



Your guide to evaluating the return on employee health & wellbeing

You've developed your employee health and wellbeing strategy and have successfully communicated it to staff.

The next step will be to evaluate the return on this investment, which is why we've put together this helpful guide.



With workplace health & wellbeing moving up the corporate agenda, more and more businesses

now recognise the benefits of taking care of your most important asset – your staff. Having a motivated and healthy workforce is vital, and can result in a competitive advantage.

You've already started your journey but are the resources and time you've dedicated to employee health paying dividends?

Over three quarters of employers do not measure return on their health and wellbeing investment and 63 per cent of organisations say the most prominent reason for their increased focus on employee wellbeing was 'we want our organisation to be a great place to work' (CIPD; Absence Management Survey, 2016).

Why measure and evaluate?

Effective evaluation will not only help you to justify spend, but will assess the impact your health and wellbeing strategy has had and any learnings to be taken forward. Combining different measurements can be the best approach; for example, a staff focus group and discussion, combined with hard, empirical numbers.

Where to start

Your evaluation should refer back to the objectives you set out to achieve when developing your health and wellbeing strategy. (How to win the case to invest in employee health and wellbeing)

For example, was the core objective to focus on health promotion, or was it more strategic, such as tackling absence?

Outlined below are some key performance indicator prompts that might help:

1. What were your finance objectives – to reduce absence, to increase productivity, to quantify a return in spend?
2. What were your HR objectives – greater staff engagement and motivation, reward and recognition, a greater feel good factor?
3. What were your employees' objectives – to feel cared for, feel valued, to feel healthier?
4. What were the management / board objectives – to make health and wellbeing a standard agenda item, return on investment for stakeholders, to support the delivery of the corporate strategy? Also, agree with the board how they'd like the results communicating. Will it be through the business plan, on a balanced scorecard, on a quarterly or annual basis? Ongoing communication and discussion about the results are key to embedding a wellbeing programme.



How to measure return on investment and business impact

Quantifying the return on investment really depends on the core objective you held. If the investment was driven by a financial metric you might be looking to recoup the cost (and more) using sickness absence rates as a basis. Alternatively, your core objective could have been to reward employees and in which case you might consider employee engagement levels.

Sickness absence rates and costs.

The sickness absence rate is the most commonly used health and wellbeing indicator, as it connects directly with health and productivity levels. It's estimated that mental health related presenteeism costs employers up to three times the cost of mental health related absence.

Begin by setting a pilot test period and start recording employee absence rates and costs by long-term and short-term absence. Findings should ideally be broken down by different departments, location (if applicable), roles, and type and cause of absence. The more accurate and detailed your sickness absence records are, the easier it is for you to collate valuable trend insight. For example, do some departments have higher absence rates than others? Have sickness levels dropped since implementing your health and wellbeing provision, or have absence durations shortened?

Having this information will help you to find small, but significant changes that may then be attributed to your employee wellbeing programme. Don't forget to assess any historical data that you may already have so that you have a benchmark to improve upon.

Results won't happen overnight, so make sure you openly communicate from the start. Initial evaluation might be collated over a 12 month period, however it's important to remember that a wellbeing programme is a long term strategy, and results must be captured, communicated and reviewed over a number of years in order to effectively track progress.

This should run alongside a well communicated absence policy and training for line managers to include timely completion of absence reporting and return to work interviews.

Few companies attempt to calculate the total cost of employee ill health, so for a quick estimate, you may want to check out the Absence Calculator on westfieldhealth.com/business/calculator

This pulls together direct and indirect absence costs, presenteeism costs, and existing company funding of employee health interventions. Do this at the outset and ongoing to track cost saving progress.

Productivity and capacity.

