



WORKPLACE WELLNESS: 5 CRITICAL TRENDS FOR 2014 AND BEYOND

By Lou Chapman





HERE'S THE DEAL

Workplace wellness is here to stay. But at the same time, it's an evolving and immature industry.

Which for 2014 (and the immediate future) means ...

As workplace wellness puts on its big-boy pants, it will merge into employee engagement, with the roles of consumerism, validation, and total quality of life taking center stage.



5 CRITICAL TRENDS THAT WILL AFFECT WORKPLACE WELLNESS IN 2014 LIKE HORMONES IN A TEENAGER

- 1. More vendor choice (and increased confusion)*
- 2. The continued merger of wellness with employee engagement*
- 3. Increased consumerism (including devices, motivation, and incentives)*
- 4. Heightened need for validation of results and market segmenting*
- 5. Greater focus on total quality of life*



NO. 1:

MORE VENDOR CHOICE (AND CONFUSION): THE FITNESS INDUSTRY IS KNOCKING ON CORPORATE AMERICA'S DOOR

Do you know what's getting the attention of the folks in your C-suite and is weighing heavily on the minds of the vendors offering status-quo workplace wellness programs?

The fitness industry, that's what. The fitness industry has cast its eye on corporate wellness and is putting pressure on the traditional health-based wellness program vendors — the ones that have held the inside lane from the start. The influence of the fitness industry is forcing the leaders of corporate wellness to rethink their goals and how they'll reach them.



51%

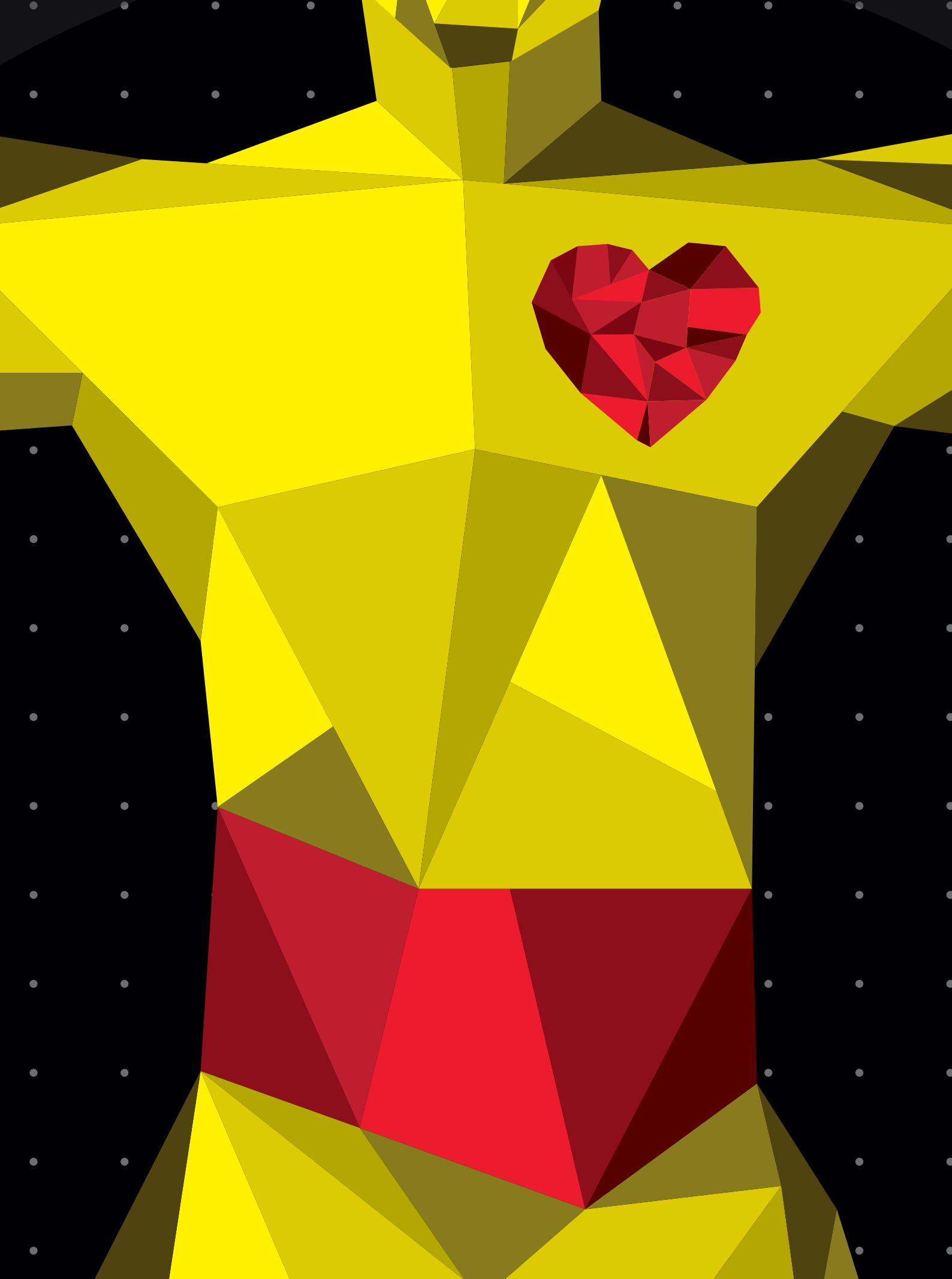
employers with 50 or more workers that offer a workplace wellness program

