



2013

Sun Life-Buffett National Wellness Survey

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About the 2013 Survey

The Sun Life-Buffett National Wellness Survey has been a Canadian benchmark for insights on the status of workplace wellness and health promotion since 1997. Focused on proving the employer's perspective, the survey continues to provide a unique perspective on the state and future of wellness in the Canadian workplace.

In 2013, Sun Life partnered with Harris/Decima, one of Canada's most established names in public opinion and market research to draw responses from over 400 Canadian employers from their online panel. Respondents represented public, private and non-profit organizations from across all regions, and ranged in size from less than 50 employees to those with several thousand employees. All respondents surveyed had partial or full responsibility for their company's group benefit plans and/or wellness programs, or indicated they would be responsible for their company's programs if offered. To ensure the survey sample composition replicated that of the Canadian employer population, all data was weighted to reflect employer size and regional distribution across Canada. Results are accurate to within +/- 4.9% of what they would have been if the entire population of Canadian employers had been surveyed.

Over the years, as workplace wellness has evolved, so too has the survey. This year, in recognition of the growing concern around workplace mental health, a mental health module was incorporated into the questionnaire.

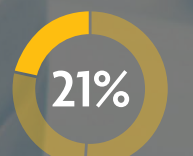
Ed Buffett's Legacy

Ed Buffett was the founder of Buffett & Company Worksite Wellness Inc. and along with his team, created the National Wellness Survey in 1997. Ed passed away in 2011 and this survey is a lasting tribute to his pioneering work in wellness and his vision of a healthier Canadian workplace. This is a vision we can all continue to champion through managing our own health, as well as working within our own organizations to positively impact the health of others.

Survey Respondents by Region



Survey Respondents by Organization Size



500+ employees



50-499 employees



1-49 employees

Sample Size = 400

Note: Weighting was applied to the sample to balance demographics so that results are representative of the Canadian employer population



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Introduction

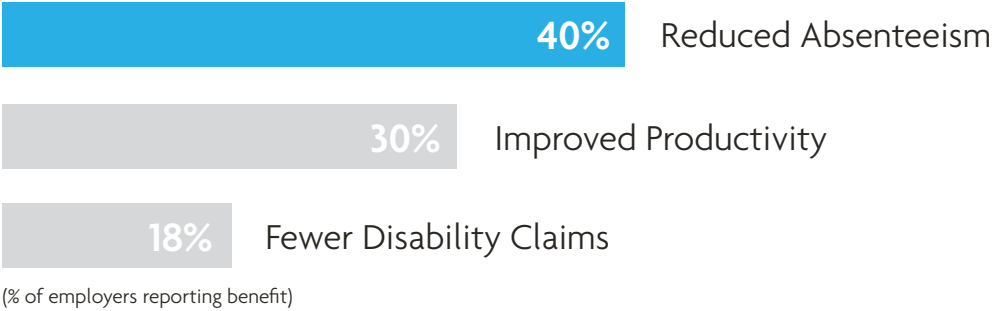
2013: Are we at the turning point?

Wellness programs have long been part of the Canadian workplace – and the 2013 results of the Sun Life-Buffett National Wellness Survey confirm just how firmly these programs are entrenched. More than 90% of employers with 50 or more employees offer at least one wellness initiative to their employees – and almost six of ten smaller employers do the same which is a significant increase over previous years. Yet the survey reveals that more opportunities remain.

And employers are recognizing the results. Successful wellness programs have never been a short-term proposition in terms of demonstrating tangible benefits. They are often a slow build for employers and can take several years to establish, grow, and prosper. Now that wellness has reached a more mature stage in many organizations, the fruits of this labour are beginning to emerge. Employers large and small are clearly acknowledging the tangible benefits workplace wellness can provide.

In addition to the qualitative effects that come with improving employee morale and organizational culture, employers are - for the first time in significant numbers - reporting reduced absenteeism, increased productivity and fewer disability claims as a result of their wellness programs.

