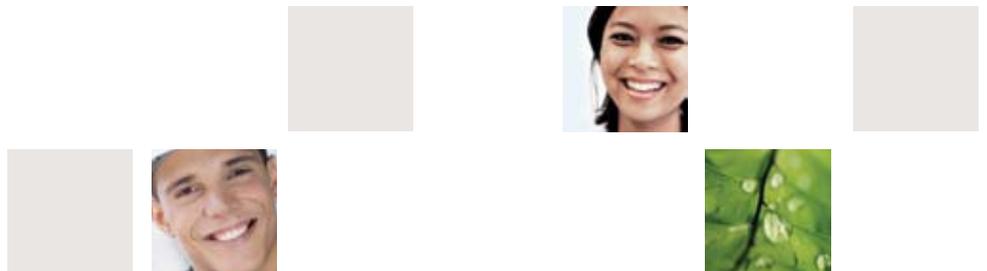
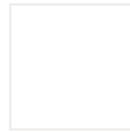
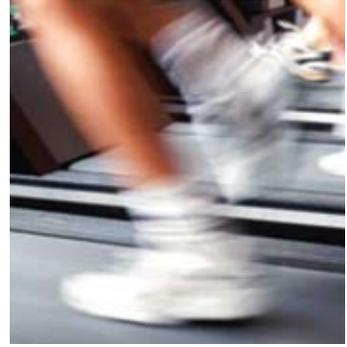


# Wellness in the Workplace: Aligning Intentions and Outcomes

**A Survey of Canada's Top 100  
Employers' Perceptions of  
Workplace Wellness Programs**







## EXECUTIVE SUMMARY

Wellness programs are here to stay, but you only get out of them what you put into them.

**As Canada's population ages and the proportion of older workers increases,** the impact of health and disability on productivity and benefit costs can only grow in prominence amongst the issues confronting the nation's employers. Employee wellness programs can provide solutions to these challenges.

According to Buffett & Company's last tri-annual National Wellness Survey, 90% of respondents had a wellness program in 2006, up from only 44% in 1997. Are Canada's employers getting what their businesses need from workplace wellness programs? Medisys has set out to tackle this question by surveying management of the companies recognized as Canada's Top 100 Employers in 2008.

We interviewed decision-makers from 58% of the firms that have been acknowledged in the Top 100 Employers competition as the best places to work in Canada. We probed their motivations for investing in health- and wellness-related programs in an effort to understand what is special about members of this elite group, to what extent their employee-friendly practices are driven from the top and how they evaluate the success of their wellness investments. Key findings from this research were as follows:

- Employers are generally very satisfied with their wellness programs – two thirds claim to be extremely or very satisfied with their program, while one third state a high likelihood of increasing their investment in corporate wellness over the next year.
- While there is clearly a strong commitment to providing wellness programs, it is not generally supported by rigorous measurement of results.
- Employers appear to be content to put wellness programs in place with the expectation that less than half of their employees will participate; however, the majority of those who promote their programs actively and with C-level involvement achieve significantly higher participation rates.
- Companies appear to increase the frequency of internal promotions and the amount invested in their wellness programs as time goes by. Furthermore, companies that have an executive health program tend to invest more in the health and wellness of their employees.

While employee wellness programs are clearly here to stay, there is an underlying message that you only get out of them what you put into them. Accordingly, there appears to be scope for the nation's employers to derive greater—and more tangible—value from their wellness initiatives.





# SURVEY RESULTS

## INTRODUCTION

Employee wellness programs have become a prominent feature of the Canadian workplace over the last decade. According to Buffett & Company's tri-annual National Wellness Surveys<sup>1</sup>, 90% of respondents had wellness programs in 2006 compared to only 44% in 1997.

What factors have driven the spread of employee wellness programs? What positive outcomes did employers expect in implementing these programs and are their expectations being met? Medisys has set out to answer these questions by surveying leaders in the organizations recognized as Canada's Top 100 Employers in 2008<sup>2</sup>.

Our survey shows that 77% of the Top 100 have a wellness program in place and virtually all of the remainder are actively seeking to implement one. Of those already having implemented wellness programs, over half—55%—say that they are likely to expand the scope of their current program, while only 15% are considering reducing their investment. No respondent reported any likelihood of discontinuing its program.

Clearly, employee wellness programs are here to stay. What is driving employers' commitment to providing them?

Four themes have emerged from our examination of the Top 100 Employers' wellness programs:

1. The Top 100 Employers report that their primary motivation in implementing wellness programs is to increase employee satisfaction and productivity rather than to drive down tangible health-related costs.
2. Ongoing management sponsorship is key to achieving the desired results from an employee wellness initiative.
3. The expressed commitment to implement and maintain wellness programs is not contingent on realizing quantifiable benefits and a surprisingly high percentage of employers do not track the effectiveness of their wellness programs at all. Importantly, those who do track the results generally find that their expectations are met or exceeded.
4. Employers undertake wellness programs despite expecting less than half of employees to participate; however, employers who actively promote their programs report achieving significantly higher participation rates. This seems to point to a broad tendency to underestimate the potential impact of wellness initiatives. Not only are employers likely to achieve higher participation in their wellness programs, but they may already be deriving more benefit from them than they recognize.

We examine these themes in detail in the pages that follow.

