



Safety Culture

## Workplace Wellness Programs Deliver Win-Win for Businesses: Cost Cuts and Recruitment Boosts

James Langford | Jan 26, 2023

**Manufacturers grappling with rising costs and a dwindling workforce are rediscovering a tactic effective against both: workplace health programs.**

Or, as they're known on the internet and among human resources professionals, workplace wellness programs. Their popularity is evident in the size of the corporate wellness market, which reached \$51 billion in 2021. The U.S. share accounted for \$18 billion, according to Grand View Research, and will probably balloon 4.3 percent a year through 2030.

The reasons for that growth, from curbing costs to retaining good employees, are straightforward. For starters, an *often-cited Harvard study* from 2010 indicated that each dollar spent on worker health lowered medical costs by \$3.27 and absenteeism expenses by \$2.73.

"Preventive health and wellness benefits are designed to help maintain or improve employees' behavior to achieve better health and to reduce health risks," the *Society for Human Resource Management says*. "By warding off health problems or lowering their incidence among employees, organizations hope to save on long-term health costs."

### Morale Boosters

Additionally, wellness offerings—which range from exercise programs to gym memberships and healthy diet initiatives—have been shown to boost employee morale and job satisfaction, potentially reducing turnover costs that reached \$617 billion in 2018, according to a report by the Work Institute.

That averages out to a cost of about \$15,000 per lost worker, a number that would gouge the bottom lines of manufacturers and metalworking shops contending with a U.S. labor shortage of about *500,000 workers* that *Deloitte Insights* estimates may reach 2.1 million by the end of this decade.

Wellness programs can curb that labor shortage by addressing some of the health concerns that worry job candidates. Among them are challenges related to shift work, which can disrupt regular sleep patterns for workers and lead to poor diet, partly because restaurant and grocery options are more limited than those available to their day-shift peers. Additionally, many factory positions require long hours standing, heavy lifting and repetitive motions that can cause long-term musculoskeletal

damage—some of which might be curbed via training, exercise and proper use of personal protective equipment.

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Dr. Jay Bhatt

Deloitte Center for Health Solutions and the Deloitte Health Equity Institute

"Expanding workplace benefits and programs to meet the needs of today's employees can give many organizations a competitive edge," says Dr. Jay Bhatt, director of the *Deloitte Center for Health Solutions and the Deloitte Health Equity Institute*. "And the list of how to stand out is long, from personalizing wellness programs and improving work culture to helping employees succeed at healthy work/life integration."

While the buzzwords describing such programs are new, the basic concept is much older—dating at least to the 1970s—which means there's a wealth of research on them available.

## Vaccine Clinics, Weight Loss Programs

Before any business sets one up, the Society for Human Resource Management recommends carefully considering costs and employee participation. The group, which offers toolkits and guides to its members, says popular programs include:

- Vaccination clinics
- Nutrition education
- Exercise programs and activities
- Fitness centers and fitness club memberships
- Health screenings for vital statistics such as blood pressure, cholesterol levels and body mass index
- Weight loss programs
- Smoking cessation programs

"While each corporate wellness program's endgame is generally the same, employers can choose from a wide range of activities and policies to help employees achieve their goals," Maryville University says in a report on corporate wellness programs.

"Some of these activities can be incentivized, such as office weight-loss competitions that offer gift cards for the top finishers," the report notes. "Others can be deployed to encourage long-term behavioral changes, such as supported smoking cessation programs or discounted gym memberships."

Despite the growth in wellness programs, there's still a substantial disconnect between how managers assess employee health and how workers themselves view it, according to survey results published in June by Deloitte and researcher Workplace Intelligence.

While managers describe the majority of employees as having excellent or good physical and mental health, 89 percent and 84 percent, respectively, workers have a much less rosy view.

Just 65 percent report their physical well-being is good or better, and only 59 percent say the same for their mental health.

Businesses setting up initiatives to address mental health concerns in particular should consider the following questions, global consulting firm McKinsey says in a *report*.

- Do we treat employee mental health and well-being as a strategic priority?
- Do we effectively address toxic behaviors?
- Do we create inclusive work environments?
- Do we promote sustainable work?
- Are we holding leaders accountable?
- Are we effectively tackling stigma?
- Do our resources meet employee needs?

Notably, only 56 percent of workers in the Deloitte survey say their employers care about their overall health, and both groups say heavy workloads and stressful jobs are the top cause of their concerns.

### **The Human Factor**

There are some steps workers suffering from job stress can take on their own, however, particularly when it comes to problems with coworkers and supervisors.

"Relationship science has spent 50 years figuring out how to have effective conflict conversations, mostly in the context of marriage and family relationships," Tessa West, author of *Jerks at Work: Toxic Coworkers and What to Do About Them*, told Jacqueline Brassey of McKinsey in an *article on toxic workplace behaviors* last year. "The same basic principles apply to workplace relationships."

A common mistake is ignoring the problem or making excuses for it rather than bringing issues up immediately.

"We wait until they stew—and they've been marinating so long we're super bitter and disengaged," West says. "Stress at work is death by a thousand paper cuts. It's a hundred different little deals that feel like one giant big deal. So if you start early and bring up specific behaviors, these conversations are pretty painless."