Can your organization’s investment in a workplace wellness program deliver demonstrable value? Often times, that’s an important question to ask before implementing a wellness program. With that in mind, let’s take a look at what we know.

In the 2011 Buffett National Wellness Survey, almost 100 per cent of those surveyed planned to either continue or increase their wellness initiatives, but only 26 per cent were taking a strategic approach that included calculating an overall return on investment (ROI).

According to a March 2013 article in Benefits Canada, measurement is often the missing component in organizational wellness strategies. What organizations should be measuring are

• whether an organization’s strategies are making a tangible difference in employee health; and
• whether that difference results in a positive ROI.

According to the article, companies report positive ROI ranging from $2 to $6.85 for each dollar invested in their wellness initiatives.

Canadian return on investment study

In 2011, a strategic alliance called the Canadian Return on Investment Study launched new research as part of a two-phase, multi-year study of workplace wellness and ROI. Preliminary findings from phase one suggested that, in Canada, “there was insufficient data and analytical rigour to underpin a solid evidence-based business case.”

That said, the phase one findings also determined that wellness programs helped reduce absenteeism by between 1.5 and 1.7 days per employee each year. Given that, in 2011, Statistics Canada stated that yearly employee absenteeism rates ranged from 4.7 days to 11.2 days, this is a significant reduction. In fact, it translated into estimated savings of $251 per employee each year.

Interestingly, these findings were consistent with those found in a similar U.S.-based study conducted by Harvard University.

Five simple steps to measure ROI

Want to get started? Here are five simple steps for more effective measurement of wellness programs.

1. Gather baseline information about the current status of your employees’ health. This can be done using a health risk assessment (HRA). For example, data can include biometric measures (like blood pressure, cholesterol, body mass index, waist circumference or body fat), prescription drug usage, extended health benefits usage, absence and disability rates or lifestyle habits and their respective risk levels.

2. Identify desired outcomes for the program based on the health information collected about your employees.

3. Design wellness interventions that target key issues.

4. Measure progress along the way—you can perform repeat HRAs, if needed.

5. Determine a realistic timeline for assessing whether desired outcomes were achieved. In other words, did your baseline data improve after one or two years?

Historically, evidence-based research on the ROI of workplace wellness programs in Canada has been minimal. However, thanks to this relatively recent and collaborative research, there’s compelling evidence to suggest that workplace wellness programs can indeed provide significant ROI for organizations. This might just be the inspiration for more Canadian organizations to institute their own wellness programs.