<sup>1</sup> *National Wellness Survey Report 2006*, Buffett & Company Wellness Ltd., [www.buffettandcompany.com](http://www.buffettandcompany.com)

<sup>2</sup> Canada's Top 100 Employers is an annual competition to recognize Canada's best places to work. Mediacorp Canada Inc. manages the competition and selection process. Web site: [www.canadastop100.com](http://www.canadastop100.com)

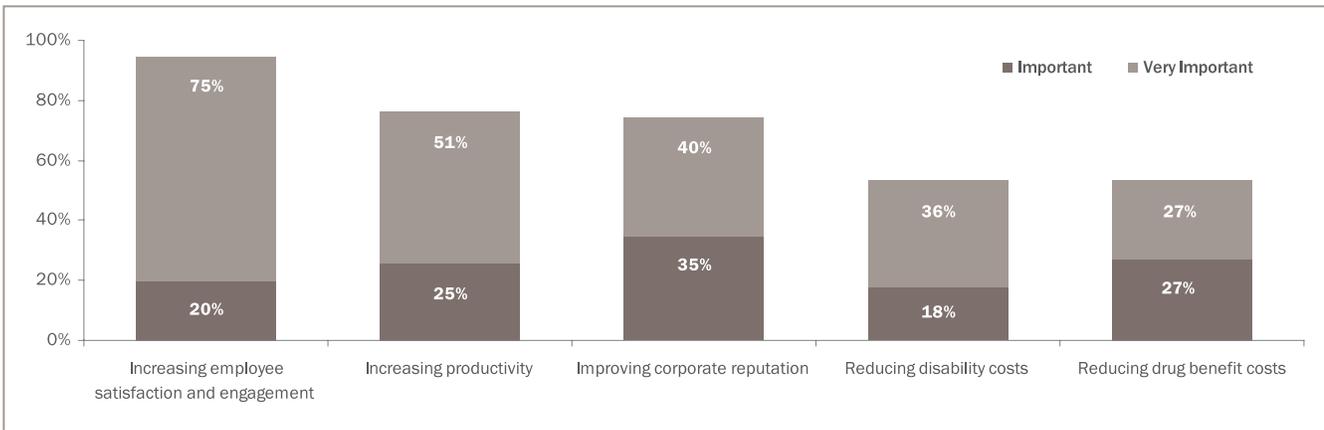
## INCREASING EMPLOYEE ENGAGEMENT AND PRODUCTIVITY ARE KEY WELLNESS MOTIVATORS

Respondents cite increasing employee engagement and productivity as primary motivating factors in implementing wellness programs; reducing drug and disability costs appears to be a secondary factor.

For Canada’s Top 100 Employers, the three most important reasons for implementing an employee wellness program are to increase employee satisfaction and engagement (95%), to increase productivity (76%) and to improve corporate reputation (75%). The commitment to increasing employee engagement is particularly strong because fully 75% of respondents gave it an importance score of 5/5.

Reducing drug benefit and disability costs were cited as important factors in implementing a program by 54% each.

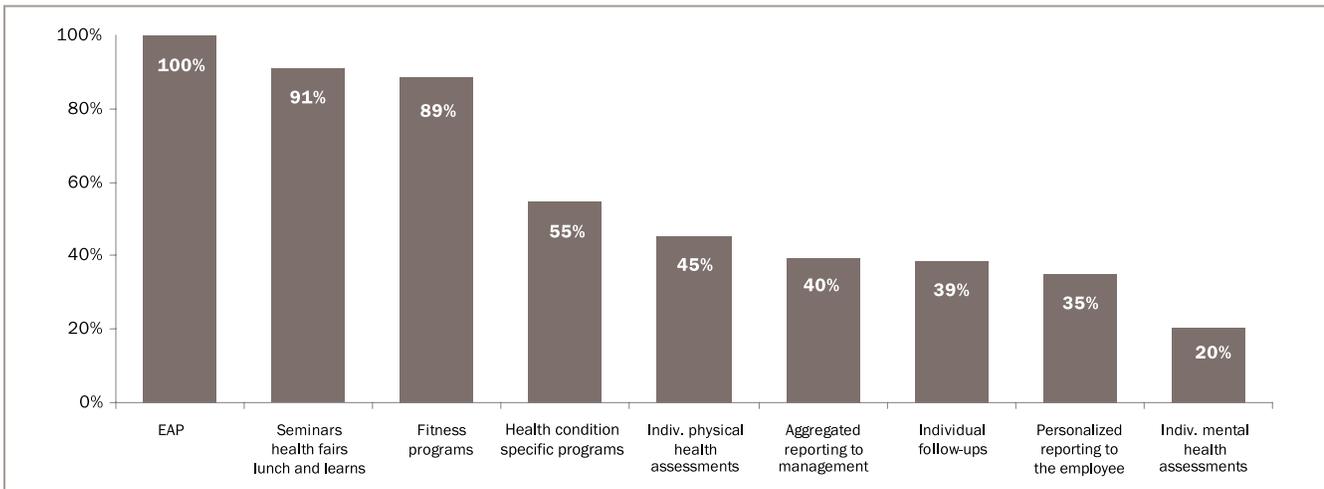
### Motivations for Implementing an Employee Wellness Program



While the vast majority of the Top 100 employers currently have wellness programs in place, all programs are not created equal.

Employee Assistance Programs are offered by 100% of organizations with wellness programs. Informational seminars and fitness programs are also highly prevalent, being offered by 91% and 89% of firms respectively. However, individual assessment tools and reporting on actual health status among the employee population are far less common, as demonstrated in the chart below:

### Most Common Elements of an Employee Wellness Program



The low prevalence of wellness programs addressing mental health bears mentioning. It has been widely reported that mental health issues are among the leading causes of both long- and short-term disability claims. One would therefore have thought that organizations focused on productivity would put a strong emphasis on mental health initiatives in their wellness programs. That said, awareness of this issue appears to be growing; 55% of respondents from organizations that are currently evaluating wellness programs said that mental health was Important or Very Important to their evaluation of wellness alternatives.

