Employee engagement as an outcome has traditionally been defined as an employee’s “willingness to expend discretionary effort on the job.” But willingness, it turns out, does not necessarily guarantee ability.

With the increased demands created by technology, along with a growing skills gap and a more complex global economy, even the most engaged employee is likely running on empty. The challenge for employers is to inspire their workforce to bring more of their whole selves and full potential to work every day. But how can employees possibly do this if they are physically ill, suffering from low energy levels due to a poor diet, dealing with relationship challenges or experiencing high levels of stress due to financial woes?

Enter wellbeing.

As we speak, there is a fundamental change occurring in how employers view their role in the overall “wellbeing” of their workforce. More are shifting away from the idea of “wellness” as a rarely promoted, HR-owned benefits program to a more multi-faceted approach, implementing organizational-wide initiatives. This shift results in an increased awareness that wellness and wellbeing are simply not the same thing. In a nutshell, considering the wellbeing of employees provides a more holistic solution to managing the employee-life experience, whereas focusing solely on wellness potentially limits the solution to physical health alone. Health and wellness programs in many organizations tend to be heavily focused around avoidance tactics to keep employees from becoming physically ill. Unfortunately, that is where assistance tends to end. These programs are often unsuccessful in their efforts to drive positive results for individual employees or employers as a whole. They are narrowly focused in their scope, emphasizing reducing costs for the employer through achieving some sort of ROI on the programs and utilizing a carrot-and-stick approach with employees.

Conversely, wellbeing programs represent a broader construct that includes elements that go beyond physical, mental and emotional health to include elements of social and even financial health. Research on the benefits of wellbeing initiatives in organizations show:

- A potential increase in the wellbeing of other employees
- Employees staying in their jobs longer
- A lift in the organization’s stock market value
Organizations across the globe continue to be profoundly affected by issues related to employees’ physical health. From heart disease and obesity to lack of exercise and proper nutrition, the ramifications of poor physical health cost employees and employers billions of dollars in healthcare premiums and lost productivity. Economists agree this also has a huge impact on many countries’ economies.

While wellness initiatives may lead to increased awareness of physical ailments, they fail to connect the dots - let alone curb the overarching problem - in terms of how the issues are interrelated with other aspects of employees’ lives and work productivity. Recent research estimates that costs associated with a loss in work productivity in the U.S. specifically due to obesity-related medical conditions were between $390 and $580 billion annually. Wellness programs do little to resolve sickness absences and presenteeism levels in organizations. Presenteeism, the act of attending work while ill and not functioning at usual levels of productivity, can manifest itself in the workplace in many ways, including: making mistakes due to an inability to concentrate, poor quality work, impaired social functioning, burnout, anger, resentment, low employee morale and more time spent on tasks. Many of these issues are not solely connected to physical health - the focal point of wellness programs - but are the direct result of employees’ stress gone unchecked. Presenteeism may also be an indicator of poor employee engagement as research has found a link between low levels of engagement and employers who put pressure on their staff to come to work even when they are not well.

When the average U.S. worker spends more time working than sleeping (Bureau of Labor Statistics), eats more than half their meals on the job than at home and struggles to maintain a proper work-life balance, you’ve got a recipe for disaster. One that local gym memberships and free health screenings alone will not stop. To successfully do so, employers must equip themselves with a new approach capable of targeting the root of the problem and improving productivity and engagement in their workforce.
COMPONENTS OF EMPLOYEE WELLBEING

It’s pretty clear that wellbeing is a dynamic concept with many aspects and components. For the purposes of this report, wellbeing at work as a top-level concept consists of components depicted below:

It is important to note that neither acts alone and in most cases wellbeing components actually interact with one another. However, what appears to be true in most of the literature and the research is that all of these components interact substantially with organizational wellbeing, the HR and cultural systems and processes that define an organization’s approach to managing their people. In essence, organizational or “workplace” wellbeing is the “interaction between individual characteristics and those of the working and organizational environment.”

