignore.

When it comes to absenteeism, mental health issues are a huge part of the problem. For example, in the UK:

**70 million**

Mental health accounts for **70 million lost work days<sup>24</sup>** - a figure that represents **half of all sick days<sup>25</sup>**.

**15.4 million**

**Anxiety, depression and stress** account for 15.4 million lost days - well over double the amount caused by muscular and skeletal issues.<sup>26</sup>

But if we've argued that wellness programmes may not work particularly well at promoting physical health, why would things look different when it comes to mental health?

Part of the answer has to be the capacity of the person suffering to care for themselves. Those that are driven to keep fit normally already know what they need to do to be well. The same very rarely seems to apply in the case of mental health. This suggests aiming resources at the problem is likely to be much more impactful.

(Unsurprisingly, investigations into the benefits of mental health interventions in the workplace have found ROI to be strong - going as high as **nearly 900% in some cases<sup>28</sup>**.)

When it comes to mental health, absenteeism is only the tip of the iceberg. If we have our arm in a sling or can't finish a sentence without sneezing, there's a good chance we'll take the time we need to recover.

That's not always true of mental illness. Worse still, we're far less likely to feel like telling someone there's a problem. Indeed, we may not even be able to admit as much to ourselves. Some studies suggest that as much as **81% of the cost of depression and anxiety comes from presenteeism<sup>27</sup>**.



<sup>24</sup> MQ (2016) Seven steps towards a mentally healthy organisation: <https://www.mqmentalhealth.org/news-blog/post/7-steps-towards-a-mentally-healthy-organisation>

<sup>25</sup> Office for National Statistics (2016) Sickness absence in the UK labor market: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2016>

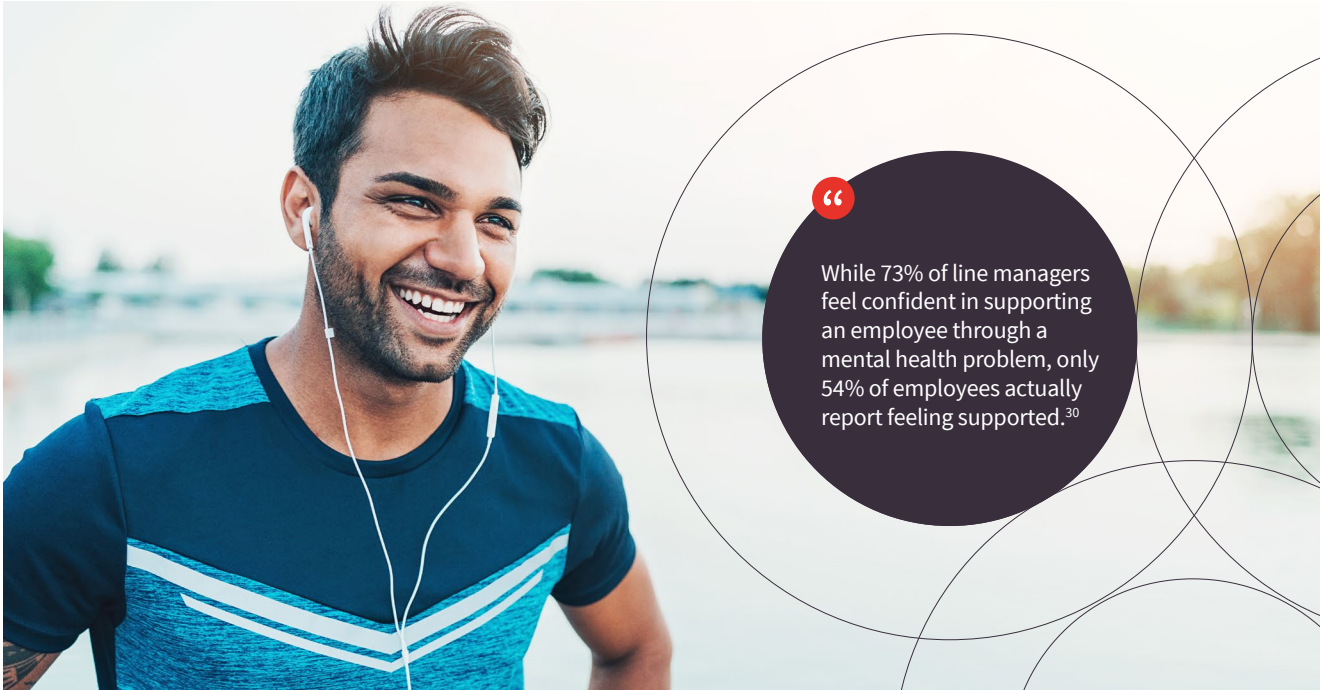
<sup>26</sup> Health and Safety Executive (2018) Working days lost in Great Britain: <http://www.hse.gov.uk/statistics/dayslost.htm>