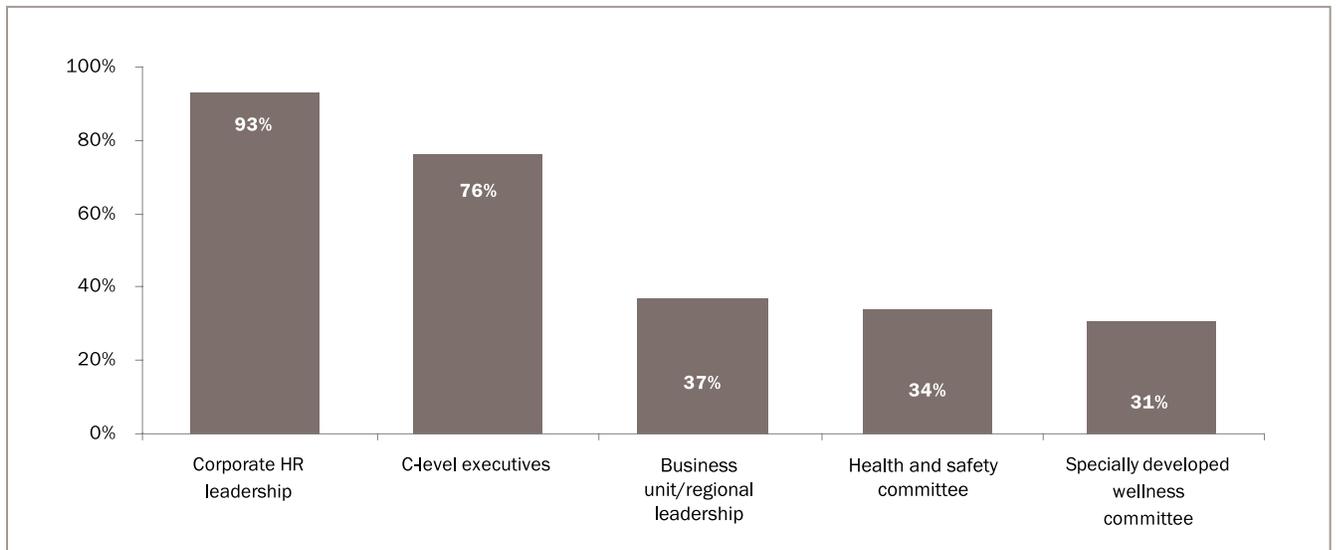
As program elements vary significantly, not surprisingly, so do costs. 60% of respondents report spending over \$100 per employee per year for their program, while more than half of these spend over \$200. Interestingly, there appears to be a correlation between the amount invested and both the age of the program and the degree of focus on health among the senior management; 41% of companies that have had a wellness program for over three years report spending more than \$200 per employee per year, compared to 0% amongst those with newer programs. Meanwhile, 39% of the companies that offer supplementary health assessments for their Executives report spending over \$200 per employee per year on wellness programs compared to 8% of the companies with no Executive Health program.

### SUCCESS STARTS AT THE TOP

Three quarters of respondents report that C-level leadership was instrumental in spearheading wellness initiatives. Participation rates are higher when C-level leaders actively promote the program.

As might be expected, the highest proportion of respondents (93%) cite HR leadership as the driving force behind their wellness initiatives. C-level leaders were the driving force behind developing wellness programs in 76% of respondent firms.

#### Stakeholders Instrumental in Spearheading Employee Wellness Programs

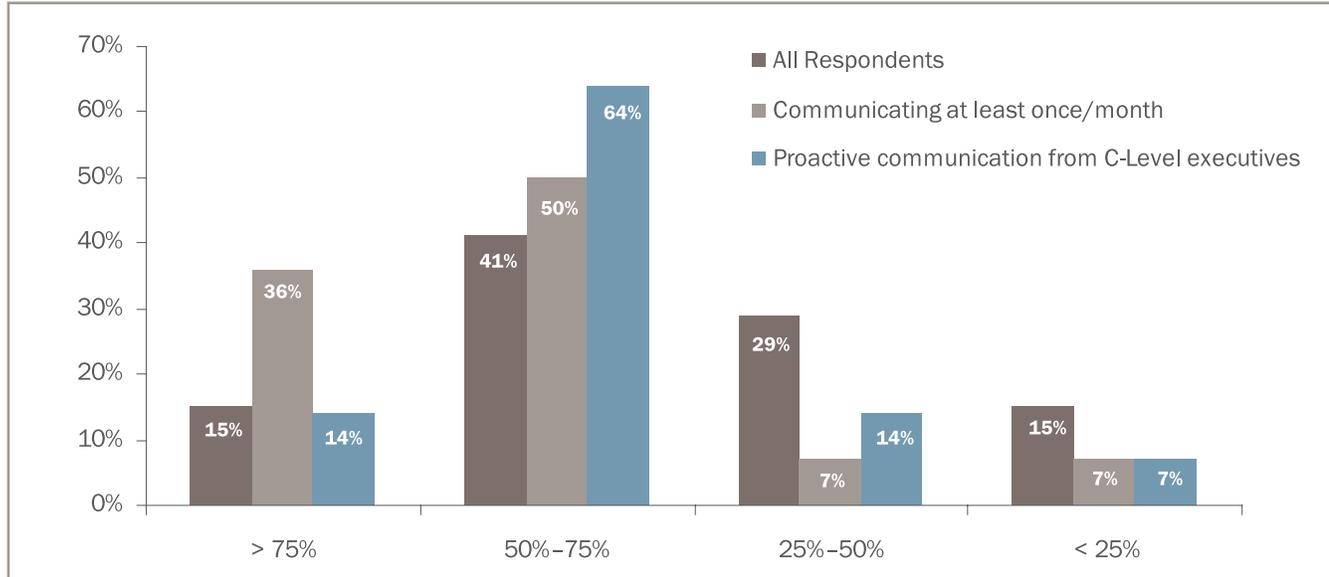


Interestingly, C-level participation appears to be correlated with high participation rates; 17% of companies whose C-level executives took the lead in spearheading a wellness program achieved participation rates in excess of 75%. No respondent that had launched a wellness program without C-level involvement managed to achieve this level of participation.

Ongoing C-level involvement in promoting wellness initiatives to employees also appears to have a positive impact on participation rates. 79% of the companies that communicated the program through C-level executives experienced a participation rate of over 50%, as opposed to 33% of companies that did not use their C-level executives to promote the program.

The few companies that have C-level involvement at all stages and communicate their program at least once per month all achieved participation rates of over 75%.