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Organizational Wellbeing

Employers can offer every possible healthy eating and smoking cessation program under the sun, but companies who overlook the atmosphere of the workplace setting are forgetting one of the most important factors that set the context for employee stress levels: management practices. Recent research on Toxic Work Environments led by Joel Goh of Harvard and Jeffrey Pfeffer and Stefanos Zenios of Stanford found that job insecurity increases the odds of reporting poor health by about 50%, high job demands raise the odds of having a physician-diagnosed illness by 35%, and long work hours increase mortality by almost 20%.

In the table below are three additional management practices that have been shown to have a high correlation with employee wellbeing:

<table>
<thead>
<tr>
<th>Management Practice</th>
<th>Impact on Wellbeing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feedback</td>
<td>Receiving direct and clear information relating to one’s performance is positively related to wellbeing at work. Feedback about an employee’s behavior helps to reduce uncertainty, which lowers stress and reaffirms employees’ beliefs about themselves and their performance (self-esteem/self-efficacy), and increases feelings of competence, both elements of eudaimonic wellbeing.</td>
</tr>
<tr>
<td>Control Over Work Environment</td>
<td>Employees who experience a high degree of control over their work environment - as exhibited through autonomy in decision making and application of skill to the job - report more satisfaction, fewer health problems and less stress.</td>
</tr>
<tr>
<td>Goal Setting - Clarity</td>
<td>Goal setting is an important component of employee wellbeing and can be used to assess the eudaimonic aspect of workplace wellbeing. In particular, employees who have clearly defined goals that are challenging, know what is expected of them and are provided feedback on progress toward achievement of their goals have been shown to have increased job satisfaction and feel a stronger sense of competence and achievement.</td>
</tr>
</tbody>
</table>

As illustrated, organizational wellbeing is about many things. Additionally, some other important factors not shown include: having meaningful and challenging work, as well as having an opportunity to develop skills and knowledge while maintaining effective working relationships in a safe and healthy environment. In order to do this, organizations must provide the right tools to get the job done while maintaining an optimal work-life blend for each and every employee.
Mental Wellbeing

A mental health approach to wellbeing focuses not merely on the absence of mental illness but on the presence of something positive, such as happiness. By focusing on strengths versus weaknesses, positive psychology and constructs related to psychological capital can play a more impactful role than an emphasis on what is “wrong” with an individual. Positive psychology is the scientific study of the strengths that enable individuals and communities to thrive, whereas, psychological capital is defined as the “positive and developmental state of an individual as characterized by high self-efficacy, optimism, hope and resiliency.” In both cases, individuals can be taught these skills.

Mental wellbeing is manifested through attention to emotional and psychological wellbeing. Healthy levels of emotional and psychological wellbeing in the workplace allow people to realize their full potential, cope with the stresses of life (including work), work productively, and ultimately make meaningful contributions to their organization.

The mental health of employees will be affected by many different things including organizational culture, the type of work they do, how much they feel engaged and supported at work, as well as their own life circumstances and lifestyles.

Start with the following steps to help support employees:

• Consider a strengths-based approach to assessing performance.

• Train employees to improve their own psychological capital. Negativity and anxiety over the unknown can breed an environment of frustration and ambivalence.

• Recognize and support of employee accomplishments; whether privately or publicly, recognition is an essential component in developing supportive relationships and a culture where employees feel and see how their work impacts others.
Physical Wellbeing

There are several interventions that employers can take to encourage an atmosphere of participating in regular physical activity as a part of the workday. These might include:

• Sponsoring teams of staff to take part in organized walks, runs, hikes or cycles.

• Encouraging staff to take breaks during the day during which they can engage in physical activity (remember to lead by example).

• Purchasing active workstations such as treadmill desks and bike desks. Make them available in individual departments or in the corporate gym and allow employees to book time on them through your corporate scheduling system.

Other initiatives to think about that often are forgotten include making sure secure, and if possible, covered bike parking is available. You might even consider paying for your employees to take road safety courses so that they can acquire the confidence to commute to work by bike, especially in more congested areas or when the weather is bad outside.

Eating Healthy

What we eat and drink has an impact on our physical health, mental wellbeing and performance at work. Eating a well-balanced diet can help to improve mood and mental wellbeing, improve sleep quality and reduce an employee’s risk of various chronic health conditions such as heart disease, stroke and cancer. The evidence showing the benefits of healthy eating makes a case for employers to encourage healthy eating amongst their staff.

