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Emotional Wellness:

The Next New Frontier for Wellness Programs



Henry S. Miller

President, The Miller Group

hmill@millergroup.com

408.395.0110



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The Miller Group • P.O. Box 1537 • Los Gatos, CA 95031

408.395.0110 • www.millergroup.com • hmill@millergroup.com

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Executive Summary

Summary

When it comes to wellness, much has been accomplished both in the U.S. and globally in this first decade of the new millennium – and there is more to do in the decades ahead.

Whether wellness programs are called health promotion, health improvement, health and well-being, disease prevention or simply wellness, positive results have been achieved in what could be labeled “a good beginning” to a continuing and growing wellness trend.

But, even with this positive decade of results, wellness programs are still not universally accepted in the U.S. or globally. Worldwide, although 64% of employers say they have a wellness strategy, two thirds of these say it is not yet completely implemented. North America leads with 77% of employers offering wellness programs and they are growing in popularity throughout the rest of the world. Multi-national employers are leading the way with 41% having a global wellness strategy – significantly up from 22% in 2008.

In the United States, the top strategic objective for wellness programs is to reduce health care and insurance costs. These escalating costs are a competitiveness issue that is putting ever-increasing pressure on U.S. employers. As a result, the primary focus so far has been on physical health, primarily physical activity and exercise. But, globally, the U.S. is an anomaly. In the rest of the regions of the world, the top health risk and issue driving wellness strategies is stress. Accordingly, the major focus in these regions is on improving productivity, workforce morale and engagement while reducing “presenteeism” (when employees are at work but not fully productive because of chronic health issues).

Wellness remains a work in progress. Many companies have restructured and rebranded their programs – and are achieving solid results. Incentives are increasingly being offered to encourage participation. Where measured – particularly in the larger organizations and the multi-national employers – the return on investment (ROI) for wellness programs is solid – one major study shows a \$3.27 return per every \$1 spent on wellness. Some ROIs are higher. Of note in the U.S., of the employers who have measured the effect of wellness programs on their health care cost trend rate, 43% report some reduction – typically from two to five percentage points per year. However, globally, only 22% of employers are using financial metrics to validate their wellness programs’ success. Nonetheless, even if not rigorously measured, positive results are being achieved. Wellness programs are finding acceptance and are moving from just being an amalgam of benefits to being a strategic

initiative. Testimony to their value is the fact that wellness seems to be no more subject to resource cuts than other areas of the business during this latest downturn.

But there is still more to do.

Studies by organizations like Buck Consultants and the Business Roundtable foster the sharing of best practices and the emerging trends – promoting a wider dissemination of the solid beginnings by the wellness leaders both in U.S. and around the world.

Rapid growth is predicted in wellness for at least the next few years.

Additional focus on physical health continues to be needed – particularly in the U.S. – and programs will need to move from participation gains to a focus on improved outcomes. But there are significant challenges ahead. For example, the largest study yet completed on the effect of financial incentives on weight management programs resulted in an average weight loss by participants of only a little more than one pound (actually 1.4 lbs.) per person.

Moving beyond physical wellness, strong growth is also predicted for wellness services targeted to improve the psychosocial work environment – to enhance work/life balance via flexible job structuring, reduction in commute times and offering concierge services. This trend reflects an increasing awareness among employers that management practices and work environment can have a significant impact on the health and well-being of employees.

One dimension of wellness that shows great promise is emotional wellness – both to accelerate efforts to continue to improve physical health and to help fight stress for employees while improving overall performance, productivity and bottom-line results.

In what could be described as a parallel universe, during this same first decade of the new millennium that corporate wellness programs were achieving initial success, the new field of Positive Psychology was also uncovering dramatic positive potential for performance and productivity improvements by individuals in the workplace based on increasing their feelings of emotional well-being. Based on studies by leading psychologists around the world, these improvements in emotional well-being can result in performance improvements of up to 10% to 25% and superior coping with stress – both major drivers of wellness strategies.

This convergence of the economic benefits of physical wellness with the proven benefits of Positive Psychology's studies of emotional well-being makes emotional wellness one of the most promising possible new staples of wellness programs in companies of all shapes and sizes around the world in the future.



Conclusion


Overall, wellness programs in the U.S. and around the world are off to a good start and have made measureable progress so far – particularly in the area of physical wellness and especially by the companies that have emerged as wellness leaders. The future looks bright for a continuation and growth of wellness initiatives – and the potential results demonstrated by psychologists' research-to-date indicates a clear opportunity for additional dimensions of wellness to emerge. In particular, emotional wellness looks to be the next new frontier for wellness programs both in the U.S. and globally.