**Participation Rates Based on Frequency of Promotion and C-level Involvement**



Despite the benefits of C-level involvement, only 34% of the companies with wellness programs in place use C-level executives to promote them. However, the tide may be changing because 75% of employers that are planning to implement wellness programs state that they intend to have the communications come from the C-level.

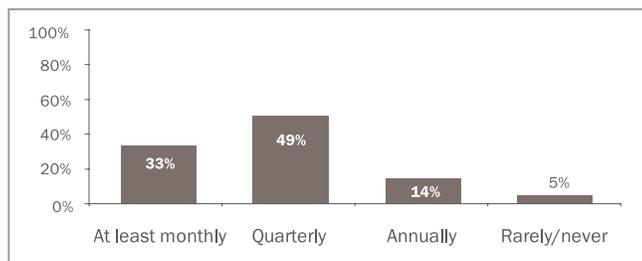
**IF YOU BUILD AND PROMOTE IT, MORE WILL COME THAN YOU THINK**

Employers decide to implement wellness programs with the expectation that less than half of employees will participate; however, companies who actively promote their programs achieve significantly higher participation rates. In other words, you get out of it what you put into it.

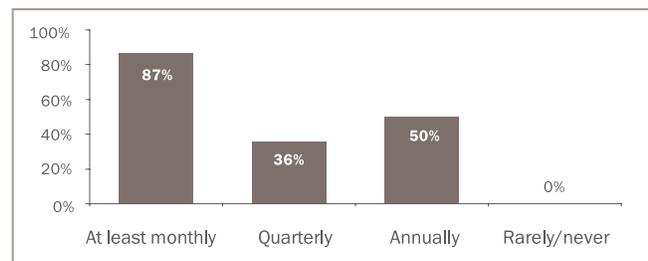
Having made their commitment to providing employee wellness programs, what communication strategies do employers use, and what participation rates do they expect and achieve with them?

Quarterly communications on wellness programs are the most common among our respondents; however, one third promote the program to their employees at least monthly.

**Frequency of Program Promotion**



**Companies Reporting Over 50% Participation by Frequency of Promotion**



Companies preparing to implement wellness programs set the participation bar surprisingly low. When we asked what level of participation they expected, only 20% expected that more than half of employees would participate. In contrast to these low expectations, over 56% of companies that have implemented wellness programs actually experience participation rates above 50%. Of the companies that promote their program at least once per month, almost 90% achieve this level of participation. Clearly, there is scope for employers to do more in achieving the full potential of their wellness programs.

Although 82% of companies report promoting their program at least quarterly, when we look at how long the programs have been in place, we find that 86% of companies whose programs were implemented more than three years ago send wellness communications at least quarterly, compared to only 57% of companies with newly launched programs. This could indicate that companies increase the frequency of wellness-related communications as their programs mature and they learn more about what works.

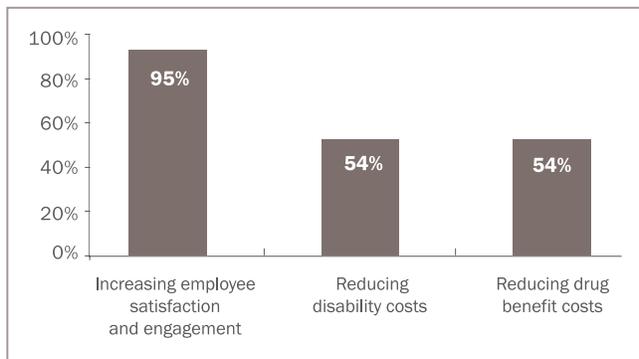
### “EMPLOYEE WELLNESS WORKS, DON’T ASK US HOW”

The commitment to implement and maintain wellness programs does not appear to be contingent on being able to measure quantifiable benefits. A surprisingly high percentage of employers do not measure the effectiveness of their wellness programs at all.

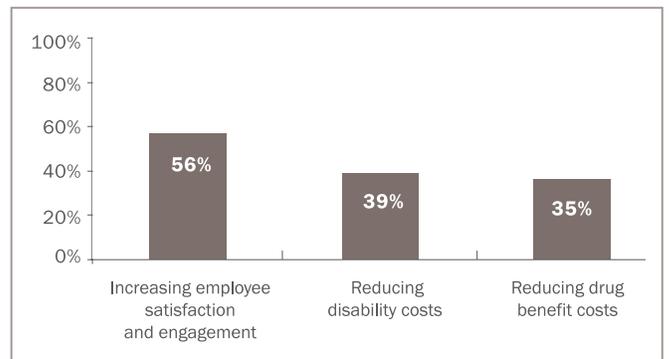
As previously noted, the principal reasons for implementing an employee wellness program are to increase employee satisfaction and engagement, improve corporate reputation and increase productivity. The desire to reduce benefit and disability costs appears to be a secondary driver.

With this in mind, we asked what respondents were doing to track the success of their wellness programs in meeting these aims. We were surprised to find that 25% do not actually measure the impact of their programs at all.

