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Case Study August 2012

Wellness Metrics in Action

Desjardins Group: Impressive Return on Investments in Wellness

Since the establishment of its first caisse in Lévis, Quebec, in 1900,[1] Desjardins Group has grown to become the largest integrated cooperative financial group in Canada, with assets of more than $190 billion.[2,3] Desjardins' mission is to "contribute to improving the economic and social well-being of people and communities within . . . its field of activity,"[4] an objective reflected in the way senior management cares for the health and well-being of the organization's 42,500 employees across Canada.

1 Desjardins Group, *From a Caisse*.

2 This case study is based on information from Réal Cassista (Director, Group Insurance and Health Management, and Senior Vice-President, People and Culture, Desjardins Group). Interview by Louise Chénier and Elyse Lamontagne, January 17, 2012.

3 Desjardins Group, *About Us*.

4 Desjardins Group, Vision, Mission, *Values, and Priorities*.

HEALTH AND WELLNESS FOCUS

At the end of the 1990s, senior management at Desjardins began to notice that health-related absenteeism was increasing significantly and leading to substantial costs for the organization. At the same time, one of the central values of the organization was to support the health and well-being of its employees. To respond to these two realities, Desjardins established a health and wellness program and started helping employees to take responsibility for their own health.

About This Series

The Conference Board of Canada recently published a report, *Making the Business Case for Investments in Workplace Health and Wellness*,[1] that provides small, medium-sized, and large organizations with advice on how to measure the impact of their workplace health and wellness programs. The report identifies practical, research-backed approaches to measurement, as well as a variety of tools and metrics, that employers can use to demonstrate the return on investment of their health and wellness initiatives.

Research for the report, which included an in-depth review of the literature, identified several employers that are currently evaluating the impact of wellness programs on their organizations. These leaders have invaluable information and guidance to offer to other employers that are trying to measure the impact of their own health and wellness initiatives. This briefing is the eighth in a series of case studies that profile these organizations, their wellness programs, and the methods they use to evaluate their initiatives.

1 Chénier, Hoganson, and Thorpe, *Making the Business Case for Investments in Workplace Health and Wellness.*

Exhibit 1
Integrated Organizational Health Management at Desjardins

Source: Translated from Cassista, 2010.

Over the years, Desjardins has adapted and changed its wellness initiatives to better respond to the needs of the organization and its employees. Its wellness program now has five main components:

- health promotion;
- prevention of health-related work absences;
- management of health-related work absences;
- occupational health and safety; and
- a group insurance plan.[5]

MEASUREMENT, EVALUATION, AND RETURN ON INVESTMENT

In 2001, in partnership with two external partners with expertise in this type of analysis, Watson Wyatt Canada and ACTI-MENU, Desjardins set out to measure the return on its investments in health and wellness at one site: VISA Desjardins. Senior human resources leaders at Desjardins believed it was necessary to measure the outcomes of their workplace wellness initiatives because the investments in these programs were considerable. (In today's competitive business environment, any initiative requiring a substantial financial investment must show a return on investment [ROI] to be sustainable.) Leaders also decided that a rigorous analysis was necessary because, in the field of organizational health management, some outcomes can be very difficult to measure and many are intangible. These leaders wanted to ensure that concrete, reliable, and trustworthy information was relayed back to senior management.

During this analysis, data were collected from four sources:

- documented changes in the self-reported health status of participants in the program;
- employee satisfaction surveys;
- organizational data on turnover and absenteeism; and
- interviews with managers.[6]

5 Cassista, "L'approche du Mouvement Desjardins."

6 Renaud and others, "Implementation and Outcomes," 73.

CHANGES IN SELF-REPORTED HEALTH STATUS

After implementation of the wellness program, participants were significantly more likely to report that they:

- had increased their physical activity;
- were making healthier food choices;
- had quit smoking (the percentage of smokers fell from 27 to 20 per cent among program participants); and
- were experiencing lower stress levels.[7]

EMPLOYEE SATISFACTION SURVEYS

Ninety per cent of participants were satisfied or very satisfied with the education sessions and information offered as part of the wellness programming. However, only 61 per cent of participants expressed the same level of satisfaction with telephone health coaching.[8]

ORGANIZATIONAL DATA ON TURNOVER AND ABSENTEEISM

Following implementation of the wellness program, absenteeism decreased by 28 per cent initially and then stabilized. The annual turnover rate, however, decreased by 54 per cent over the entire period.[9]

INTERVIEWS WITH MANAGERS

Managers became very engaged during the implementation of the wellness program and considered it a success. They felt that all of the actions taken by the organization's human resources department, including those in health and wellness, had contributed to a decrease in absenteeism and turnover. This in turn had helped VISA Desjardins better position itself in the employee marketplace.[10]

Desjardins' workplace health and wellness program has an operating budget of 0.6 per cent of payroll.

After reviewing the data on outcomes and the wellness budget allocated to VISA Desjardins, the researchers from Watson Wyatt and ACTI-MENU were able to determine that Desjardins had received a return on investment of between $1.50 and $3 for every dollar invested in the program.

7 Renaud and others, "Implementation and Outcomes," 75.

8 Ibid., 76.

9 Ibid.

10 Ibid.

CHALLENGES

Determining the financial impact of the wellness program offered at VISA Desjardins was expensive, costing approximately $20,000. It was also time-consuming for all stakeholders, especially front line managers.