Emotional Wellness:

The Next New Frontier for Wellness Programs

Overview


When it comes to wellness, much has been accomplished in the U.S. and globally in this first decade of the new millennium – and there is still more to do in the decades ahead. Although major strides have been made in many vital areas of physical wellness – health risk and biometric risk assessments, weight management, disease management, smoking cessation are among the most popular components of many of the leading wellness programs – there remain untapped-as-yet areas of future focus such as emotional wellness that have the potential to generate equivalent or greater benefits both for the individual employee and for their employer in the form of improved performance and productivity.



What is Wellness

Interestingly, there is no agreed-on global consensus on a consistent definition of the term “wellness.” Often, other terms such as health promotion, health improvement, health and well-being and disease prevention are used in place of wellness. The Buck Consultant’s 2009 third annual global wellness survey report entitled “Working Well: A global Survey of Health Promotion and Workplace Wellness Strategies” defines wellness as “programs designed to improve the health and well-being of employees (and their families) in order to enhance organizational performance and reduce costs.” Charles B. Corbin of Arizona State University gives us this definition from the individual’s point of view: “Wellness is a multidimensional state of being describing the existence of positive health in an individual as exemplified by quality of life and a sense of well-being.” A multidimensional concept, the most commonly mentioned dimensions of wellness are, in addition to physical wellness: social, occupational, spiritual, intellectual, emotional, financial, mental and environmental wellness – or, put into two broader categories – physical and mental wellness.

Significantly, much of the focus-to-date has been on the various aspects of physical wellness, leaving mental wellness – including emotional wellness – as a future frontier promising benefits for both employees and their employers at least as significant as those received so far.



Much has been Accomplished

Around the world, keeping employees healthy, happy and at work has remained a priority even during this latest economic downturn. According to Buck Consultants' Global Wellness Survey 2009 which represents more than 10 million employees in 1,103 organizations in 45 countries, wellness has morphed into more of a strategic program than just a series of benefits or "perks" for the employees. And these programs are holding up against the pressure to reduce costs: even though 24% of employers are cutting back on wellness services as a result of the economy, another 19% have increased services in an effort to keep employees healthy.

Growth. Globally, although most employers offer at least one service that promotes good health for their employees, comprehensive wellness programs are not yet universal. Overall, 64% of employers polled said they had a wellness strategy, but two-thirds said they had not yet completely implemented their plans. Wellness programs are most common in North America – where 77% of responding employers offered them – and their popularity is growing in Asia, Europe, Latin America, Africa, Canada and Australia. Although exact comparisons are problematic, this 77% compares favorably with the estimated 25% of U.S. companies with corporate wellness programs in 1996. Multinational employers have made significant progress since last year with 41% now having a global wellness strategy – up from 22% in 2008 – and 48% have globally centralized ownership and responsibility.

Strategic Objectives. Reflecting the difference in national health care policies, in the U.S., where employers pay on average 80% of the cost of healthcare for their employees, the main objective of wellness programs is to reduce healthcare and insurance costs. The latest Business Roundtable Survey of Wellness Programs at 73 of their member companies from 2006-2007 reinforces these global trends citing "healthier employees" and "lower cost of benefits" as the two major reasons for U.S. corporate wellness programs. Wellness is much more of a competitiveness issue globally for U.S. employers. However, everywhere else in the world – where employers pay very little or none of the cost – the main objective of wellness programs is to improve productivity, reduce "presenteeism" (when employees are at work but not fully productive due to personal health issues such as chronic diseases) and improve workforce morale and engagement.

Health Risks. This divergence of strategic objectives is also reflected in the health risks or issues driving wellness programs regionally around the world. Consistent with their focus on obesity/weight management and fitness, lack of physical activity and exercise and poor nutrition were cited as the top two health risks in the U.S. and Latin America. In the U.S. especially, this initial focus of corporate wellness programs on physical health has strong roots and makes eminent sense. According to Nico Pronk, Ph.D., there is an explicit connection between worker health and business performance. Four behaviors cause nearly 40% of all deaths in the U.S.: poor diet, tobacco use, physical inactivity and alcohol use. According to the CDC, more than 45% of the U.S. population have at least one chronic condition – and spending on chronic diseases accounts for 75% of total health care spending. Obesity is one of the major root causes of chronic disease – raising the risk of heart disease, Type 2 diabetes, many cancers and other diseases – and it accounts for nearly 10% of the amount that the U.S. spends annually on health care. The difference in annual health care costs between lean (Body Mass Index (BMI) of 25 or less), never-smoker, physically active versus overweight (BMI of 27.5 and higher), smoker and physically-inactive employees is 49%. Since the productivity loss for employees who engage in these four negative behaviors is about five times higher than that of employees who adopt the reverse habits, it is no surprise that U.S. companies are focused on reducing these negative physical health behaviors.