**Main Driver of Wellness Program**

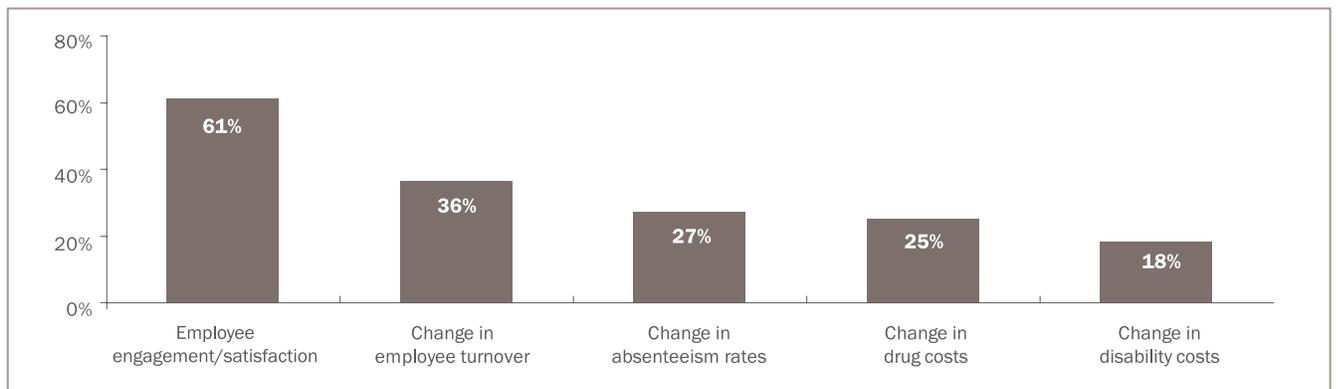


**Companies Actually Tracking Each Driver**



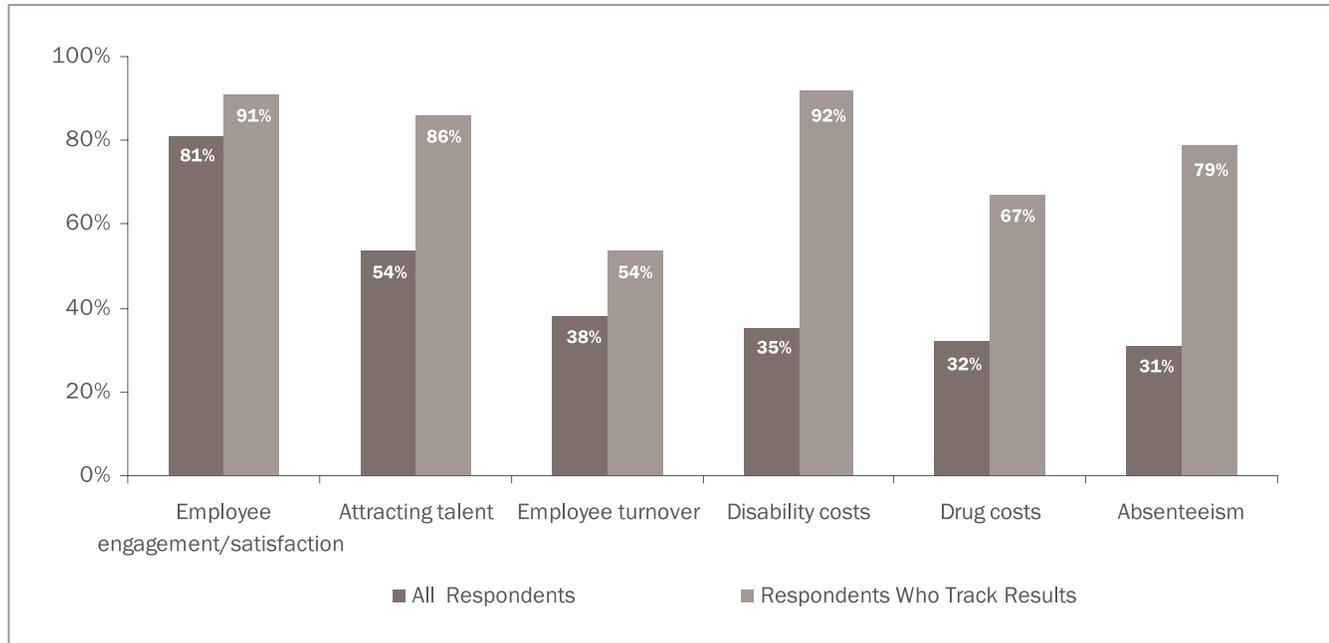
When we asked respondents to rate the success of their wellness programs on a scale of 1 to 5 with regard to the most commonly cited objectives, only Employee Engagement stood out as meeting their expectations:

**Percentage of Respondents Claiming High Satisfaction Rates With Respect to:**



Importantly, when we compare the answers of all respondents to those who have been tracking program results, we find that a much higher percentage of those who track their results state that their programs meet expectations. This implies that wellness programs are actually more effective than employers generally perceive them to be.

### Companies Reporting Program Met Expectations of Primary Drivers



## FUTURE TRENDS

Wellness is here to stay. Virtually all employers already have or intend to implement wellness programs, and many contemplate expanding their programs.

It seems clear that the overall investment in employee wellness is poised to continue growing. More than half of the respondents to our survey state that they are likely to expand the scope of their current wellness program, while only 15% indicate that they are likely to reduce their investment.

We can also expect the focus on mental health to increase. Although only 20% of respondents with wellness programs in place report that mental health assessments are part of their program, 55% of respondents who are currently evaluating wellness programs say that mental health is Important or Very Important to their evaluation of wellness alternatives.

Interest in providing employees with individual follow-ups with a health practitioner is also on the rise, with 64% of respondents who intend to implement wellness programs ranking it as a priority. In contrast, only 39% of the employers with wellness programs in place include this feature.

The market seems to be responding to the learning that the combination of C-level involvement and regular promotion results in greatly increased participation rates. 75% of employers that are planning to implement wellness programs state that they intend to have the communications come from the C-level, compared to only 37% among those who implemented programs more than 3 years ago.



## CONCLUSION

If there is a misalignment between expectations and outcomes, it is that employers expect less from their wellness programs than they regularly achieve.

**The time is approaching when we can expect that Canadian employers who do not offer wellness programs will be rare exceptions.** Our study shows that employers believe they are an important part of building employee engagement, and see a significant link between wellness and productivity.

However, the definition of wellness continues to evolve, as there remains no “standard” set of features that can be pointed to as typical of wellness programs. Not surprisingly, the broad variation in program elements is reflected in significant differences in the amount invested in wellness initiatives between organizations. As the market develops, one element that we expect to become more prominent is wellness programs to manage and proactively address mental health.

Many companies set out expecting less than half of their employees to participate in their wellness program; however, in most cases, this turns out to be a sizeable under-estimate. Furthermore, our research suggests that frequent promotion and sustained C-level involvement in the program can bring substantial increases in participation rates.