Employers Report Experiencing Tangible Benefits From Their Wellness Programs



These benefits are measureable. According to the Conference Board of Canada's 2013 report *Missing in Action: Absenteeism Trends in Canadian Organizations*, the direct cost of absenteeism averaged 2.4% of gross annual payroll in 2011-12 – or \$16.6 billion to the Canadian economy as a whole. Improved absenteeism rates achieved through wellness initiatives are helping to manage these significant costs. And findings from Phase 1 of the Sun Life-Ivey Canadian Wellness ROI Study estimate wellness programs save 1.5 -1.7 days absenteeism or \$251 per employee per year.



Health Risks

Sedentary lifestyle now on par or higher in some segments than work-related stress.

The Challenge

Recognizing the risks and addressing them with the right programs

The two most prevalent employee health risks identified by employers in the 2013 survey are work-related stress as well as a sedentary lifestyle. Stress has topped the list for some time, while a sedentary lifestyle and related conditions have increased in prominence. The good news is that both risks can be significantly modified through wellness initiatives. And employers are ideally positioned to take action – with the right mix of programs to help manage risks, provide education and sustain healthy lifestyle behaviours and choices for employees.

However, while a majority of employers have wellness initiatives in place, a deeper look at the survey results reveals the gaps that continue to exist between the challenges organizations face and the initiatives they currently have in place to address them. For example, largely absent from the ten most frequently offered wellness initiatives is anything that directly addresses a sedentary lifestyle, or related risks such as obesity or high blood pressure. Although the business case and ROI continue to be a priority, only a minority of employers are incorporating key best practices and capturing key data as a part of their programs. For instance just 14% of employers report having completed a needs assessment and only 9% consistently evaluate their wellness initiatives. In short, a majority of employers are not taking a strategic approach to their programs – and are likely not achieving maximum value and results for their efforts.

And smaller employers are just beginning their wellness journey. With over 40% of employers with 50 employees or less currently not offering any wellness initiatives – and those that do, offering more limited, basic programs – there is clearly room for improvement and those employers who commit to this improvement are positioned to reap the rewards.

Section 1

Health Risks

What employers are worried about

Work-related stress continues to top the list as the health risk employers are most concerned about – a result that remains consistent with the 2011 survey. This is especially true for large organizations where over half (61%) report it as their number one concern. Anxiety and depression are the second most frequent concern reported by large organizations at 43% – an area cited by only 9% of small organizations. Interestingly, we see a disparity between large and small organizations throughout the survey results, often stemming from different levels of awareness and resources. Here, we suspect larger organizations' greater awareness of mental health issues in the workplace is driving this gap.

Increasing concerns about risks related to a sedentary lifestyle signal a significant shift, growing since 2011. Sedentary lifestyle is now on par or higher in some segments than work-related stress. Companies with less than 50 employees rank it as their number one concern. In addition, the downstream effects of a sedentary lifestyle – including high blood

pressure, high cholesterol and obesity – all rank among the top 10 concerns reported.

The good news here is that the top two overall health risks, and in fact seven out of the top 10, can be significantly reduced by changes to lifestyle and behaviour – and a workplace wellness program is perfectly suited to support these changes.

It is interesting to note that diabetes was not reported as a top concern – particularly among smaller organizations – despite being declared a “global epidemic” in 2010 by the World Health Organization - with the potential to take an enormous toll on employers when it comes to benefit costs, employee disability and productivity losses. Here again, the right workplace wellness programs can help identify the risks that have the greatest impact on employee health, and provide the solutions to help mitigate them.

“Major Employee Health Risks” Reported by Employers

Poor Nutrition	12%
High Cholesterol	13%
Smoking	18%
High Blood Pressure	19%
Obesity	23%
Work-Related Stress	24%
Sedentary Lifestyle	24%

(% of employers reporting as a “major employee health risk”)

Section 2

Workplace Wellness

What employers are doing

While a majority of employers are committed to providing wellness programs, there remains a gap between the primary health risks identified and the type of program offered.

While many initiatives which top the list of programs reported in the survey may address work related stress, they focus primarily on employee engagement or organizational culture (such as flex time, time off in lieu of overtime and staff appreciation programs). These initiatives may not provide the targeted, high-impact results needed to address this complex concern, as it continues to be reported as a top concern, year after year.

