

Why do companies bother with wellness programs?

By [Dan Cook](#) August 6, 2014 •

Communicating about the company wellness program is directly correlated to significant cost savings associated with those programs, a survey from Buck Consultants of Xerox found.

Another striking finding: U.S. employers said their primary motivation for offering [wellness plans was to cut health care costs](#); respondents from outside the U.S. said their No. 1 reason was to improve employee morale and to reduce sick days and presenteeism – the phenomenon described as workers being on the job but not able to perform at the expected level.

The survey “shows an evolution in employer thinking to a much more holistic and measurable approach,” said Dave Ratcliffe, principal, Buck Consultants at Xerox. “Workers' wellness is now viewed as a state of well-being across the spectrum of health, wealth and career. Wellness is part of the employee value proposition. Social media, gamification, mobile technology, automated coaching and personalized communication are all part of the mix.”

The big-picture results offered yet more evidence that wellness programs are becoming a standard component of benefits package design around the globe. More than three-quarters of respondents said they “are strongly committed to creating a workplace culture of health, to boost individual engagement and organizational performance.” More than two-thirds of these employers told Buck wellness plans “are extremely or very important to attract and retain workers.”

Employers are taking wellness investments seriously, the survey showed. While in 2012, 36 percent said they measured wellness outcomes, in the latest survey, 52 percent were measuring the outcomes. To encourage participation, 52 percent of employers said they rely on a very simple tactic: offer reduced insurance premiums to those who participate.

And, as wellness programs continue to gain advocates, employers are committing marketing dollars to them, developing brands for their programs and communicating regularly with employees about their programs.

Buck said the finding about communicating regularly with employees about aspects of a wellness plan was a common theme among every U.S. company that reported “a lower health care cost trend of 6 or more percentage points.” These employers send out targeted email messages and often mail wellness news to their homes to underscore the company commitment to wellness. The number branding their wellness programs is rising: 43 percent of respondents internationally said they created a brand identity for their plans.

But employers still have work to do to achieve the participation numbers they'd like to see.

“Participation rates indicate that employers are still struggling to find effective approaches to motivate workers. And there is a significant gap between employers' stated desire to create a culture of health and their current progress in achieving this goal,” Buck said. Buck's sixth global wellness survey analyzed responses from more than 1,000 organizations in 37 countries.