In all other regions of the world, however, stress was cited consistently as the top health risk – consistent with improving productivity as their top strategic objective. Even though not yet reported as one of the top three major drivers of wellness strategies in the U.S., stress is a major issue as another key contributor to productivity loss and absenteeism. In a 2007 public opinion survey, 74% of workers reported that work is a significant source of stress and 55% are less productive with 20% missing work as a result of stress.

Services. Of all the services offered in wellness programs worldwide, the most popular are immunization/flu shots (in the U.S., Canada, Latin America), biometric health screenings (in Asia, Africa) and discounted gym and fitness club memberships (in Europe). As was noted by the Buck Consultants study, the focus in the U.S. is on physical health – on-site flu shots (97%), health fairs and on-site screening (91%), health risk assessments (HRAs) (80%), nurse/health advice lines (84%). More targeted health interventions have become increasingly common such as weight management (85%), disease management to help reduce complications from chronic conditions such as asthma, diabetes and coronary heart disease (82%) and smoking and tobacco cessation (74%). And, since employee participation depends in part on how available and accessible wellness services are, U.S. Business Roundtable companies have taken this to heart in their support of physical health and wellness, offering on-site fitness facilities in at least one location (73%), on-site employee health clinics (57%), on-site education including brown bag lunches (81%). And, if they don't have wellness facilities at every facility, 27% subsidize the cost of membership in a local health or fitness facility while 36% pay part or all of the cost of local weight management, smoking cessation or other wellness programs. And this effort is not new. Of the 73 U.S. Business Roundtable member company survey respondents, 42% have had wellness initiatives for more than 10 years while more than 50% have been in operation for at least five years. Some of these fitness centers such as at **IBM** and **Texas Instruments** have been in place since the 1960s in one form or another. Today, health seminars and other wellness education is often offered via technology such as telephone, internal TV systems, CDs or over the web using web portals, webinars or downloadable programming. **IBM**, for example, offers its U.S. employees a personal wellness experience called a Virtual Fitness Center (VFC) via a portal allowing them to personalize their wellness vision and strategies. Companies also tailor their wellness offerings based on their various diverse populations – both globally in terms of language and by making adjustments to their offered services to take age into account. Corporate leaders play a key role in establishing a culture of wellness by their visibility nationally and locally, their messaging and their actions on an ongoing basis as well as by incorporating business case analysis and ROI returns into their goals and measurement business systems.

Incentives. To increase participation in wellness offerings, financial incentives are most frequently used in the U.S. (by 56% of U.S. employers surveyed) and in Asia (by 42%). These incentives can take the form of gifts, merchandise, raffles, cash, free or low-cost prevention services and subsidized gym memberships. Consistent with Buck Consultants' study result of 56%, 69% of the Business Roundtable pioneering companies indicated they use some form of financial and non-financial incentives to encourage employee buy-in and participation. Similarly to the Buck examples, the most popular include cash, gift certificates, rebates, logo gear and public recognition. Some U.S. companies are using CDHPs to offer positive (and sometimes negative) financial consequences based on healthy or unhealthy choices, behaviors and/or outcomes.

Although until recently a U.S. phenomenon, incentive rewards are increasingly offered by employers around the world. Employers in other global regions are following the U.S. and Asia lead on incentives: in Latin America, financial incentives are currently offered by 17% and in Africa by 26%, but in both geographies, 41% of employers plan to offer them in the

future. Buck indicates financial incentives range from minimal amounts of less than \$10 per employee to more than \$2000 U.S. dollars per employee per year in the U.S. – averaging \$163 per employee in the U.S., up from \$145 in 2008. Yet, some cautions are in order. In addition to making sure to comply with the HIPPA guidelines and the ADA rules, while incentives may get employees' attention, their long-term impact may be limited. Many employers perceive them as only being moderately successful. Instead, according to speakers at the 16th Annual Art and Science of Health Promotion conference in Las Vegas, *intrinsic* rewards such as improved health and an improved life experience are what really motivate people to stay committed to the wellness initiatives.

Progress. Many companies such as **CIGNA, MetLife, The Dow Chemical Company, Schering-Plough Corporation, Texas Instruments, Corning, IBM, Intel and Verizon Communications** have rebranded and revamped their programs in mid-decade – often by integrating all the various services and health-related initiatives together under one in-house brand. And with great success: **Intel** increased HRA completion from 10% to 38%, employee satisfaction has averaged 95% and achieved a significant reduction in risk factors, a slowing in overall health care spending and potential productivity boosts. As companies expand and integrate their wellness programs into their culture, many are targeting their interventions for specific individual employees' needs based on their expressed readiness to change – often using their health risk assessments (HRAs) to identify conditions that are now or could become problems in the future. And these programs often take care to extend wellness services to not only their covered employee population but also to include families of employees (39% of Business Roundtable surveyed companies do this), part-time employees (68%) and retirees (41%).