<sup>27</sup> Rost, Meng, Xu (2014) Work productivity loss from depression: Evidence from an employer survey: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4307989/>

<sup>28</sup> The Stevenson/Farmer Review (2017) Thriving at work: The independent review of mental health and employers: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf)



# Mental health



Another reason is that, given their access and resources, employers are uniquely placed to make positive interventions for their people's mental health. Unfortunately, in many organisations there isn't yet a framework in place to capitalise on this opportunity.

For example, whilst one in six people suffer mental health issues at work, only a quarter of line managers have any training around those issues.<sup>29</sup>

As Donald Rumsfeld famously pointed out, there are known unknowns and unknown unknowns - the things we aren't even aware we don't know. It would appear that mental health literacy could be an 'unknown unknown' in the management world.

Having received no training, many managers are unaware they have gaps in their knowledge or current skills set. The UK charity Mind has noted that while 73% of line managers feel confident in supporting an employee through a mental health problem, only 54% of employees actually report feeling supported<sup>30</sup> - a big discrepancy.

This is a cursory overview of what you can do to promote good mental health. We talk more about putting these ideas into practice in the postscript.

Whilst the specifics of an actual policy will depend on the organisation, they should include:

## Education

Ensuring all employees and management know the risks and warning signs of potential mental health issues - and the steps they can take to prevent and treat such issues.

## Atmosphere

Culture has a big role to play in creating a setting where illness is not stigmatised, behaviours likely to endanger wellbeing are not tolerated and employees feel comfortable seeking help.

## Interventions

Policies should be in place to help you identify situations that need addressing and resources, such as access to psychological support, should be available.

## Objectives

For a policy to be successful, it needs to be adjusted to the demands of the situation. That means knowing what works and what doesn't. It's vital both to set goals and to measure against them.

<sup>29</sup> Heat (2018) Where's your head at?: <https://www.youtube.com/watch?v=nKEzliJAZBc>

<sup>30</sup> Mind (2017) Key insights index: <https://www.mind.org.uk/workplace/workplace-wellbeing-index/index-201617-findings/>

# Financial wellness

Money may or may not be the root of all evil, but it's certainly the underlying cause of much of the stress and anxiety that stops people being at their best. In fact, 44% of people cite it as the number one cause of stress - more than any other single factor. And for a quarter of us it provokes frequent to constant anxiety.<sup>31</sup>

Of course, there are good reasons for this. According to PwC, 42% of people say they'll need to divert their retirement funds towards more immediately pressing ends.<sup>32</sup> But just because there are real challenges, that doesn't mean they need become overwhelming problems.

Having a vision of a way forward, a plan to work with and access to advice can go a long way to reducing anxiety and stress in the long and the short term - with a big impact on overall wellbeing.

So how do you improve your employees' financial fitness? Again, the specifics depend on your organisation and your people. But unless you build around their needs, it isn't worth doing. The first step is finding out where people are struggling.

From there, it's about providing the support and resources they need to put their affairs in better order. Education is absolutely key, because according to research done by JLT, even when employees are academically accomplished, lack of knowledge around financial matters stops them feeling secure. Whilst nearly 80% of employees say saving for retirement is important, nearly 20% less feel they have the know-how to actively manage long-term savings.<sup>33</sup>

Other interventions might take any number of forms, from seminars on retirement planning, to gamified apps that encourage saving. Generally speaking, the important things to address tend to be:

- Budgeting
- Managing debt
- Understanding investment options
- Planning for retirement or **other financial goals**

We've picked out that last phrase in bold because many people are focused on the shorter term. Buying a house or clearing a debt can be just as important to wellness - if not more so - than contributing to a pension. It all depends on the situation.

Offering some kind of guidance in these areas can be incredibly cheap compared to interventions for physical health. And as successful case studies show, there are no end to the kinds of approach that can be taken.<sup>34</sup>

With the right partner to help you form and execute a strategy, promoting financial wellness can provide a relatively straightforward and cost-effective way to improve your organisation's mental health and their productivity along with it.

But again we should ask the question: what if these interventions only help those who were already able to help themselves? What if we miss those who really need assistance?