— *RAND, Workplace Wellness Programs Study, 2013*

\$6 BILLION

value of the workplace wellness industry in the United States today, with an estimated 500 vendors now selling programs

— *Reuters*



NO. 2:

THE CONTINUED MERGER OF WELLNESS WITH EMPLOYEE ENGAGEMENT

In 2014, corporate wellness will increasingly become a pure engagement play, continuing its evolution away from its roots in cost containment and its more recent iteration as a health and wellness move. Research has proved the positive results of rewards and incentives on wellness program participation, so it's a natural next step to merge wellness and engagement platforms that have traditionally ruled the roost for rewards and recognition solutions and tactics.

Plus ...





- ▶ ***The impact of the Affordable Care Act and the incentives it encourages will only further blur the lines between wellness and employee engagement.***
- ▶ ***The blending of wellness and employee engagement will in turn continue to take engagement beyond the walls of the workplace.***

- **61%** — employees who say incentives are a key reason they participate in wellness programs

— Virgin Pulse, based on a survey of 10,000 employees

- **78%** — employees who claim they're interested in participating in incentive-based programs at work

— Virgin Pulse survey



TREAT
EMPLOYEES
LIKE
CONSUMERS!

NO. 3:

THE INTERSECTION OF CONSUMER FITNESS TRENDS AND CORPORATE WELLNESS

Although employers say they support workplace wellness programs, employees aren't so excited:

- *Barely 1 in 5 employees who report that their physical activity is below recommended levels take the next step to participate in fitness activities through their wellness programs. — RAND*
- *Fewer than 7% of employees identified for smoking cessation participate in programs sponsored by their employers. — RAND*

What's an employer to do? One loud answer: Treat employees like consumers!



"Wearable technology, such as personal tracking devices and health and fitness monitors, are among the consumer items expected to appear in force during [2014]."

– Jürgen Hase, head of Deutsche Telekom's M2M Competence Center



To boost participation and sustain engagement over the long haul, workplace wellness programs are going to borrow more than a few pages from the world of consumer fitness. It's part and parcel of offering employees more consumer-like work experiences (i.e., no more paper-based benefits enrollment).

Other consumer-like wellness moves will include an increased use of incentives, a broader range of activities and programs, syncing wellness data programs with smartphones and other devices, and more.