The most surprising aspect of our research was the lack of effort employers tended to invest in measuring the impact of their wellness initiatives. Companies that do track the effectiveness of their programs generally find their expectations met or exceeded. This would seem to indicate that those who do not measure the effectiveness of their programs may be deriving greater value from them than they realize.

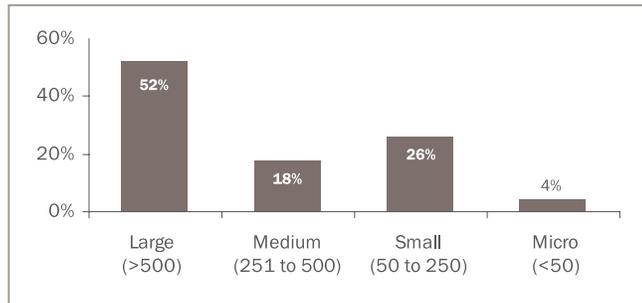
If there is a misalignment between expectations and outcomes, it is that employers expect less from their wellness programs than they regularly achieve. A carefully implemented wellness program clearly has a positive impact on a number of organizational attributes, and employers are therefore encouraged to focus on establishing clear program leadership and objectives to ensure that they realize the full potential from their wellness investments.



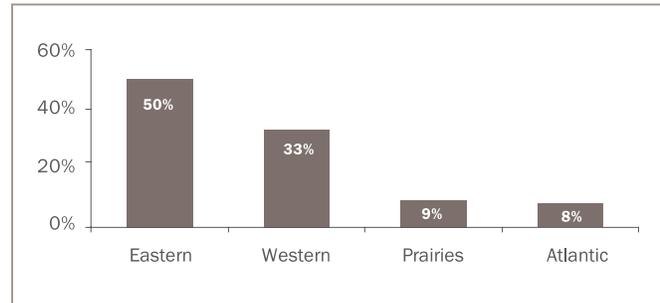
# APPENDIX

The survey was administered by telephone over the week of May 26, 2008, and 58 of the Top 100 Employers completed surveys. The respondents are profiled in the charts that follow:

**Responding Companies' Employee Numbers**

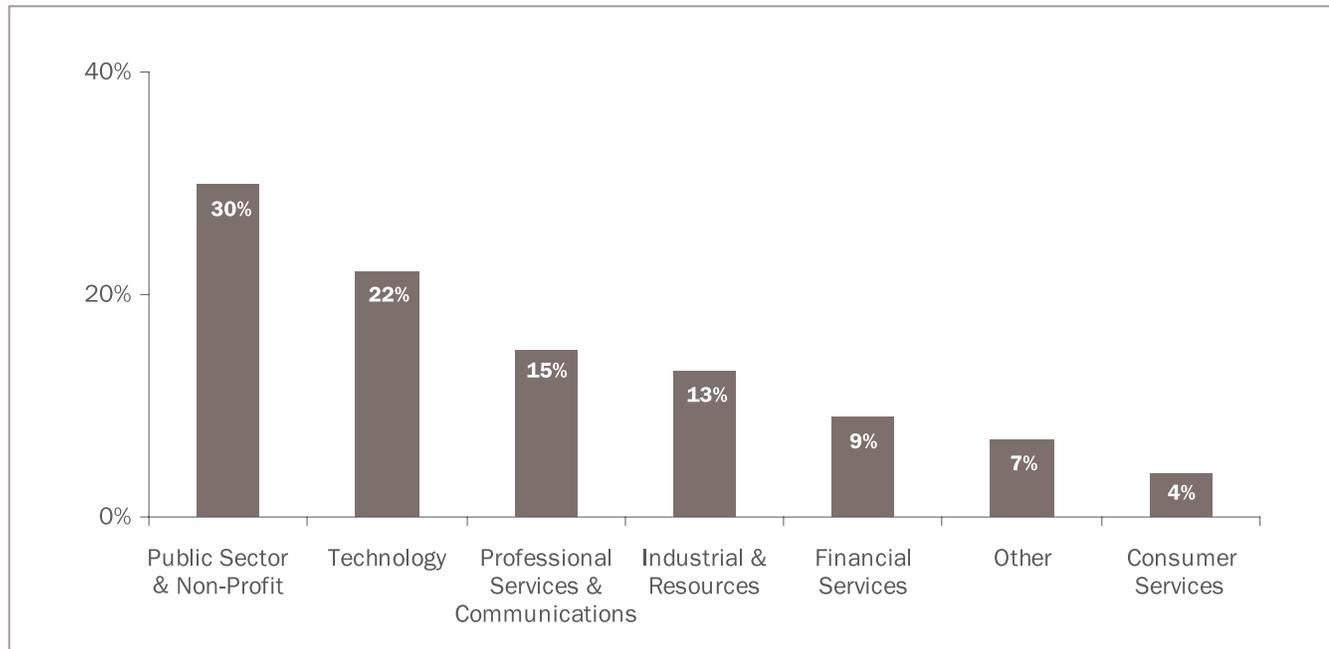


**Geographical Distribution of Respondents**

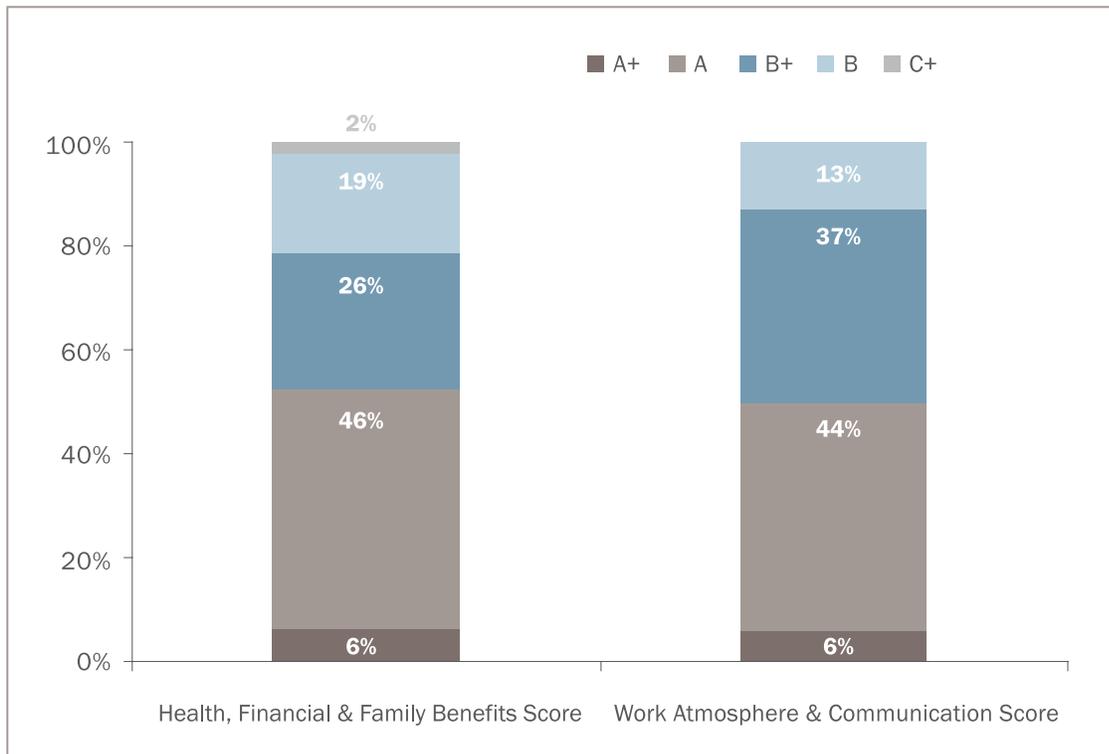


Note: 65% of our respondents have international branches.

**Proportion of Respondents by Industry**

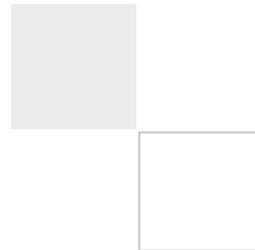
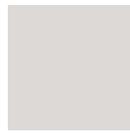


