



Buy In Module 1.1 Transcript

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Welcome to Module 1 of the Buy In development cycle step!

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In this module, we will be building the business case for worksite health and wellness and exploring the importance of visible leadership support and culture.

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The goal for this module is to create buy in and leadership support for your worksite wellness initiative. By the end of this module, you will be able to:

- Identify three business motivations for implementing a worksite wellness initiative
- Understand the importance of visible leadership support and
- Build infrastructure and capacity for creating a healthy worksite culture including financial considerations

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Worksite wellness initiatives have numerous benefits for employees, worksites, and the surrounding community. Worksite wellness initiatives improve:

- Overall employee health;
- Employee productivity;
- Retention and recruitment of quality employees; and even
- The economic vitality of the broader community.

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And this is important, because safe and healthy employees:

- Are good for business and improve the bottom line
- Create a happier, less stressful, and more prosperous business environment
- Do better at their jobs and contribute more
- Miss less work and are more productive
- Enjoy their jobs more, reducing turnover costs

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Why is worksite wellness important to business?

Worksite Wellness initiatives are good business. Chronic diseases are the most common and costly of all health problems, but they are also often the most preventable.

There are many reasons to develop wellness initiatives. Here are the most common reasons that organizations report when implementing wellness initiatives:

1. Attracting and retaining top talent
2. Workplace productivity
3. Total employee health cost management

Let's explore each of these in detail.

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Let's dive into the first reason – attracting and retaining top talent.

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We know that the ability to attract, retain and engage top talent can be challenging in a competitive business environment. Many forward thinking organizations are offering wellness initiatives as a method of attracting and retaining employees.

Engaged employees are known to be ones that stay with organizations for many years and are central to creating a healthy and productive work culture. By engaged, we mean that employees are committed emotionally to the organization and its goals, which leads the organization to growth and (if applicable) profit.

Worksite wellness initiatives keep your current employees engaged and will attract new staff to your forward thinking organization.

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A second reason for implementing a wellness initiative is improving employee productivity.

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Worker productivity is impacted when employees aren't at work because they are absent or due to a disability. As employees become healthier, both absenteeism and disability may be reduced, along with worker's compensation claims.

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But another way in which productivity is impacted is something called presenteeism.

Presenteeism occurs when an employee is 'present' but they aren't fully productive because of an underlying health or personal issue. For example, if a worker with chronic back pain shows up to work but is not able to work at their top performance because they are distracted by their pain, this would be considered presenteeism.

Worksite wellness initiatives have been shown to reduce absenteeism and presenteeism, by engaging employees in a positive, healthy work culture, where their wellbeing is valued.

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The third reason to initiate a workplace wellness initiative is total employee health cost management.

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In the United States we operate in an employer-funded health care model. In many organizations, the cost of employee health care is an employer's second largest cost, after salaries.

Direct health care costs include medical and pharmaceutical costs. These direct costs for employers represent a smaller portion of the total employee health cost.

What is really costing employers are indirect costs associated with employee health like those mentioned in previous slides, such as absenteeism, temporary staffing, turnover, and lost productivity. These can also translate into customer satisfaction issues, variable product quality or other issues, which can be costly to businesses.

In Massachusetts, on average, direct costs of medical and pharmaceutical spending are in the \$9,000 per employee range.

The indirect costs, however, are in the \$18,000 to \$28,000 per employee range – this is two to three times the direct costs.

It is time to extend the focus beyond the direct medical and pharmaceutical costs of employers to also the indirect health care costs.

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So, can wellness initiatives impact health care costs? In some cases, yes, direct costs may be impacted.

Due to community rated health plans, small organizations may have little to no ability to impact direct health care costs.

Over the course of 3-5 years, health care costs can be impacted by implementing a truly comprehensive worksite wellness initiative.

Self-insured organizations have a better chance of seeing cost impact.

However, it's important to remember that there are other, more immediate benefits of a worksite wellness initiative besides reducing total employee health cost. The big takeaway is that worksite wellness initiatives can positively impact those indirect costs that significantly impact organizational culture and employee health and productivity.

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You just learned many reasons to start a wellness initiative. So where should you begin? How can you position your wellness initiative for success? Ultimately, your success lies in your

ability to create a work environment and culture that is more health conscious. Let's explore how the culture of your organization impacts employee health.

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The goal of a wellness initiative is to create a culture of health that integrates with the culture of the organization to support and enable healthy lifestyles for all employees. Healthy employees lead to a healthy business.