This is certainly a possibility. And that's why the first step needs to be identifying who in your organisation is at risk. But there's more to this than circumstances. You also need to understand character...

Research suggests the biggest single factor driving a person's ability to save is not their knowledge of the vehicles available, or even the importance they attach to their financial goals - far more important is the personal trait of self-control.<sup>35</sup>

To our minds, this is strong evidence that - while it's important to offer practical financial support - to be truly effective your wellness programme has to go one step deeper and look into your people's underlying behaviours...

<sup>31</sup> Northwestern Mutual (2018) Planning and progress study: <https://news.northwesternmutual.com/planning-and-progress-2018>

<sup>32</sup> PwC (2018) Employee financial wellness survey: <https://www.pwc.com/us/en/industries/private-company-services/library/financial-well-being-retirement-survey.html>

<sup>33</sup> JLT (2018) Thinking beyond reward: Linking people's financial wellness to a company's performance: <https://www.jltemployeebenefits.com/our-insights/thought-leadership/thinking-beyond-reward>

<sup>34</sup> Consumer Financial Protection Bureau (2014) Financial wellness at work:

A review of promising practices and policies: [https://files.consumerfinance.gov/f/201408\\_cfpb\\_report\\_financial-wellness-at-work.pdf](https://files.consumerfinance.gov/f/201408_cfpb_report_financial-wellness-at-work.pdf)

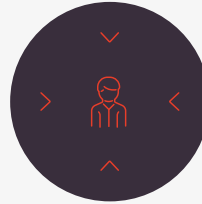
<sup>35</sup> JLT (2018) Thinking beyond reward: Linking people's financial wellness to a company's performance: <https://www.jltemployeebenefits.com/our-insights/thought-leadership/thinking-beyond-reward>

# Personal development

Behaviours are not immutable. With the right insights we all have the capacity to understand our actions and manage them for the better.

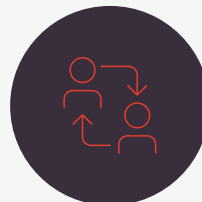
We believe this is vital to the question of wellness because, at base, our behaviours govern how we interact with the world. Not only can they lead us to become unwell but, as the University of Illinois study seems to show, they may also determine whether or not we make use of the help offered to us when we need it.

Seen from this perspective, including a personal development element in your wellness programme makes sense for two key reasons:



## Prevention is better than cure

Your people's attitudes towards themselves, others and the world at large will dictate how they manage their fitness, money and mental state. A personal development programme will not only give them the tools to be effective at work (driving engagement, satisfaction and performance) but also shift them towards a more positive perspective on the external factors that shape wellness.



## Interventions have to be two sided

In the medical world the idea of patient centricity has really come to the fore in the last decade. It's the principle that you can't just treat a condition - you have to treat the person. That's a concept that is even more relevant in a work setting than it is in a hospital. In-patients don't have the option of becoming totally disengaged, workers do.

Given that you cannot force your people to be well, it's imperative they have the tools to make beneficial choices for themselves. Without that, you won't see the fullest possible returns from your programmes.

# Personal development



## Getting to the root of things: An illustration...

Daniel has been missing work with back trouble, an ailment exacerbated by the fact he is presently overweight.

His employer's wellness programme allows him to access a physio, who gives him a tailored exercise regime to follow.

Though he understands it will help, Daniel is simply too tired to follow it. His lack of energy is down to poor sleep and diet - both caused by stress.

Noticing his state of mind, a close colleague suggests he make use of their employer's wellness programme to participate in a mindfulness course.

While Daniel finds the workshops instructive and uses the learnings to cope with flashpoints of anxiety, the underlying problem still persists. He has a high level of unsecured debt, which is a constant worry to him.

Having been engaged by his HR manager, Daniel attends a one-on-one session with an independent financial advisor. Together they formulate a plan that, if followed, will clear Daniels debts within a few months.

Daniel isn't able to follow the plan. His spending habits are underpinned by behaviours that haven't changed. He knows they are unhelpful - but he doesn't know what drives them. Without that knowledge, he can't access the inner resources that would make change happen.

This link between effective behaviours and wellness isn't just an assertion. Having measured the behaviours (both effective and ineffective) of thousands of employees across numerous sectors over the years, Heartstyles generates a wealth of supporting data.

For example, we've seen that every single one of the eight ineffective behaviours we measure become more prevalent in line with an individual's level of stress. When participants in Heartstyles programmes are described by others as 'highly stressed' they are, on average, almost two times as easily offended and about 50% more controlling compared to those with low or moderate levels of stress.