Some companies such as **Texas Instruments** are using a more behavioral or holistic approach to identify employees at risk while **Humana Inc.** is already beginning to broaden the definition of wellness to include multiple dimensions of wellness beyond just physical wellness to create even more comprehensive and valuable programs.

Emerging Trends. One new approach is to encourage employees to take greater responsibility for their well-being by using Consumer-Driven Health Plans (CDHPs) which combine high-deductible health care coverage with Health Savings Accounts (HSAs) to give employees the financial incentives to make thoughtful decisions while shielding them from catastrophic costs. Emerging strategies in approximately two dozen U.S. companies also indicate a movement to create a culture of wellness within a company by integrating wellness with other corporate initiatives and to communicate the benefits and opportunities available across the employee population to increase participation, to focus on each employee's health challenges and to continue to build the business case for wellness by tracking costs, assessing productivity gains and calculating return on investment (ROI).

Some companies are moving beyond the tried and true physical wellness approaches and tackling the need for healthier lifestyles and stress reduction by saving employees time and money. For example, **Accenture** brings Work-Life balance home by extending 24/7 backup dependent care services to children as well as to elders, spouses and domestic partners as part of their holistic approach to wellness. In addition, according to Jack Poll, director recreation and employee services, **SAS Industries** offers convenience for daily errands, incentives for participating in gym activities and amenities including an on-site health club, two pools, soccer and baseball fields, a track, racquetball and tennis courts, a hair salon, skin care services, a massage and physical therapy center, dry cleaning pickup, alterations, car detailing, a podiatrist and a bakery. Some Silicon Valley companies are players here also. In addition to **Intel's** wellness innovations, **Google** offers on-site physician and dental care, workout facilities, a café and snack room, dining facilities and a company chef (who used to cook for the Grateful Dead), child care, on-site dry cleaning and a laundry room,

massage rooms, yoga and day care, a barber shop, car washes and a 20% time program to keep engineers engaged by allowing them to spend 20% of their time on projects that interest them.

Leadership. As is the case with most successful company-wide initiatives, senior management plays an important role in the success of wellness programs. By modeling the core values of their company, enlightened senior leaders have been effective in focusing their employees' attention on wellness. Examples abound – and range from establishing wellness as a core company value to making sure wellness progress and results are part of the senior executive team's dashboard of key measurements to personally – and quite visibly – participating in fitness challenges and weight loss programs. In all cases, forward-thinking senior executives have been instrumental in their company's wellness success – and, by “walking their talk” and modeling their values, they have not only enhanced their credibility but have also been able to truly “do well by doing good” for their most valued assets – their employees – and for their bottom-line.

Measurement. Interestingly, worldwide, only 22% of employers use financial metrics to validate their wellness programs' success. But, in the U.S. where calculating effectiveness and ROI are more important – particularly at large and multinational companies where wellness programs can involve a significant investment (almost 40% of the Business Roundtable companies spend more than \$200,000 annually and 20% spend at least \$1 million), of those who *do* measure, 43% reported a reduction in health care costs of typically 2 to 5% annually – a significant savings on the growing health care bills of many employers. Many companies use qualitative as well as quantitative measures to place real dollar amounts on their results, often citing ROIs like MetLife's 2.52:1 for its fitness program, **Corning's** 3.7:1 for its disease management program over two years, **Aetna's** 3.4:1 for its physical fitness component, **Principal Financial Group** of 2.71:1 for disease management. To relieve themselves of the burden of tracking and analyzing data, many companies are turning to vendors to provide their ROI and cost/benefit metrics. Many such as **Aetna, DuPont, Sprint, Corning, CIGNA and IBM** are also using outcomes and multiple other metrics to measure how well their wellness programs are serving their employees.



Wellness Works

No matter which measurement approaches are utilized, the conclusion seems to be the same: wellness works. Barry Hall, the Buck Consultants' principal who directed their survey, summarizes: “Wellness is globally relevant ... both to organizations and to individuals. [For] organizations, it's about improving performance, competitiveness of the organization. For individuals, it's about improving quality of life for every person that works for the organization and their families.”

Evidence. According to a February, 2010 meta-analysis of the literature on costs and savings associated with wellness programs performed by Harvard researchers entitled “Workplace Wellness Programs Can Generate Savings,” a \$1.00 investment in corporate wellness programs could save employers \$3.27 in healthcare costs and also reduce absenteeism costs by \$2.73 per dollar invested. By lowering doctor visits and treatments and medication, companies will have lower claims and can then lower premiums. And this

ROI indicates that wider adoption of wellness programs could not only improve health outcomes but also be beneficial for costs and productivity.