14 MILLION

number of wearable devices
shipped in 2011
— IMS Research, 2013

170 MILLION

projected number to be shipped
in 2016
— IMS Research, 2013

\$6 BILLION

minimum revenue opportunity for
wearable technology by 2016
— IMS Research, 2013

485 MILLION

minimum revenue opportunity for
wearable technology by 2016
— ABI Research, 2013





NO. 4:

THE NEED TO PROVE ROI
WILL HEIGHTEN, MATCHING THE
DESIRE TO DO THE RIGHT THING

*The bloom is coming off the workplace
wellness rose.*

Corporate supporters of workplace wellness are going to have to start backing their do-the-right-thing exuberance with provable results and measurable ROI. This will become especially important as the number of vendors increases and employees expect more consumer-driven programs and tracking devices.



44%

companies with workplace wellness programs
that have evaluated them in detail

— Rand

2%

companies with wellness programs that are
able to estimate the savings in detail

— Rand



NO. 5:

THAT'S NOT AN EMPLOYEE, THAT'S A PERSON: WELLNESS EXPANDS TO TOTAL QUALITY OF LIFE

Wellness extends far beyond trying to get employees to complete a health risk assessment, exercise more, or stop smoking. The same way consumer-based fitness is offering ever-expanding menus of support for everything from stress reduction to financial investing, workplace wellness is going to broaden its scope to cover total quality of life.

- *Support beyond an employee's physical health is something the American workforce will increasingly expect from a corporate wellness program – and it ties directly to employee engagement.*
- *Workplace wellness is going to expand to include nutrition, emotional support, financial counseling, and more.*

Corporate wellness will, in essence, merge and blend with programs that have traditionally been related to employee-assistance programs.





Think total quality of life doesn't affect the bottom line?

WRONG.



Employees who feel their companies care about their total life – not just their life on the job – are also more likely to be engaged. (Which means higher performance.) They're much more likely to share beliefs that are found among engaged employees, including:

- They have the resources they need to do their work well
- Their manager or supervisor cares about them as a person
- Someone regularly encourages their professional development
- Their opinions at work count
- They have opportunities to learn and grow with their employer
- The mission or purpose of their organization makes them feel their job is important

— *Virgin Pulse Employee Engagement Survey, 2013*



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SUMMING UP FOR 2014

WE'RE EMBARKING ON A YEAR OF VISIBLE AND TANGIBLE CHANGE IN
WORKPLACE WELLNESS.

- ▶ Organizations already on the wellness path will find more of what they're looking for from consumer-grade innovation, options that will further fuel employee engagement, and an evolving emphasis on total quality of life.
- ▶ Newcomers to workplace wellness (as well as employers that have so far based their programs on doing the right thing vs. showing results) will demand proof points and measurable ROI to make sure wellness benefits their employees and the bottom line.

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About Lou Chapman

Lou Chapman is an editor at The Starr Conspiracy and a member of The Starr Conspiracy Intelligence Unit. Lou has developed brand and message positions for many category leaders in enterprise software, especially in the worlds of employee engagement and workplace wellness. He's also authored a small library of white papers, research reports, CEO blogs, website content, and more on topics within HR technology and human capital management. He's a certified yoga instructor, critically recognized art photographer, former benefits and compensation communications specialist, and Pulitzer Prize-nominated newspaper journalist.



About The Starr Conspiracy Intelligence Unit

There's a new era of enterprise technology that can finally unleash the full promise of human potential. If you're on board, we're ready to get you there.

The Starr Conspiracy Intelligence Unit (TSCIU) delivers growth-oriented strategy, research, and advisory services, providing the guidance and key insights you need to grow market share and increase profitability. Let's face it: The protectors of the status quo in marketing fall back on outdated formulas that won't deliver growth and aren't sustainable. We've seen it before and that approach to marketing is dead.

TSCIU takes your business as personally as you do and we will challenge you to shift your perspective. Most important, though, we deliver marketing clarity so you can make decisions with confidence.