As well, to achieve a concrete and reliable analysis, a control group of employees who did not use the program had to be defined, which was difficult to do. The analysis also required precise information on organizational factors such as absenteeism and turnover, which required a sophisticated human resources information system.

A return-on-investment analysis can help an organization determine whether its wellness program is getting the desired results, and to fine-tune its program accordingly.

Finally, the ROI analysis would have been prohibitively time-consuming for the wellness department, even if it had possessed the necessary expertise to conduct the research. This department is composed of 20 employees who serve the needs of almost 50,000 employees. The external consultants used for the analysis not only provided the necessary expertise but also ensured that the process was transparent and that the findings were reliable and trustworthy.

ADVICE FOR OTHERS

According to Réal Cassista, Director, Group Insurance and Health Management, and Senior Vice-President, People and Culture, at Desjardins Group, employee wellness programs offer many organizational benefits. At Desjardins, employee engagement surveys have shown that actions taken to support an employee's health and wellness are greatly appreciated and result in higher employee engagement. The company has also determined through rigorous research that wellness programs are linked to an important financial ROI and increases in organizational performance.

Although costly, an ROI analysis can help an organization determine whether its wellness program is aligned with organizational goals and whether it is getting the desired results. It also enables wellness leaders to fine-tune their programs. As with other organizations in Québec, due to the aging of its workforce and the results of the study, Desjardins became more preoccupied with the prevalence of chronic disease in its workforce. This information was used to modify and adjust wellness programming to better meet the needs of employees.

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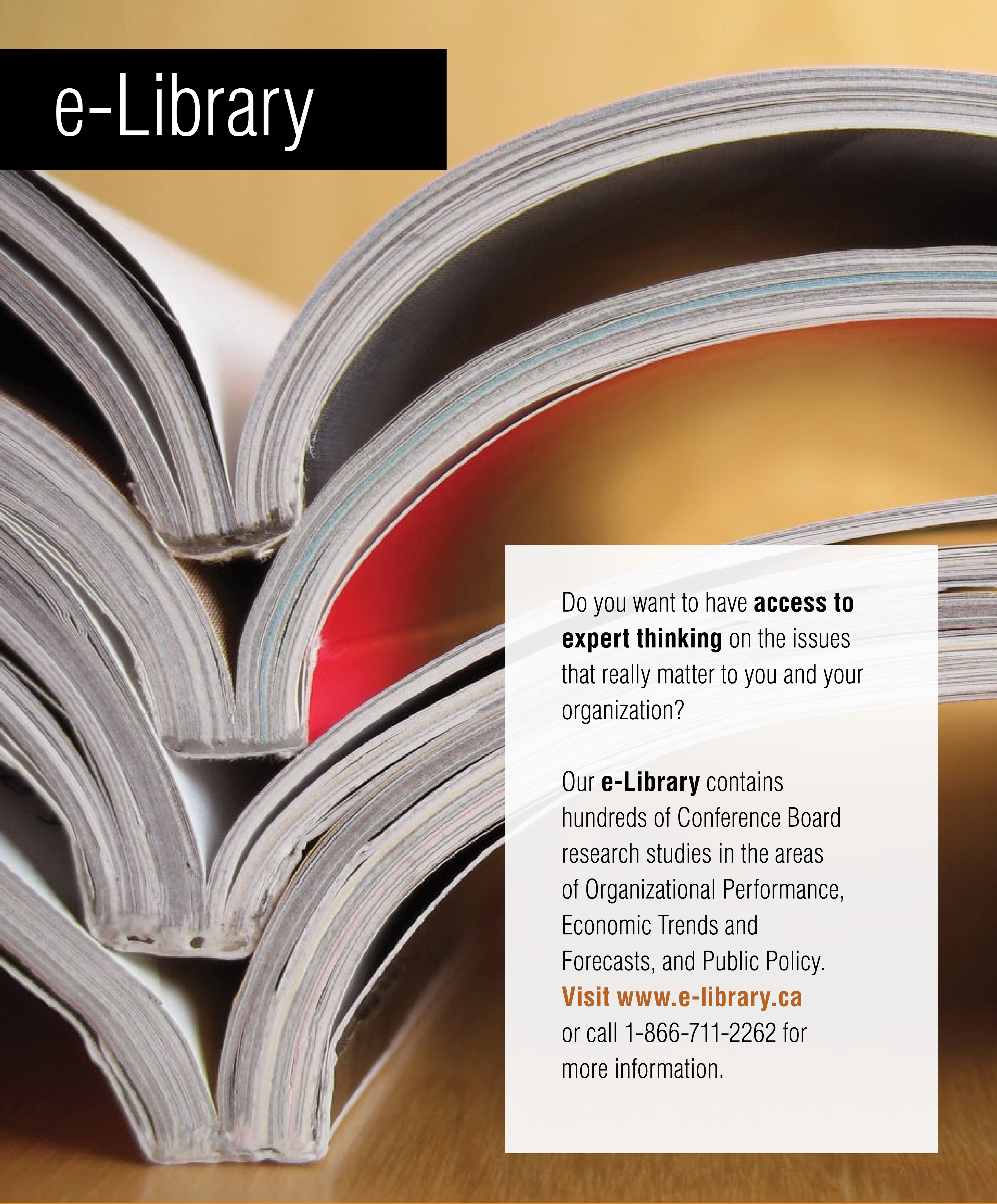

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by Louise Chénier

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