Perhaps even more significantly, it doesn't take much improvement for wellness initiatives to pay off for employers. Based on a CDC study reported by Dr. Ron Goetzel of Cornell University, in general, employers can earn back the cost of wellness programs in five years just by reducing risk factors by less than .2%. As a specific example, Dr. Goetzel found that **Dow Chemical** needed a .17% reduction to break even on their wellness investment. More significantly, a 1% improvement would yield \$3 for every \$1 spent, a 300% ROI, which would mean a savings in health care costs for their 26,000 employees of \$10 million per year or \$50 million over 5 years.

And the evidence is mounting. **Motorola's** comprehensive corporate wellness program saw a modest increase in health care costs of 2.4% while national health care costs rose by about 9% in 2009 according to studies by Hewitt Associates. A **Massachusetts General Hospital** researcher concluded that "Voluntary wellness programs can successfully address weight loss and lifestyle behaviors for employees in all weight categories, but more work is needed to improve long-term changes" after their 12 week, team-based workplace wellness program helped employees lose weight (about 3%) and reduce their risk of heart disease. A Polish study demonstrated that aerobic exercise leads to a significant improvement in exercise capacity and a significant reduction in levels of inflammatory makers in men with heart disease – even one year later. Studies by the University of Michigan and **Johnson & Johnson** showed more advantages of corporate wellness programs including \$1,100 per year savings for each employee who stops smoking, \$1,200 per year on employees who reduce their cholesterol levels from 240 mg to 190 mg, \$269 per year for each employee who increases fitness and \$177 per year for employees who go from obese (more than 30 lbs. overweight) to a healthy weight for their height and age. Savings can be up to \$13 million per year. Separate studies with **Steelcase** indicate wellness programs can reduce costs for serious illnesses such as heart disease by identifying high-risk employees and encouraging them to change their behaviors – saving an estimated \$20 million over 10 years. **Coca-Cola's** fitness program recouped \$500 per year per employee and at the **Coors Brewing Co.**, corporate wellness statistics showed a savings of \$5.50 per \$1 spent on fitness – with an additional positive side-effect of participants' absenteeism dropping by 18%. And in Canada, a wellness program promoting physical activity at a worksite was evaluated after 12 years of operation. Findings indicated that, for each worker, the wellness program saved \$679 in medical claims per year – a return of \$6.85 on each dollar invested.

Wellness programs have multiple benefits and multiple beneficiaries. A successful program can reduce chronic disease risk, decreases rates of illness, injury and disability and reduce absenteeism. It can not only reduce the hard dollar costs of health care costs, health insurance premiums and turnover but can also improve other measures such as increased satisfaction, increased productivity, healthier lifestyles – as well as enhancing retention and improving company loyalty. And not just for large companies. According the latest **Principal Financial** Well-Being Index, almost half – 45% -- of American workers at small-to-medium-sized companies would stay at the jobs longer because of employer-sponsored wellness programs. And 51% of workers believe wellness programs are somewhat or very successful in reducing health care costs. Of the workers surveyed, 47% said they participate to achieve better physical health overall, 40% say they are encouraged to work harder and perform better while 26% miss fewer days of work.

Clearly, by any measure, wellness is a win-win situation for employers and their employees.

Challenges Remain

Yet in spite of the success of corporate wellness programs in leading companies around the world, clouds remain on the horizon.

Employee Dissatisfaction. According to the latest report by The Conference Board, employee satisfaction has decreased to 45% -- the lowest level ever recorded in the 22 year history of surveys, down from 61% in 1987. Not unexpectedly, these results are down from 49% in 2008 – no doubt due, at least in part, to this latest economic downturn. But the surprise is: the lower results are not completely due to recent events. The study notes that while this harsh recession is partly to blame, worker dissatisfaction has been on the rise for more than two decades. Linda Barrington, the managing director of human capital at The Conference Board, says “It says something troubling about work in America. It is not about the business cycle or one grumpy generation.” Although 64% of workers under age 25 were the most dissatisfied, attitude issues about the work environment were universal. Only 56% of workers say they like their co-workers, down from 68% in 1987. 51% say they are satisfied with their boss, down from 60% two decades ago. And 56% say they are satisfied with their commute compared to 63% in 1987 – even as commute times have grown longer over the years. Key reasons given for this level of dissatisfaction include incomes not keeping up with inflation, soaring cost of health insurance eating into take-home pay, and fewer workers consider their jobs to be interesting. Not surprisingly, a Kaiser Family Foundation survey found that between March, 2007 and July, 2009, the percentage of respondents who reported being worried about losing their job soared from 33% to 55%.

