

Happy People, Better Business

Maximising the return of
your wellbeing investment



Putting a price on employee wellbeing

The importance of wellbeing to the performance of a business is increasingly being recognised. Wellbeing and employee engagement levels are more frequently being considered as leading indicators of performance and market value.

Alex Edmans, Professor of Finance at London Business School says

“Sceptics argue that employee engagement and wellbeing is a waste of money. I wanted to test this by looking at the future stock returns of the Best Companies. Studying future stock returns helps address the elephant in the room - does engagement cause better performance, or does better performance cause engagement? If it's the latter, then a Best Company in 1984 would already have good performance in 1984. But, then, its stock price would already be high in 1984, and so its stock return between 1984 and 1985 shouldn't be exceptional, because the starting point is already high. But how do you know that high stock returns are due to employee engagement and better wellbeing?”

It could just be due to industry trends or some other factor. For example, the tech industry has particularly high engagement scores, and this industry happens to have performed well. So, to isolate the effect of engagement, I controlled for what industry each firm is in, and for many other factors such as size, recent performance, and growth opportunities. After doing all this, what's the bottom line? I found that firms with high employee wellbeing and engagement delivered stock returns that beat their peers by 2.3-3.8% per year over a 28-year period - that's 89% to 184% compounded.”

So, it turns out, you really can put a price on wellbeing.



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Prof. Alex Edmans

London Business School

Triangle of Wellbeing



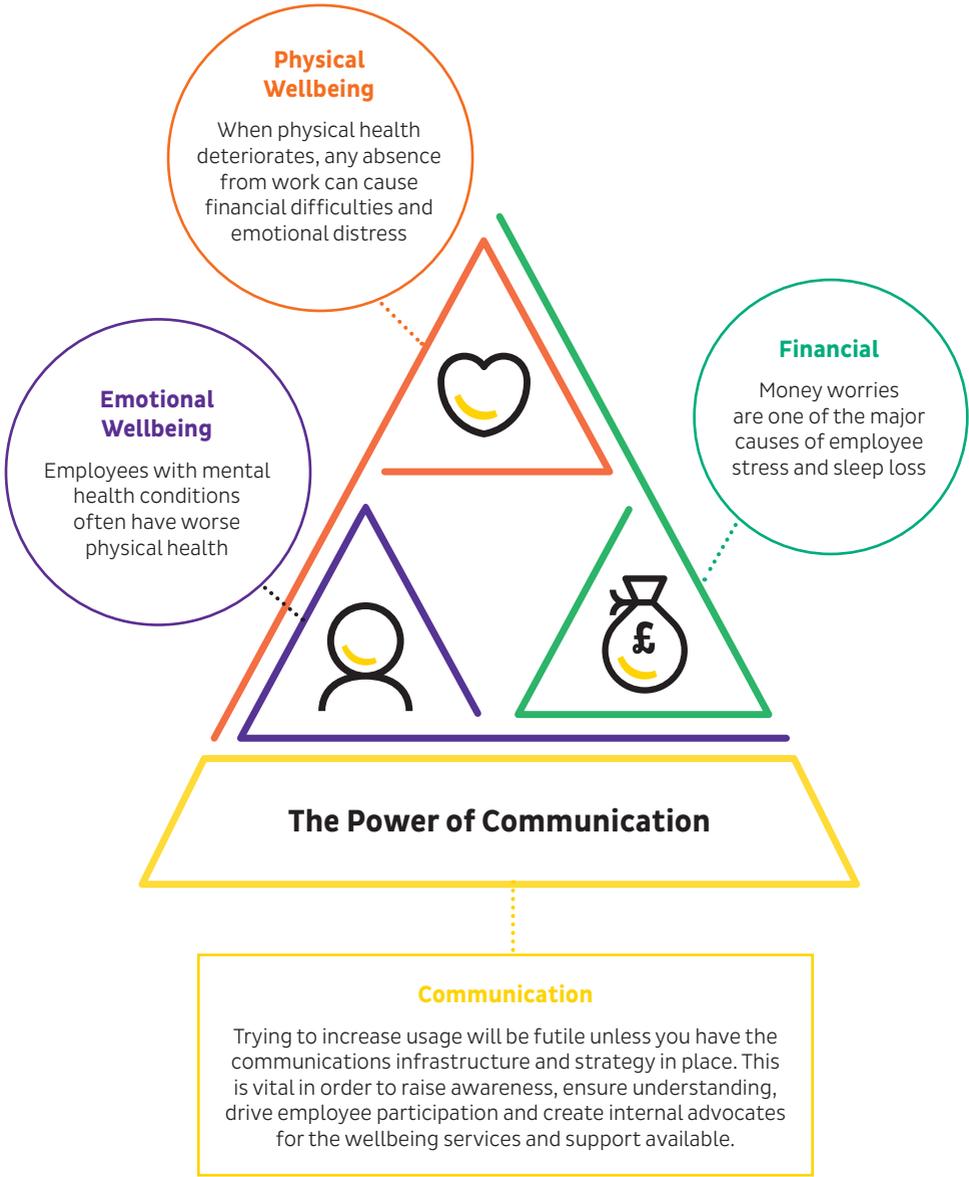
With 86% of mobile internet usage taking place within apps, if you want to drive usage of your wellbeing programme, an employee app could be the accelerant you need