Employees should be encouraged to make healthy food choices and practice mindful eating. Here are a few ways your organization can help them to develop healthier eating habits:

• Ensure healthy options are available in cafeterias or at catered meetings.

• Make fruit, vegetables and other healthy eating options readily available to staff at cost to encourage healthy snacking.

• If your organization doesn’t have a cafeteria or healthy food options nearby, ensure that your kitchen(s) is well stocked with cooking utensils for those who would like to heat up food from home and that appropriate food storage is available for packed lunches.

• Give employees the option of contributing to a weekly fruit and vegetable order from the local green grocer/farmer’s market.

• Coordinate a group of employees who may want to go in on a local community co-op.
Our understanding of wellbeing in the workplace must now extend beyond the traditional physical, mental and emotional elements to also include financial wellbeing. “Financial stress is listed as the #1 stressor for U.S. adults for the 7th year in a row according to a 2015 report by the American Psychological Association, *Stress in America, Paying with our Health*. It was also found to be the main cause of stress-related illnesses such as depression, anxiety, high blood pressure and muscle tension/back pain.

Given the potential impact of financial worries on both an employee’s mental and physical health, consider including programs in organizations that are uniquely tailored to help employees take action and gain control of their finances.

**Here are a few ways to help ease the financial woes of your employees:**

- **Offer in-office educational programs to help employees make better decisions about how they spend their money and how they save it to minimize risk and subsequent stress.**

- **Consider the use of social or gamified technology to allow employees to see how they are spending their money. This type of technology can also motivate employees to set small, achievable goals for themselves around spending or savings and to track in real-time how they are progressing against those goals.**

- **Utilize a multi-pronged approach to communicating the existence of financial wellness programs, both online and offline.**

- **Automatically opt employees in to retirement plans. Doing so can positively influence savings over their lifetime.**
Social Wellbeing

Perhaps the most important factor in overall employee wellbeing is the relationships employees have with their immediate manager and co-workers. Research consistently shows that employees are more engaged at work when their leader cares about them as a person. Additionally, Gallup research highlights the importance of workplace friendships and supports the idea that people who have high-quality friendships on the job are seven times as likely to be engaged in their work. Friendships at work also appear to be vital in the optimal functioning of work teams. When negative situations occur at work, strong friendships help to build social resources that can be relied upon for emotional support. Humans are social by nature - we live in communities. Our individual health and wellbeing are intricately tied to the health of our communities and our interactions with others. In fact, researchers have found that our social networks have “three degrees of influence” on both our happiness. To explain further, let’s use obesity as an example. Research indicates that friends can influence friends to gain weight or lose weight, but there’s an inherent limit on how much you can influence other people (in other words, influence doesn’t go beyond three degrees). The average obese person is more likely to have friends, friends of friends, and friends of friends of friends that are obese than would be expected due to chance. Similarly, with happiness, these same researchers found that people who are at the center of social networks tend to be happier, and as people move closer to the center of their networks, their happiness increases.

In conclusion, social influence is a powerful contagion factor that can affect many different health behaviors such as weight gain/loss, smoking cessation, exercise, mood, and even altruism (think, “paying it forward”).

This has significant ramifications for the design and communication of employee wellbeing programs focused on encouraging group participation in physical challenges and healthy-eating initiatives. Using social networking tools in an organization can help bring employees together to leverage peer support and increase the likelihood that a population gets healthier.

The Pivotal Role that Technology Plays in Behavioral Change

The key to making lasting lifestyle and behavioral changes is increasing knowledge and awareness of those behaviors and the impacts the behaviors have on our lives. The best way to gain awareness of behaviors is through feedback. Feedback also enables us to compare the consequences of our behavior to our current goals and adapt when the behavior does not fit the context. Research on the use of feedback delivered through a well-chosen digital technology appears to be well suited to disrupt undesired habits and increase the chances of durable, lasting behavior change.

In another study, researchers found similar patterns in the effect of health mashups. Health mashups refer to apps that integrate activity-tracking data with biometric data such as weight, food intake, sleep, etc. Participants who integrated their activity-tracking data with other data were able to build better awareness of contextual wellbeing patterns in their lives and focus their change efforts based on this new awareness. Additionally, researchers found that participant’s sustained use of the feedback technology increased. These findings highlight the role technology has as a powerful tool to increase awareness of overall wellbeing and highlight specific and actionable areas for targeting.