Both these traits can hurt a team's wellbeing and productivity - especially if the stressed individual is a leader. The [Leadership Quarterly](#) is just one publication to have observed a phenomenon that we see all the time: "leader stress influences leader behaviour and leadership behaviours and leader-follower relationships are significant determinants of stress and burnout in subordinates."<sup>36</sup>

We see that when individuals are described as enjoying a 'very high' level of health the average scores for effective behaviours are high, whilst scores for ineffective behaviours are low. The opposite applies to those whose health is only 'high' or lower. The same trend applies even more clearly when we look at 'happiness'.

This applies even to behaviours you might not expect to be linked to happiness. While there's an intuitive connection between someone's mood and the extent to which they're an encouraging presence (one of the traits we measure) it's less obvious how happiness should impact on a behaviour like reliability.

We might feel that when we keep our word we do it out of principle, not just because we're feeling perky and disposed to keep our promises. But according to our data, 'very happy' employees score an average of around 76 out of 100 for reliability, their low to moderately happy counterparts just 20.

This suggests that the benefits of wellness, when they're there, are truly holistic, bringing upsides that cannot easily be foreseen, as well as those you'd expect.

# The Loop

We have to take a moment now to recognise that while our data shows incredibly strong correlations, it doesn't prove causation. We cannot say for certain whether effective behaviours are present because the individual is happy and healthy, or if they are happy and healthy as a result of their behaviours.

That said, when we pair the data with the evidence of our deep experience working with organisations to help their people be the best they can be, we feel confident in assuming that, in this case, causation is a two-way street.

The way we behave moves the needle with regards to how we feel, and how we feel informs how we behave. If you're happy to go along with this assumption, you have

to conclude that giving people the guidance they need to shift their behaviours can be hugely beneficial to the wellness of your people and the performance of your business as a whole.





# Conclusion

## The right thing for your people is the right thing for your business

At the beginning of this piece we examined some convincing reasons to doubt the efficacy of wellness programmes as they are often practised. We hope that in the sections that have followed, we have convinced you of the ways in which, by focusing on areas where interventions make the most difference and zeroing in on the underlying causes of problems, you can still make a huge difference to your employees.

While we have tried to offer up hard numbers to back our belief that investments in wellness can offer strong ROI, we'd like to end by suggesting the numbers may not matter all that much...

A [four-year long study](#) found that the 100 best companies to work for in America outperformed their peers by 2-3% over a quarter of a century.<sup>37</sup> Even with rigorous controls added to eliminate the influence of other factors, the researchers still found that the companies doing the most to create a positive environment were, as a direct result, also offering the best returns.

Its author, [Alex Edmans of the London Business School](#), observes that this is not the result of a detailed plan to leverage the potential of wellness:

**“ Even when financial rewards are not the motor for acting ethically, they typically manifest anyway.”<sup>38</sup>**

He argues that, because of this, managers can “act responsibly without having to do a calculation...”

To us, his findings suggest that when we deliver wellness, we gain intangible benefits that, despite being impossible to quantify ahead of time, do deliver very real returns down the line.

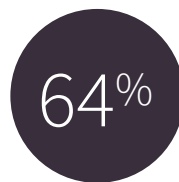
One likely cause of this is a sort of placebo effect. We've already discussed how the University of Illinois study has shown traditional wellness drives may do very little to actually increase participants' health. But even that study confirms that wellness programmes impact upon the perception the participants have of their employer, finding that “treatment group employees were much more likely to report that [management places a high priority on worker health and safety.](#)”<sup>39</sup>

This seemingly small side-bonus is actually hugely significant. After all, what is your brand if not a perception? And brand isn't just a tool we use to appeal to customers - it can be one of your biggest weapons in the [war for talent](#). With [71% of people considering a mentally healthy workplace important when looking for a job](#)<sup>40</sup>, it's clear your approach to wellness contributes to your allure.