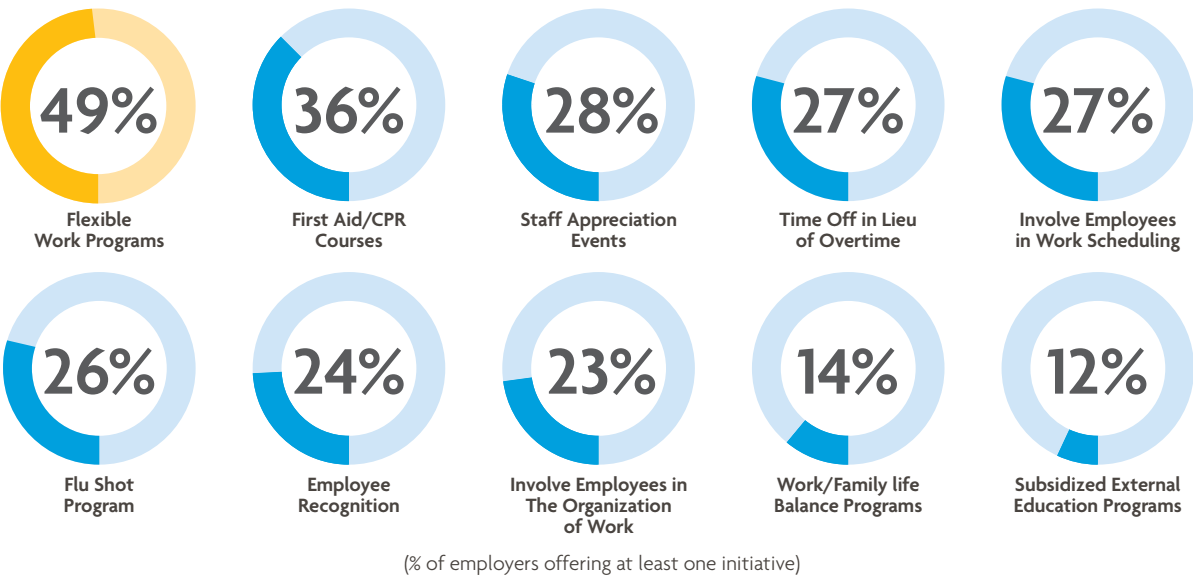
We see a similar gap when it comes to responding to the health risks associated with a sedentary lifestyle, as the frequency of initiatives aimed at

addressing these risks is low. Despite sedentary lifestyle (and the ensuing health problems) ranking at the top of the study, the top reported workplace programs today are: First Aid/CPR, flexible work programs, staff appreciation, flu shots and employee recognition – programs which do not directly address the health risks reported here.

While these types of initiatives have value and a place, they are unlikely to provide the meaningful impact required to achieve significant results. On the other hand, initiatives proven to deliver high impact results are offered much less frequently than expected given the prevalence of these risks.

87% of organizations do not measure the health status of the majority of their employees, leaving many unaware of the risks they may be facing, and the necessary response. For example, blood pressure screening and smoking cessation programs are offered by 5% of employers despite 19% and 18% of employers respectively recognizing this as a major employee health risk.

Top Wellness Initiatives Offered by Canadian Employers



Much More Can Be Done To Address Risks With The Right Programming, Especially Among Smaller Organizations



87%

of organizations report not measuring the health status of their employees.

While many large organizations are making an effort to address the risks their employees face, it is clear from the study results that there is still much more to be done. Smaller organizations continue to be further behind - offering fewer programs that are generally basic, with lower cost and potential impact while requiring less expertise.

When looking ahead at the programs organizations plan to introduce in the future, a similar story unfolds. Unfortunately, initiatives aligned with the risks employees report facing have been consistently implemented less frequently than more general and lower impact initiatives.