Economic Insecurity. Corroborating this level of dissatisfaction are the results of a new Rockefeller Foundation study which found that Americans’ economic insecurity is at a 25 year high. By looking at three typical measurements of economic insecurity – decreased income, high out-of-pocket medical bills, and lack of savings, the study found that an estimated 20.4% of Americans were classified as economically insecure in 2009 – up from only 12.2% in 1985. One in five Americans are projected to experience a decline of 25% or more in household income during 2009 and 2010. Declines of this magnitude typically need six to eight years for their income to recover. Almost simultaneously with this study, Ben Bernanke has predicted that unemployment will hover between 7 and 7.5% through the end of 2012 with some other estimates of the downturn extending it to 2014. Not surprisingly, 25% of those surveyed said they were “very worried” about their family’s finances compared to 12% in 2007. In February 2007, fully 65% of respondents answered “Yes” to this statement: “Compared to 10 years ago, do you think Americans today have less economic security.” One reason for this level of discontent might be that, although average post-tax income has risen since the late 1970s, those economic gains have largely gone to the rich. According to the Congressional Budget Office, between 1979 and 2006, before this latest downturn, average after-tax income rose by 21% for the middle fifth of American households but increased by 112% for the richest 10% of households and by 256% for the top 1%. The rich *are* getting richer, just like everyone says they are. And, at the same time, medical costs have soared much faster than inflation, health insurance coverage has declined and levels of household debt have risen.

Wellness Outcomes. And there are other challenges. Even some of the major strategies and positive results from existing wellness programs have come under fire. In perhaps the largest effort to date to evaluate the effect of financial incentives on weight loss, an observational study by Cornell University found that the average weight loss in most companies was a little more than one pound (actually 1.4 lbs.) per person.

More to Do

So, even with the successes so far from corporate wellness programs in companies around the world – proven services, improved participation, positive results, solid ROIs – there are still clear opportunities for companies in the wellness arena that promise results equal to or even greater than those achieved in physical wellness during this past decade. In fact, the entire health and wellness industry is a growth area. Entrepreneur.com magazine named it as one of the top 10½ business trends to watch this decade – and with good reason due to healthcare reform, aging baby boomers and more emphasis on preventive care.

Other Dimensions of Wellness. As they move beyond a focus on physical wellness, one dimension of wellness that is the most probable target for leading companies both in the U.S. and worldwide is the next new frontier in wellness programs: emotional wellness.

Emotional wellness, or emotional well-being, involves how we feel about life – our ability to cope with stress, our satisfaction with our jobs and relationships, how well we manage our health disorders, our overall quality of life, our ability to find meaning and purpose in life and our overall feelings of happiness and satisfaction with life.

Emotional Well-Being Matters. During this same first decade of the new millennium while corporate wellness programs in the U.S. and globally achieved the improvements in physical health and wellness that they have, researchers in the new and still-emerging field of Positive Psychology have been researching the connection between emotional well-being and performance and productivity in the workplace – among other things. And their findings have eye-opening potential for wellness programs in companies around the world. In fact, some companies like **UBS**, **American Express** and **KPMG** have already begun efforts drawing on the psychological research that exists in this arena – hiring speakers and happiness coaches to help employees have more positive attitudes. Potential benefits are robustly promising.

It has been repeatedly proven and is now generally accepted that the following results from being a person with a high level of emotional well-being – a happy person:

Success. Overall, people with high levels of emotional well-being are more successful across multiple major domains of life including work, social relationships, income and health. In addition, the relationship between well-being and success seems to be reciprocal: not only can individual success – whether in love or at work – contribute to feelings of happiness, but happiness also results in more success. In this way, higher emotional well-being becomes an even more worthwhile pursuit, both as a desirable *end* in and of itself *and* as a *means* to achieve other significant life goals.

Personally. Happy people more frequently exhibit characteristics that parallel success and thriving – such as being strikingly energetic, optimistic, decisive, flexible, more creative and original, more prone to altruism to help those in need, more self-confident, more forgiving, more charitable and more sociable. Compared to unhappy people, happier people are more trusting, more loving and more responsive. They have greater self-control, can tolerate frustration better, are less likely to be abusive, are more lenient and demonstrate enhanced coping skills. Higher feelings of subjective well-being have even been suggested to lead to later financial prosperity.

Socially. Happy people have more friends, richer social interactions and correspondingly stronger social support. They are more likely than their less happy peers to have longer and more satisfying and fulfilling relationships and marriages.