### Distribution of Grades Awarded by Top 100 Committee to Respondents



### List of Canada's Top 100 Employers for 2008

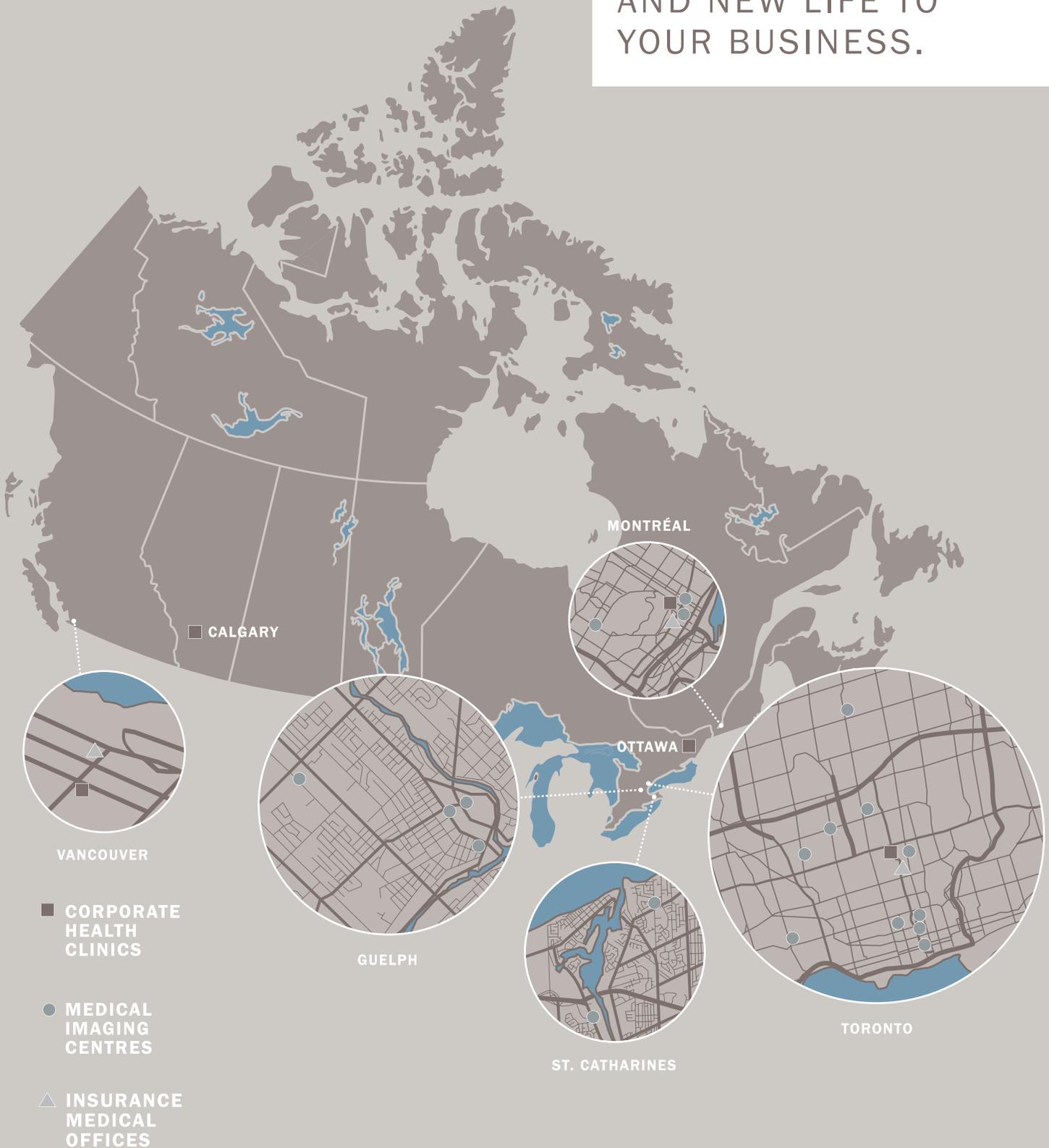
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|--|---|--|--|
| <p>AbeBooks Inc.<br/>                 Alberta-Pacific Forest Industries Inc.<br/>                 AltaGas Ltd.<br/>                 Appleby College<br/>                 Arcis Corporation<br/>                 Assiniboine Credit Union Limited<br/>                 Association of Management, Administrative and Professional Crown Employees of Ontario, The / AMAPCEO<br/>                 Bayer Inc.<br/>                 BioWare Corp.<br/>                 BitHeads, Inc.<br/>                 Blake, Cassels &amp; Graydon LLP<br/>                 Boeing Canada Technology Ltd., Winnipeg Division<br/>                 British Columbia Safety Authority<br/>                 Business Development Bank of Canada<br/>                 CAE Inc.<br/>                 Canada Post Corporation<br/>                 Catholic Children's Aid Society of Toronto<br/>                 Cementation Canada Inc.<br/>                 Ceridian Canada Ltd.<br/>                 Certified General Accountants Association of Canada<br/>                 Christie Digital Systems Canada, Inc.<br/>                 Deloitte &amp; Touche LLP</p> | <p>Diagnostic Chemicals Limited<br/>                 Durham Regional Police Service<br/>                 Emergis Inc.<br/>                 Enbridge Inc.<br/>                 EPCOR Utilities Inc.<br/>                 Export Development Canada<br/>                 Fairmont Hotels &amp; Resorts<br/>                 Farm Credit Canada<br/>                 Fidelity Investments Canada Limited<br/>                 Fidelity Investments Canada Limited<br/>                 General Dynamics Canada<br/>                 Golder Associates Ltd.<br/>                 Great Little Box Company Ltd., The<br/>                 Halifax Herald Limited, The<br/>                 Hamilton Health Sciences<br/>                 Hewlett-Packard (Canada) Co.<br/>                 Hill &amp; Knowlton Canada<br/>                 HSBC Bank Canada<br/>                 I Love Rewards Inc.<br/>                 IKEA Canada Limited Partnership<br/>                 Jacques Whitford Limited<br/>                 Keane Canada, Inc.<br/>                 KPMG LLP<br/>                 Laurentide Controls Ltd.<br/>                 L'Oréal Canada Inc.<br/>                 Manitoba Liquor Control Commission<br/>                 Mars Canada Inc.<br/>                 Marsh Canada Limited</p> | <p>MBNA Canada Bank<br/>                 McGill University Health Centre<br/>                 Microsoft Canada Co.<br/>                 Mintz &amp; Partners LLP<br/>                 Monsanto Canada Inc.<br/>                 National Arts Centre<br/>                 NB Power Holding Corporation<br/>                 New Flyer Industries Canada ULC<br/>                 Next Level Games Inc.<br/>                 North Atlantic Refining Ltd.<br/>                 Nycomed Canada Inc.<br/>                 Office of the Auditor General of Canada<br/>                 Ontario Power Generation Inc.<br/>                 OPSEU Pension Trust<br/>                 Patient News Publishing Inc.<br/>                 PricewaterhouseCoopers LLP<br/>                 Procter &amp; Gamble Inc.<br/>                 Progressive Solutions Inc.<br/>                 Radical Entertainment<br/>                 Research In Motion Limited<br/>                 Royal British Columbia Museum Corporation<br/>                 Royal Canadian Mint<br/>                 Russell Investments Canada Limited<br/>                 Sapient Canada, Inc.<br/>                 SAS Institute (Canada) Inc.<br/>                 Saskatchewan Gaming Corporation</p> | <p>Saskatchewan Government Insurance<br/>                 SaskTel<br/>                 Shell Canada Limited<br/>                 Sierra Systems Group Inc.<br/>                 Simon Fraser University<br/>                 Spruceland Millworks Inc.<br/>                 Suncor Energy Inc.<br/>                 Swiss Re<br/>                 Sybase iAnywhere Solutions, Inc.<br/>                 Syngenta Crop Protection Canada, Inc.<br/>                 TD Bank Financial Group<br/>                 Toronto Hydro Corporation<br/>                 Toronto International Film Festival Group<br/>                 Toyota Motor Manufacturing Canada Inc.<br/>                 Trican Well Service Ltd.<br/>                 University Health Network<br/>                 University of Toronto<br/>                 Urban Systems Ltd.<br/>                 Vancouver City Savings Credit Union (Vancity)<br/>                 Veer Incorporated<br/>                 Wardrop Engineering Inc.<br/>                 Whistler, Resort Municipality of<br/>                 Yellow Pages Group<br/>                 York, Regional Municipality of</p> |
|--|---|--|--|



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**For more information about this report, please contact:**

Randy McCaig  
Director, Product Management  
Medisys Health Group

Tel: 514-499-2777, ext. 3535

Email: [randy.mccaig@medisys.ca](mailto:randy.mccaig@medisys.ca)



**MONTREAL - Corporate Head Office**

500 Sherbrooke Street West, 11<sup>th</sup> floor  
Montreal, QC H3A 3C6  
Tel: 800-363-6737

**TORONTO**

95 St. Clair Avenue West, 12<sup>th</sup> Floor  
Toronto, Ontario M4V 1N6  
Tel: 866-651-5318

150 King Street West, 16<sup>th</sup> Floor  
Toronto, Ontario M5H 1J9  
Tel: 416-926-2698

**OTTAWA**

1545 Carling Ave, Suite 210  
Ottawa, Ontario K1Z 8P9  
Tel: 877-557-5550

**CALGARY**

321 6<sup>th</sup> Ave SW, Suite 960  
Calgary, Alberta T2P 3H3  
Tel: 800-363-6737

**VANCOUVER**

1090 West Pender, 11th Floor  
Vancouver, British Columbia V6E 2N7  
Tel: 866-681-2400