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Organizational culture is defined as the shared understanding of the values and beliefs in an organization that shape the guidelines and rules for behavior (norms). These values and norms, both expected and exhibited in conjunction with leadership behavior, are the driving forces defining an organization’s culture. When it comes to building a culture of wellbeing in your organization, you will need the support of key members of your organization, starting at the top.

Employees look to their leaders for cues on how to model their behavior. So, for example, if leaders regularly send out e-mails in the evenings and over the weekends, it’s a near guarantee that their direct reports will feel compelled to read and respond to them. Not surprisingly, even when leaders explicitly say they don’t expect responses on late at night or on weekends, their actions speak louder than their words.

The “values” that shape organizational culture are not merely those values that are typed up and laminated for employees to tack up next to their computer monitors. These are the values that are deeply rooted and visible to everyone in an organization. If your organization states they “value” work-life balance and flexible work arrangements, this means your leaders must not only avail themselves of these values, they must also create visibility for their employees.

Ultimately, it does not matter how many policies and programs an organization may devise around wellbeing, if those at the top aren’t using them, then those attempting to climb the ladder will take this as a signal that they shouldn’t either. This sends a very strong signal to the rest of the workforce, as well. Having leaders provide wellbeing programs isn’t enough either. They need to use the options in a way that is visible to the rest of the organization.

While it is essential to have the support of senior managers, the use of internal champions to communicate the wellbeing message is very effective in helping to embed wellbeing into the workplace. This requires the wellbeing message being made relevant to every level of the organization with champions and supporters openly encouraging their colleagues to greater achievements. Wellbeing champions also play a huge role in establishing and maintaining cultural norms that encourage healthy behaviors.
Research around the benefits of wellbeing initiatives in organizations show that they can even increase the wellbeing of other employees, can result in employees staying in their jobs longer, and can increase the organization’s stock market value. However, to be effective, employee wellbeing needs to be part of a regular business dialogue and deeply embedded into organizational culture. Leaders need to create an environment that promotes a state of contentment, allowing their employee to thrive and flourish, not just get by. This will ultimately lead to the achievement of employees’ full potential for the benefit of themselves, their organization and the greater community.

SUMMARY

SOURCES:

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Dr. Michael M. Moon is the CEO and Principal Analyst for ExcelHRate Research and Advisory Services which provides strategy and advisory services to HCM vendors and is the founder of MMM & Associates an HCM Consultancy. Michael’s areas of expertise include the processes and technologies that support performance management, employee engagement, wellbeing social technology, and analytics. She conducts research, writes and speaks on a wide range of topics including learning, organizational culture, social capital, HR analytics, employee engagement and wellbeing. Dr. Moon, most recently served as the Research Director for Aberdeen Group’s Human Capital Management practice. In addition, Dr. Moon also has 15 years of experience as an HR practitioner, working for Thomson Reuters, Vistaprint, Aon Hewitt, Raytheon and John Hancock. She received her PhD in Human Capital Management from Bellevue University and her Master’s in HR from Suffolk University and an MS in Musical Theatre from the Boston Conservatory. Currently, Dr. Moon resides just south of Boston, MA with her daughter, Mia, and when not denying her role as a soccer mom, spends her free time playing in her garden.

About Virgin Pulse

Virgin Pulse, part of Sir Richard Branson’s famed Virgin Group, helps employers create workforces that are happier, healthier and ultimately more productive in all aspects of their personal and professional lives. The company’s modern, mobile-first platform delivers a personalized user experience that utilizes gamification to engage users in building habits that inspire meaningful and measurable change across individuals and the business. By helping employees thrive at work and in all aspects of life, Virgin Pulse is helping change lives and businesses for good. Unlike narrowly focused employee health solutions, Virgin Pulse’s solutions span the full wellbeing spectrum – from traditional wellness to strategic wellbeing – providing organizations with solutions that are appropriate for them today and tomorrow. More than 2,500 organizations representing many of the Fortune 500 and Best Places to Work have selected Virgin Pulse’s solutions to engage their workforces and drive their businesses forward.

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