*of people consider a mentally healthy workplace important when looking for a job.*

That's not just important for recruitment, but retention too. According to the [World Economic Forum](#), organisations are “four times more likely to lose talent in the next 12 months if employees take an unfavourable view of its promotion of health and wellbeing”. On the flipside, 64% of employees who do rate their employer's efforts in wellness plan to stay with them for at least five years.<sup>41</sup>



*of employees who rate their employer's efforts in wellness plan to stay with them for at least five years.*

<sup>37</sup>Journal of Financial Economics: Does the stock market fully value intangibles? Employee satisfaction and equity prices: <http://faculty.london.edu/aedmans/Rowe.pdf>

<sup>38</sup>TEDx (2015) The social responsibility of business: <https://www.youtube.com/watch?v=Z5KZhm19EO0>

<sup>39</sup>Jones, Molitor, Reif (2018) What do workplace wellness programs do? Evidence from the Illinois workplace wellness study: [https://www.nber.org/workplacewellness/s/IL\\_Wellness\\_Study\\_1.pdf](https://www.nber.org/workplacewellness/s/IL_Wellness_Study_1.pdf)

<sup>40</sup>Heads Up (2014) Instinct and reason: Employer of choice survey: [https://www.headsup.org.au/docs/default-source/resources/instinct\\_and\\_reason\\_employer\\_of\\_choice.pdf](https://www.headsup.org.au/docs/default-source/resources/instinct_and_reason_employer_of_choice.pdf)

<sup>41</sup>The World Economic Forum (2010) The wellness imperative: Creating more effective organisations: <https://www.right.com/wps/wcm/connect/a2bd7426-4b2a-4af9-81ac-5211e83c72bb/the-wellness-imperative-creating-more-effective-organizations-world-economic-forum-in-partnership-with-right-management.pdf?MOD=AJPERES>

# Conclusion

## The right thing for your people is the right thing for your business

From a cost perspective the financial burden doesn't end when an unwell employee hands in their notice. They then have to be replaced. Given that that process costs, on average, 33% of their salary it's a significant and often needless investment (exit interviews suggest 9% of turnover is related to wellbeing and 75% is preventable).<sup>42</sup>

Then there are investors. We know that a company's stock market value isn't always rooted in reality. Even so, share price impacts how a company is seen. When your value is soaring, it reinforces the impression that you're doing something right. And there's an increasing trend among investors to put their faith in companies that have a proven track record of promoting wellness.<sup>43</sup>

Considering these factors, it doesn't take too much imagination to see how a wellness programme can

deliver concrete benefits simply by adjusting employee perceptions. If, as we've argued is entirely possible, your programme is also effective in changing people's behaviours, financial status, mental wellbeing and physical health, the returns could be huge.

Edmans sums it up quite simply in his TED talk on the social responsibility of business:

**“ Companies that treat their workers better do better.”<sup>44</sup>**

We agree wholeheartedly. All it remains for us to add is that one of the most effective ways to treat your people better is giving them the tools to treat themselves better.



<sup>42</sup> Work Institute (2017) Retention reports: Trends, reasons and suggestions: <http://info.workinstitute.com/retentionreport2017>

<sup>43</sup> The Health Project (2016) To beat the market try investing in companies that invest in worker's health: <https://www.prnewswire.com/news-releases/to-beat-the-stock-market-try-investing-in-companies-that-invest-in-workers-health-300199620.html>

<sup>44</sup> TEDx (2015) The social responsibility of business: <https://www.youtube.com/watch?v=Z5KZhm19E00>

# Postscript: Preparing to put into practice

As stated elsewhere, this document isn't intended to serve as a detailed guide on how to implement a plan, but rather to help inform your guiding strategy. However, there's little point getting the thinking right if you can't put it into action. Here we outline the principles you can use to start realising your wellness vision.

## Prepare yourself internally

To execute well you're going to need outside expertise. But before calling in help, you need to understand what it is your organisation requires and how well any given plan for wellness is likely to sit with the way you operate.

Part of this process should be reviewing your culture. This can help you find the source of problems, as well as clues as to how effective different types of intervention are likely to be.