A healthy culture includes many things:

- Healthy lifestyles are part of the normal work environment and guide actions and decision making;
- Leadership makes the healthy choice the easy choice through policies, benefits and environmental supports;
- Leadership connects employee health and well-being to business goals;
- All levels of the organization are involved; and
- Opportunities to participate in wellness programs and policies are made available to all employees.

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Let's explore the importance of gaining visible leadership support for your wellness efforts as a way to create a healthy worksite culture.

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Wellness initiatives are more likely to create impact in organizations that have strong support from leaders. Senior management controls the resources needed to plan, implement, and evaluate the wellness initiative. Without their support, the initiative is bound to struggle to obtain buy-in and employee participation. Visible leadership support means actively participating and engaging in programs and interventions, creating a healthy worksite culture, building infrastructure and capacity, and allocating resources.

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In addition to senior management support, the support of middle management is equally important. Middle managers and supervisors are the direct link to workers and play a key role in motivating and communicating with employees. Middle managers are responsible for hiring, implementing and enforcing company policies. In this role, they can also be the gate keeper to participation. Some ways to get the support from middle managers are:

- Help them understand the bigger picture and how the wellness initiative links to the organization's priorities
- Help them understand what's in it for them, such as increased productivity, employee engagement and reduced turnover
- Invite a middle manager to be part of the wellness committee
- Provide ongoing communication on the initiative including participation and engagement data.

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So how can you begin to create this culture of health in your organization? Making wellness an organizational priority includes establishing the internal infrastructure to plan, implement, and evaluate your wellness efforts.

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Establishing the internal infrastructure and capacity to support the worksite wellness initiative is a crucial step of the process and will ultimately ensure the success and sustainability of your efforts. By now you should have your Sponsor, Champion and Committee in place, and you are beginning to work together as a team. This group of individuals provides the “muscle” to get things done, the ideas to keep things interesting, and the influence to keep your initiative moving.

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In addition to being the management spokesperson for the initiative, the Wellness Sponsor holds the key to allocating sufficient resources for worksite wellness.

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Necessary resources will likely include staff, committee time, resources like access to office equipment, and release time to participate in programs and interventions. It's important to direct and focus resources strategically to reflect your initiative's goals and objectives.

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Another component is financial resources. Where will the financial resources be allocated for the wellness initiative? You can expect to allocate your budget to the following areas: Payroll, Data Collection, Programming, and Incentives. As you build your wellness budget, remember to track all of these elements, including staff time and release time for programs and interventions.

Financial resources needed range from \$100 - \$400 per employee per year, exclusive of staff time and incentives, depending on how integrated your efforts are.

A comprehensive initiative may cost a little more in the beginning; however, the value on investment is far greater than less integrated wellness programs.

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Now, let's discuss program budget requirements. As every wellness initiative requires a budget, early planning and discussions with management and your committee on budget requirements will set you up for success as you continue through each cycle step of Working on Wellness.

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Every wellness initiative needs a budget. There are steps you will take and information that you will need to develop this budget. At this point, you don't have all that information. During the Assessment step of Working on Wellness, we will provide you with tools to collect information for use in developing your Worksite Wellness Action Plan and to identify what

financial resources you need to support the initiative. Later in the program, during the Assessment and Community Partnerships steps you will gather additional information to complete a full budget.

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From the Resources tab, download the Budget Template. You can begin to think about your budget. Once you complete the Planning cycle step, you will have all the information needed to finalize this template.

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In this module you learned the three business motivations for implementing a worksite wellness initiative. The three reasons businesses undertake implementing a worksite wellness initiative are 1) health cost management, 2) increasing productivity and 3) making the organization a great place to work. You also learned the role of visible leadership support; and the importance of building infrastructure and capacity for creating a healthy worksite culture. This includes budget and resources.

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Your next step is to meet with the Wellness Committee and become familiar with the Budget Template to prepare you for the Assessment and Planning cycle steps.

Don't forget to download the Key Takeaways and Action Item Checklist for this module from the Resources tab.

References from this module can also be found in the Resources tab.

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Congratulations! This concludes Module 1 of the Buy In cycle step. The purple icon with the green plus sign symbolizes the availability of additional resources. These additional resources are recommended to supplement what you've learned and are optional. They are not mandatory to complete the module. If interested, click on the Resources tab to access the supplemental Buy In tools. These tools can also be directly found in the Healthy Workplaces Toolbox.

To continue to the next module, click "Mark Complete" below.