Mark Scanlon
CEO, Personal Group

Holistic wellbeing is not a new concept, in 1948 the World Health Organisation published a report that said, "Health is a state of complete physical, mental and social wellbeing". We all know that financial worries can lead to sleepless nights and increased levels of stress. We know that physical illness can impact family finances and affect our emotional wellbeing. And with 1 in 4 UK adults suffering from a diagnosable mental health condition each year (*Health Assured, 2016*) we cannot ignore the effect of poor emotional wellbeing on absence, productivity and physical health.

Today employers recognise the need to support staff better with their emotional, physical and financial wellbeing but many programmes still suffer from low usage and poor adoption amongst staff. We believe the missing link in most wellbeing

strategies is an effective communications infrastructure that gives employees access to the resources they want, whenever and wherever they need them most. Any employee wellbeing support you provide will be futile unless you have a communications strategy in place to raise awareness, ensure understanding, drive employee participation and create internal advocates for the wellbeing services and support available. Fortunately, organisations already have this infrastructure in place – their employees' smartphones. The typical person checks their phone 85 times each day, with 86% of mobile internet usage taking place within apps (*University of Vienna, 2015*), so if you want to drive usage of your wellbeing programme, an employee app could be the accelerant you need.





What do you think about, when you think of employee wellbeing?

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Employee absence costs the UK economy over £105 billion per year



Physical Wellbeing

- Health assessments & screening
- Gym memberships
- Lifestyle & fitness advice
- Living with chronic and long term conditions
- Wearable health tech
- Dental & eyecare
- Sleep, nutrition and hydration
- Giving up smoking or alcohol



Financial Wellbeing

- Financial education
- Debt consolidation
- Managing inconsistent pay
- Saving for a wedding, deposit, holiday
- Childcare costs
- Improving credit scores
- Avoiding payday loans
- Pensions

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In 2016, 70% of UK employees were affected by financial worries



Emotional Wellbeing

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1 in 4 UK adults experience at least one diagnosable mental health problem in any one year

- Confidential helplines
- Face to face counselling
- Cognitive behavioural therapy
- Work/life balance
- Managing workload
- Legal advice
- Employee assistance programmes
- Coping with stress, depression, bullying, bereavement or discrimination
- Advice on relationships, spirituality and mindfulness

When you focus on wellbeing, good things happen

Employee Productivity Increases

Employees with poor wellbeing only produce **64%** of possible work output, while those with excellent wellbeing produce **83%**

Team Productivity Increases

Team output increases from **61%** to **81%** as a team's wellbeing goes from poor to excellent

Retention Increases

On average, employees with good or excellent wellbeing plan to stay with their employer **2 years longer** than colleagues with poor or average wellbeing

Job Satisfaction Doubles

Only **44%** of staff with poor wellbeing are satisfied with their jobs versus **89%** of staff with excellent wellbeing

How to drive employee participation in wellbeing programmes

Each organisation and industry will have different norms for participation. The average EAP usage is **10%*** but other data shows only **2%** average usage amongst blue collar employees. Benchmark your current employee participation and take steps to improve.

**EAPA's Market watch report*



How to get value from your wellbeing investments

Before you start...

1. Audit what you already have

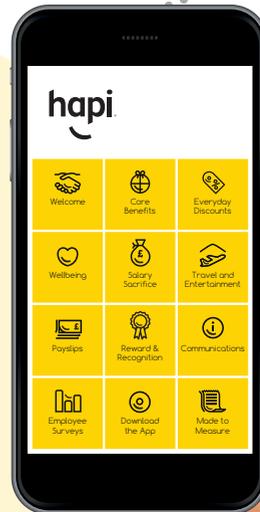
- What are staff currently using?
- What benefits are most valued?

2. Put it one place

- A single point of access, for all employees, wherever they are, whenever they need it.

3. Profile your employees

- Are they all desk based?
- Do they have access to company email comms?
- What challenges are they facing in and out of work?



Create Advocates

“You really need to try this, it's great”

Employee word of mouth is the most powerful way to increase awareness



Increase Awareness

“I didn't know we had that”

People won't use what they don't know about



Ensure Understanding

“I don't know what that is”

Through understanding employees gain confidence



Drive Participation

“That was easy to find and use”

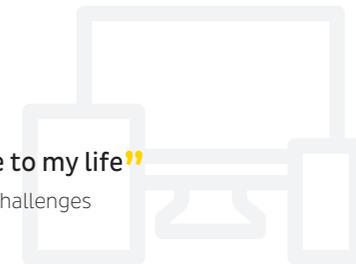
Communications and ease of access are key



Be Impactful

“That made a real difference to my life”

Provide services that address challenges your employee's face





John Ormond House
899 Silbury Boulevard
Milton Keynes • MK9 3XL

01908 605000

www.personalgroup.com