Work. In addition to bringing all their positive personal attributes to work, people with higher levels of emotional well-being have been proven to be more likely to consistently show statistically-significant higher job performance and achieve greater productivity, have lower rates of absenteeism, deliver a higher quality work product, be superior decision-makers, receive more positive evaluations and a higher income. They also are able to think more broadly and creatively and can accept a wider range of possible actions, demonstrate better interpersonal behaviors and are less likely to be in conflict with other workers – all as a result of their being happier. On the other hand, employees with low levels of well-being and job satisfaction are more likely to quit. And these benefits were not limited just to individuals. Teams of employees who had more buoyant moods and who encouraged each other earned better customer satisfaction ratings and higher profits.

Physical Health. Employees with higher levels of emotional well-being are physically healthier, more likely to exercise, experience less pain, are more active with more energy and even, not surprisingly, live longer. They have lowered stress levels and stronger immune systems that fight disease more effectively and are even more likely to demonstrate better cardiovascular health. They are less likely to engage in unhealthy behaviors including smoking, unhealthy eating and drug and alcohol abuse. By comparison, people with lower levels of emotional well-being are more vulnerable to various illnesses including depression.

Mental Health. Happy individuals construe daily situations and major life events in relatively more positive and more adaptive ways that seem to reinforce their happiness. They are also less likely to exaggerate any criticism, however slight, that they may receive, as opposed to unhappy individuals who react to life experiences in negative ways that only reinforce their unhappiness.

Said simply, as is evident from this summary, high levels of emotional wellness – being a happy person – offer significant benefits in all major domains of life – at work and at home – both for every individual who feels this way and, by extension, for any company or organization that employs them. These benefits alone could make emotional wellness a valuable tool for potentially maximizing organizational outcomes.

A now overwhelming volume of research supports this view.

And these results are not limited to the U.S. According to Dr. Eugenio Proto, professor of economics at the University of Warwick in the U.K., happiness also raises productivity – and by 12%. Professor Andrew Oswald also of the University of Warwick concurs. The results of his research shows clearly that not only were happier people significantly more productive than unhappy people, but also that people who had been very unhappy adjusted slowly but, over time, grew more productive again. This potential for improvement in productivity could inform future investments to improve emotional wellness.

Thomas Wright, a professor of management at Kansas State and the author of many studies has quantified the potential impact of these performance improvements – calculating that higher levels of well-being could improve job performance by between 10% and 25%. He states succinctly: “Simply put, psychologically well employees are better performers. Since higher employee performance is inextricably tied to an organization’s bottom line, employee well-being can plan a key role in establishing a competitive advantage.”

A Convergence. As we can see, the benefits of a psychologically well workforce can be quite consequential to employers, especially during this current, continuing economically-

challenged environment. This convergence of economics and happiness (or emotional well-being) was recently signaled by Ben Bernanke, Chairman of the Federal Reserve in the U.S. during his commencement speech at the University of South Carolina on May 8, 2010. He chose “The Economics of Happiness” as his topic and then proceeded to deliver a summary of this past decade of happiness research and its implications for policy makers and for individuals and the companies who employ them – a summary which incorporated many of the research findings above – and, although not articulated, pointed the way for the future of wellness programs.

What’s Next

With these results in mind – including the increased potential for performance and productivity improvements based on increased feelings of emotional well-being – the question for companies as they look forward becomes:

How can our corporate wellness program increase the emotional well-being of our employees so we can reap the proven benefits for our workforce?

The good news is that the proven paths to increased emotional well-being are clear.

Proven strategies and actions from research by the leading lights of the Positive Psychology movement including Martin Seligman, Sonya Lyubomirsky, Ed Diener and Chris Peterson as well as The Miller Group’s own 10 years of research analyzing the results of the past 40 years of happiness research all indicate that there are definite proven ways to *think*, *act* and *be* and specific things for each of us to *do* and to *avoid doing* in order to become lastingly happier than we are today. And this knowledge can be learned and applied to each of our lives if we are willing to work to achieve higher levels of emotional well-being and a happier and more fulfilling life.

Specifically, The Miller Group’s research has synthesized the past 40 years of research on psychological well-being down into just six strategic imperatives that, if implemented into our day-to-day thoughts and actions, can result in lastingly higher levels of emotional well-being. This synthesis has revealed seven kinds of pleasures, 13 specific ways of intentionally thinking and 11 powerful ways of intentionally acting that will increase our emotional well-being if practiced as part of our day-to-day lives. Also, our findings reveal that there are almost 60 specific character traits that, when exhibited, cause us to feel good about ourselves and six major domains of life that, if we choose to build our lives around them, can give us meaning and purpose and lifelong positive feelings of well-being. Our level of emotional well-being is determined by how successfully we implement these proven paths into our lives on an ongoing basis.