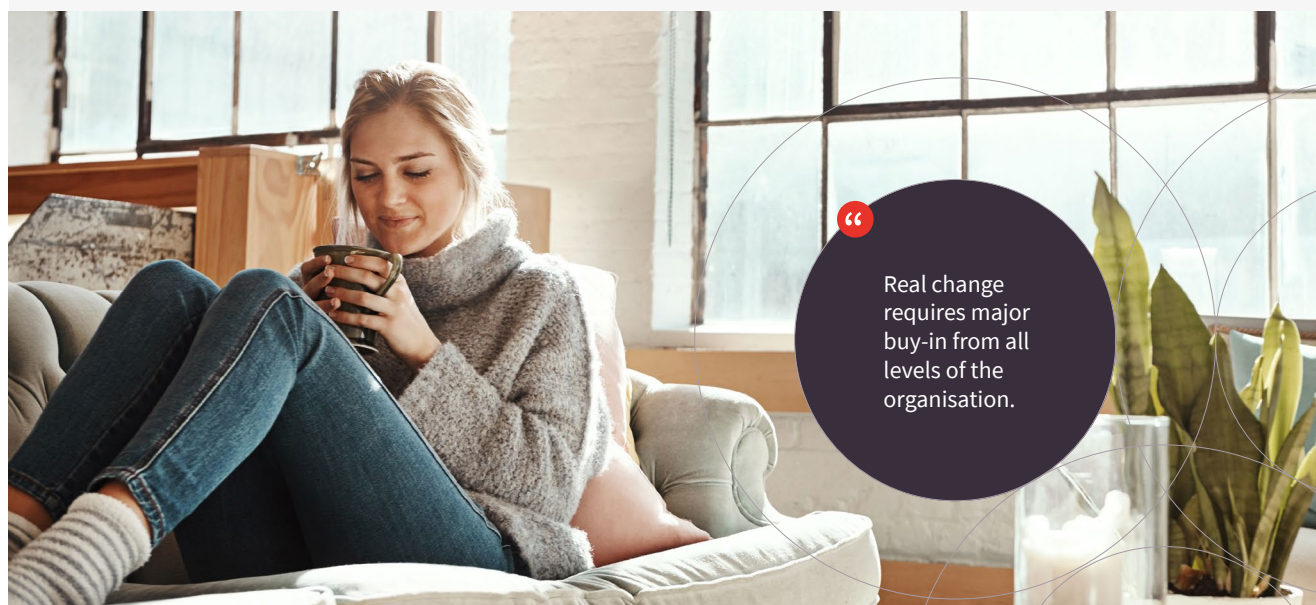
You may find, for instance, that leaders at middle management level tend to judge workers on their visible efforts - which could potentially promote presenteeism. It could be that teams and individuals view each other as competition rather than colleagues - something that can increase stress.

Whatever the case may be, you need to understand both how the problem and the remedy relate to your culture, and whether you'll need to shift that culture in order

to progress. For instance, if your workforce is stressed, a mindfulness intervention could work well - but not if employees feel using it would hurt their image and prospects. If that were the case you'd need to change the culture and, in the meantime, develop an alternative solution.

Of course, it can be hard to get a handle on your own culture. You may be too immersed in it to see exactly what it consists of. Hard numbers can be especially useful in giving you something objective to lean on. Is there anything in the data you already have that talks to trends around illness, absences, performance or employee sentiment?

Of course, real change requires major buy-in from all levels of the organisation. Once you have selected issues you want address and set the goals you want to achieve, you need to make sure that commitment is known to and shared by everyone who works for you. This will help lay a groundwork from which your partners can help drive participation...



# Postscript: Preparing to put into practice



## Finding the right partners

Once you have identified the areas you want to start working on, be that physical, financial, mental health or character development, the next step is to start shortlisting partners with the expertise to help make a real difference.

Who they'll be and what they'll do for you will depend on your people. But regardless of the specifics there are some general traits we suggest looking for:

### **They focus on your needs, rather than their capabilities**

A good practitioner will adjust their tools to the task at hand. That means in discussing working with you they should put much more emphasis on finding out where the challenges lie than in explaining their capabilities - especially out of a context relevant to your programme. They should also be able to demonstrate a capacity to customise their offering and adapt it as the situation may demand.

### **They focus on outputs**

They should be able to agree KPIs with you and offer regular reporting. This isn't just about measuring success - it's also about picking up on signs that things may need to be adjusted. It's important to ensure the KPIs genuinely relate to the wellness of your people, not just some form of superficial engagement with the programme.

## Their measurements are sound

As we've discussed elsewhere in this paper, some methods of measuring the impact of wellness programmes can give very different results to others. Your partners should be able to explain not only what they measure and why, but also how they measure it, with reasons for the validity of that approach.

### **They take a wider view**

Wellness is many things and it's unlikely any of the partners you use will have expertise in all areas. That said, they are much more likely to be effective if they are able to understand how the other efforts you're undertaking tie in with their work and adjust accordingly. For instance, given how closely the subjects are linked, it makes sense for your partners in mental and financial health to have some capacity to address areas where their efforts can dovetail.

### **They plan to make their changes part of your DNA**

Wellness can't be something you put onto another company's plate, and your partners should admit as much. Ideally, they should be aiming towards a point where their work has become embedded in the way you carry out your own.

If you're interested in exploring how character development can improve wellness in your organisation, we'd love to hear from you.

[www.heartstyles.com](http://www.heartstyles.com)