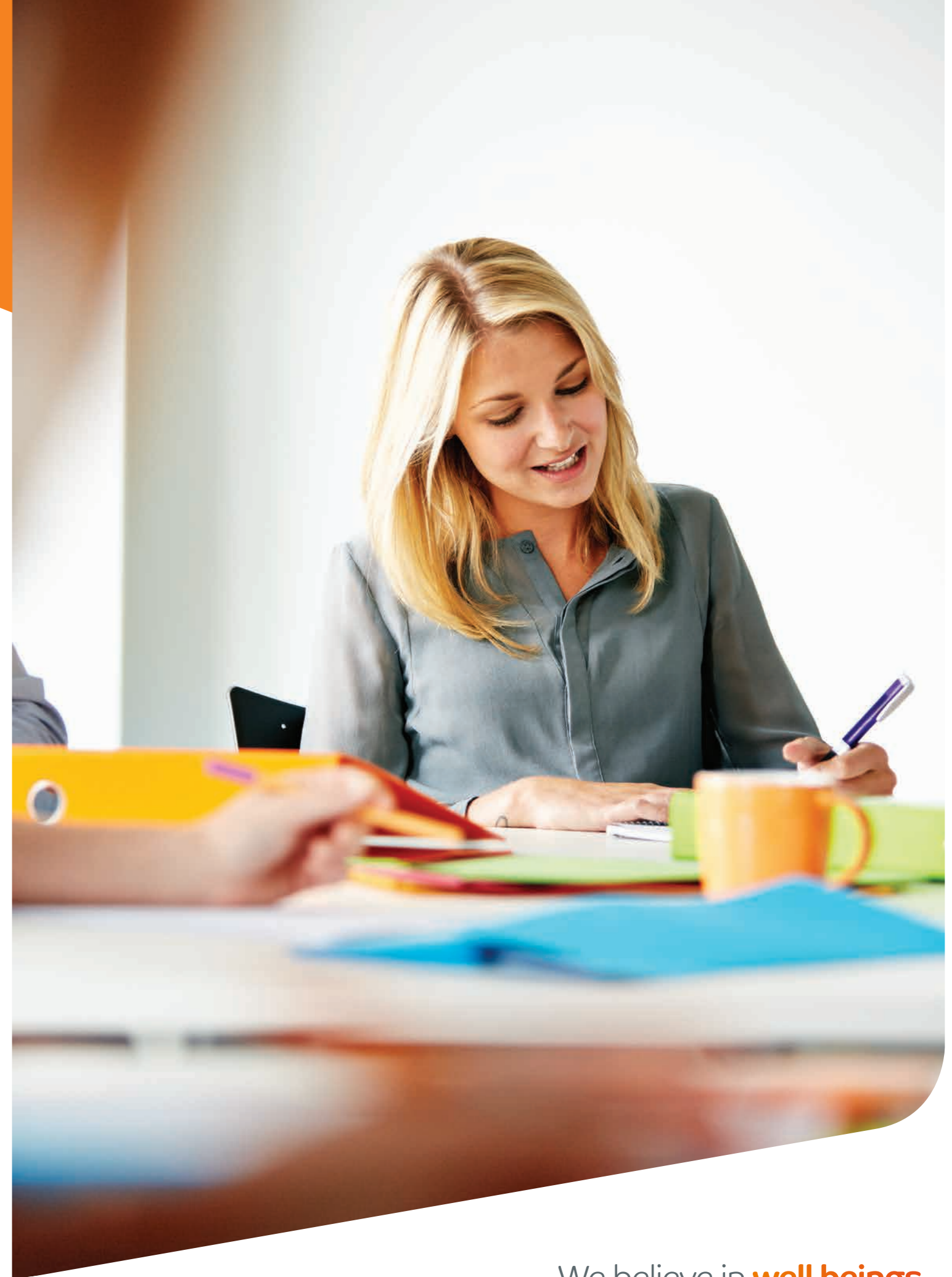
A further measurement you can do is to record productivity levels within the same pilot testing period. Do you process more enquiries, more orders, more sales, turnaround deliveries faster, etc.? These results could imply a boost to staff productivity. If you calculate absence days saved, you'll know the number of extra hours available to run the business.

Take up rates.

Utilisation of any benefits put in place and attendance at any events organised are obvious metrics to record and track. To start with, record which initiatives are the most popular, and what has the highest levels of engagement. Experienced health and wellbeing providers will provide management information that will indicate how popular benefits have been, and whether the benefits are being utilised.

You could also measure feedback from evaluation forms, inflated traffic or hits on any employee wellbeing portal / company intranet, email open rates, employee survey participation levels etc. If engagement is low, or lower than forecast, investigate why it isn't working.

Don't forget to highlight what is working well as this is a positive news story to the management.





How to measure employee engagement

You've satisfied the Finance Director, Management and the Board with your return on spend, how do you know if you are satisfying your employees' needs? Measuring staff engagement, motivation and overall feel good factor can be much harder. When you begin to truly believe in the physical and emotional wellbeing of your staff it can completely transform the face of your business, improve productivity and create a positive working environment, helping you retain staff and making you a desirable place for prospective employees to work.

Here are a few ways you could be measuring employee engagement on a regular basis and ensure your staff are well beings.

Do a staff survey or focus group.

A simple and cost effective way of getting an accurate measurement of satisfaction, motivation and engagement is to issue a survey to all employees. This can either be done online or through small focus groups. You could even incentivise staff to take part to ensure maximum response rates.

Short, frequent surveys are a great way to maintain a consistent pulse on the vibe in your place of work. Ask between 5-10 questions (max), about how people are feeling at work and what (if anything) you would change.

It's also a good opportunity for you to find out what employee benefits and other initiatives they value the most, and to evaluate whether your current offering reflects this. Why not have some champions or a focus group to draw out the steps that will help you to make improvements at a quicker pace.

| Key performance indicators to establish at the start of the programme | What does success look like? |
|---|---|
| Absence rates and costs | Decrease in days lost to absence |
| Engagement rates and employee satisfaction rates in relation to wellbeing provision and overall culture of organisation | Overall increase in staff engagement survey scores. Shift in the culture and behaviours – more motivated employees giving discretionary effort – through the staff survey Ongoing communication will be a critical success factor for take up rates |
| Productivity measures | Increased productivity levels |

Take the 'Mood test'.

An effective tool is the 'Mood test'. This test asks staff how they're feeling on a daily basis in very simplistic terms; Great, Good, Could be better, Not a great day, etc. It's quick for staff to do, yet the results can be very powerful. It could be hosted on your company intranet or a simple online poll, and can be issued at random times of the working day to capture everyday ebbs and flows.

Employees spend a large part of their day and the majority of their lives in the workplace, therefore how they feel about their work is important to know. You could do this before and after you launch your health and wellbeing strategy.

Be ready to act.

If you measure, you need to be ready to act. Many organisations review the results of a survey but don't act on it. There is nothing worse than asking your employees for their opinion and not doing anything with their feedback. Be as mindful and transparent as possible about what you want to do with the information once it's collated and how you are going to use it. Be transparent, as line managers in particular will need to be equipped with information on how to act on the information.

Another way to measure engagement is through one-to-one meetings with employees, or at a staff exit interview.

How much do metrics matter?

The emphasis on metrics can vary in every organisation depending on your particular objectives. It's important to have a basic understanding of the difference your health and wellbeing strategy is making to your business, along with a solid understanding of what is or isn't working well.

By linking all the data together from each area you can directly see and measure the impact of your new health and wellbeing provision.

These are just some of the key performance indicators that you should see improvement in by implementing a holistic health and wellbeing programme.

We believe in **well beings**

**Start your health and wellbeing
journey today:**

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