Depending on our choices, the durability of our positive feelings can last for varying lengths of time – from mere minutes and hours to days and weeks to a lifetime. The choice of how to prioritize our time and energy is critical – and it is ours to make. As Daniel Kahneman, a noted Princeton psychologist has said: “Time-use may be the determinant of well-being that is the most susceptible to improvement.”

Just as important as choosing what we *do* each day is deciding which paths to abandon that do *not* lead to lasting levels of emotional well-being, no matter how familiar they may be. Our research indicates over 20 popular myths about living a happier life that are “dead

ends” on the road to happier life – and these must be dispelled from our thinking. One not so startling finding is the happy feelings we get from the “easy pleasures” that we all love to partake in usually end when the pleasure ends – not a recipe for lifelong well-being.

One surprise to some may be the view that – now widely accepted by most psychologists – our potential for happiness is *not* completely unlimited as many of us may have believed. Over 100 studies have concluded that, much like the heritability of height, weight and a predisposition to develop certain diseases, about 50% of our potential for happiness is determined by our genetic inheritance. Another 10% is based on our environment and life circumstances – both currently and from our past – leaving us 40% of our potential for emotional well-being that is under our control. Filling this 40% with the proven paths to a happier and more fulfilled life can yield increased and lasting emotional well-being.

Another surprise is that the oft-quoted view that, if we just wait, “the bluebird of happiness” will alight on our doorstep and make us happy. While poetic, this passive view has been proven to be false. The fact is, just like any other worthwhile endeavor in our lives, living a happier life requires active efforts focused on doing the right things.

Overall, the proven paths to higher levels of emotional well-being and a happier and more fulfilled life are known – and can be learned and applied successfully by almost everyone (although there are some traumatic exceptions). No matter what their past and present situation or experiences may have been or may be now, almost every employee can learn how to live a happier and more fulfilling life and realize greater levels of emotional well-being – and benefit from the increases in performance and productivity that come with these feelings. Achieving lastingly high levels of emotional well-being is a race to be run, not a state to be awaited.

Complementary Approaches. Interestingly, this approach to increase performance and productivity by proactively increasing the level of emotional well-being of each employee differs slightly from many current, more traditional approaches which try to create better workplaces, make jobs more meaningful and increase job satisfaction through various means – even though both are complementary and can achieve successful results.

A very recent study sheds some light on the rationale for the proactively increasing emotional well-being approach. In April, 2010, the results of a meta-analysis on the results of 223 studies on job satisfaction and life satisfaction (or subjective well-being) carried out over a 40 year period between 1967 and 2008 suggests the following: people who are happy and satisfied in life generally are likely to be happy and satisfied in their work. In fact, the causal link between subjective well-being and subsequent levels of job satisfaction was found to be stronger than the reverse link – which is also true – that higher levels of job satisfaction lead to higher levels of happiness. And the “flipside” of these findings could indicate that employees who are generally *dissatisfied* with their life and who seek to find happiness through their work may not be able to find job satisfaction.

Significantly, the implications of this stronger causal link between subjective well-being (psychology-speak for emotional well-being and happiness) and job satisfaction could – and possibly should – influence companies to seriously consider implementing proven strategies for increasing the emotional well-being of their employees with at least as much vigor as they currently work to increase levels of job satisfaction.

Caution. One important caution comes from a 2005 study by Benjamin Schneider, Ph.D. and seems like good common sense: employees don’t like being manipulated into greater productivity – doing more work for the same compensation. So offering the opportunity to learn how to live a lastingly happier and more fulfilling life as a pure wellness benefit is

important. The desired individual and organizational improvements in performance and productivity will occur as a by-product of the higher levels of emotional well-being.

The Future

We have seen the future and it is a continuing focus on physical wellness as measured by outcomes, the continued growth and globalization of wellness programs and a focus on emotional wellness as a new engine fueling improvements in performance and productivity.

Both the corporate wellness world and the Positive Psychology research community have been making significant progress simultaneously during this past decade – albeit in what could be viewed as two parallel universes – and their convergence to benefit wellness programs seems almost preordained.

As the proven 3:1 ROI based on wellness spending on primarily physical health services is combined with the potential for 10%-25% possible performance improvements based on enhanced emotional well-being, enlightened companies and organizations both in the U.S. and around the globe will begin to seamlessly incorporate other major dimensions of wellness – particularly emotional wellness – into their existing wellness programs to achieve correspondingly impressive results both for their employees and their bottom-line.

About the Author

Henry S. Miller is an organization transformation consultant based in northern California. As President of The Miller Group, he specializes in helping organizations improve performance and productivity by increasing the emotional well-being of their employees. He is the author of *The Serious Pursuit of Happiness* planned for 2011 publication and offers and delivers programs on *How to Increase Emotional Well-Being*. He can be reached at hmiller@millergroup.com or 408.395.0110.

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