



## Case Study August 2012

# Wellness Metrics in Action TELUS: A Culture of Health and Wellness

For more than 100 years, TELUS has been delivering innovative telecommunications solutions to Canadians.<sup>1</sup> TELUS offers business solutions to meet the unique communication needs of its clients by providing a wide range of services to more than 12.7 million customer connections in Canada.<sup>2</sup>

### HEALTH AND WELLNESS FOCUS

The integration of the TELUS Mobility and TELUS Communications human resources systems in 2005–06 gave TELUS an opportunity to establish

a new, consolidated health and wellness strategy for its employees in Canada. TELUS was confident that creating a culture of health and wellness within the organization would not only benefit the approximately 40,000 employees concerned but would also spill over to customers, positively affecting the organization as a whole.

TELUS partnered with its employee assistance program (EAP) provider, Morneau Shepell, to analyze information, assess needs, and design an appropriate action plan. This ensured that the action plan was based on cost drivers and aligned with TELUS' organizational values and customer-driven philosophy. During program development, TELUS looked at a variety of data that it had acquired from its newly merged companies, including short- and long-term disability costs, other benefits costs and utilization, absenteeism, EAP utilization, and employee surveys

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1 The case study is based on information from Janet Crowe (Director, Wellness and Work Life Solutions, TELUS Corporation). Interview by Louise Chénier and Crystal Hoganson, January 16, 2012.

2 TELUS, *Applying Our Courage to Innovate*.

### About This Series

The Conference Board of Canada recently published a report, *Making the Business Case for Investments in Workplace Health and Wellness*,<sup>1</sup> 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 seventh 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*.

and feedback on programs and policies. TELUS also looked at customer satisfaction scores to gain a better understanding of how it was serving its customers. This analysis alerted TELUS that it needed to start identifying leading indicators of health risk, reducing health risk factors, improving resiliency to stress, and reducing benefits costs (e.g., drug plan utilization, short- and long-term disability, and workers' compensation costs).

TELUS' health and wellness team designed a comprehensive program that involves personal, organizational, and team elements. Along with health promotion, education, and awareness activities, the program includes a particular emphasis on mental health, including a structured and supportive return-to-work program.

Although it has no immediate plans to change its health and wellness program, TELUS is always striving to evolve its initiatives, make them more comprehensive, and find new ways to deliver the healthy-living messages to employees.

*Because of the challenge last year, it drove me to lose 60 pounds and start getting my life back.*

—TELUS employee

## MEASUREMENT, EVALUATION, AND RETURN ON INVESTMENT

TELUS looks at both qualitative and quantitative data when measuring and evaluating its wellness program. Demonstrating a “hard” return on investment (ROI) is not of great concern. Instead, TELUS tends to pay more attention to recruitment numbers, retention rates, employee participation rates, and customer satisfaction levels. Regardless, TELUS believes that it has a responsibility to measure and evaluate the outcomes and impacts of its wellness program. By surveying employees, TELUS is able to get a snapshot of participation rates and engagement, as well as general feedback from its workforce.

TELUS also needs to understand health risk factors in order to evaluate its program. In 2006, TELUS' EAP provider carried out an analysis that highlighted four main areas of risk: heart disease, activity levels, body mass index, and blood pressure. This allowed TELUS to target areas that would have the best impact for the organization. According to data from the EAP provider, on average it was costing TELUS about \$2,000 per employee per year for each risk factor that an employee had. Sixty-one per cent of employees had at least one risk factor. In 2007, after calculating an ROI that included the costs of health screening and health coaching, the company determined that it had achieved a 3.8:1 return on investment.

## CHALLENGES

The subjectivity of data is TELUS' greatest challenge in measuring ROI. Using self-reported surveys to capture an employee's level of satisfaction or engagement is not a perfect science. Therefore, it is hard for TELUS to determine the overall ROI for its health and wellness programs.

### TELUS' Stay at Work Strategy

When TELUS was developing its Stay at Work strategy, it needed to know how much it was costing the company when an employee went on short-term disability (STD) for a mental health issue—one of the more common reasons for STD leaves. To determine this cost, TELUS carried out the following steps:

- ◆ Calculated the total cost of absences by multiplying the number of cases of STD by the average number of days of paid absence (60 for mental health-related STD leaves) by the average employee salary

**total cost of absences = no. of STD cases × average duration of absence × average salary**

- ◆ Added up other absence-related costs:
  - administration costs
  - replacement training/resources for job
  - increased workload on team
  - manager time spent on STD cases
  - return-to-work requirements and support for manager and team
- ◆ Determined drug use cost for mental health-related illness

**total cost of STD claims = total cost of absences + other absence-related costs + drug costs**

- ◆ Calculated an early intervention return on investment by comparing the projected cost of the “stay at work” support with the anticipated savings on STD claims

Source: Janet Crowe, Director, Wellness and Work Life Solutions, TELUS Corporation.

Although TELUS encountered little resistance from some stakeholders when implementing its health and wellness program, it did face some concerns from the union about the confidentiality of health data collected from employees. However, the next time TELUS conducted the health risk assessment, it involved the unions at the start and explained the reasoning behind collecting this type of data. As a result, the unions became far more engaged in and supportive of health risk assessments. The lesson for other organizations is that engaging and communicating with unions (and other stakeholders) is essential.

Further, TELUS recommends providing a business case when proposing the health and wellness program to senior leaders. The business case should include evidence that supports the benefits of doing workplace health promotion and the costs of doing nothing. Branding and communication are also important, because they help to establish the organization's credibility as an employer that cares about its employees.

### BIBLIOGRAPHY

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### ADVICE FOR OTHERS

In order to sustain a health and wellness program, TELUS suggests that an organization should know its audience. This includes not only employees—and their health issues or concerns—but also senior leaders who approve health and wellness programs. For instance, for a CEO, organizational success (e.g., being a top employer) may be more important than the hard ROI numbers (which may be more important to the CFO).

TELUS: A Culture of Health and Wellness  
by Crystal Hoganson

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