Section 3

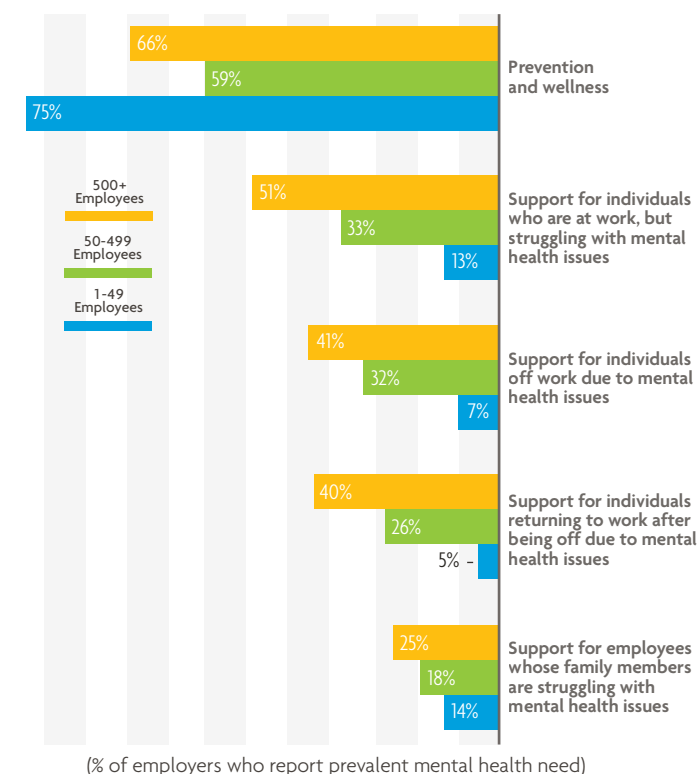
Mental Health An Essential Part of Wellness

Mental health is a growing concern for many organizations – and is now the number one cause of disability in Canada.¹ For the 2013 survey, we included a new, dedicated mental health module to help provide deeper insight into this issue from the Canadian employer's perspective.

1: Mental Health Commission of Canada The Mental Health Strategy for Canada (2013)

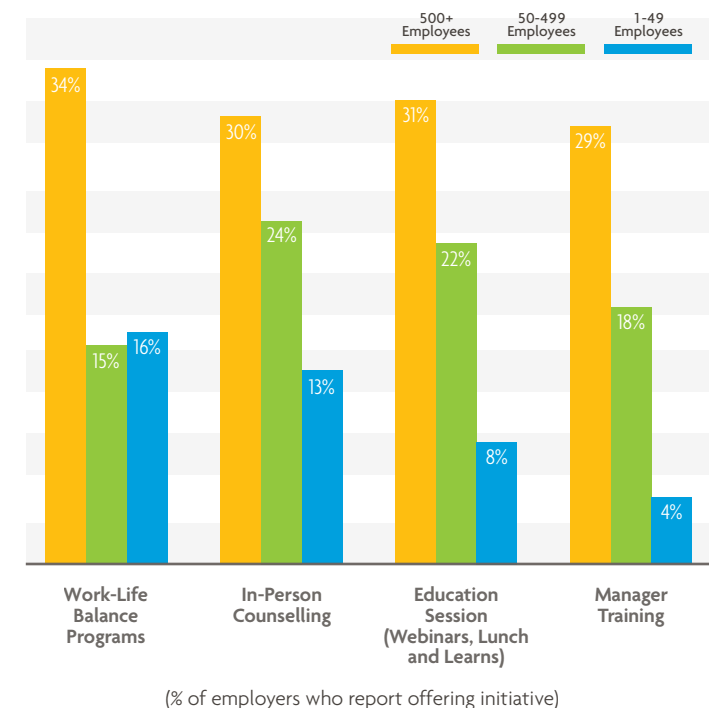
Prevention - or maintaining good psychological health, is the most commonly cited employee mental health need by organizations of all sizes. It is concerning that so many organizations identified this as a key area of need. The silver lining, however, is that employers clearly see the value in maintaining good mental health. Like many health conditions, a proactive orientation toward managing risk and supporting positive mental health is very important, as the risk of developing many mental health issues may be modified significantly with the right supports and interventions.

Prevalent Mental Health Needs Reported by Employers



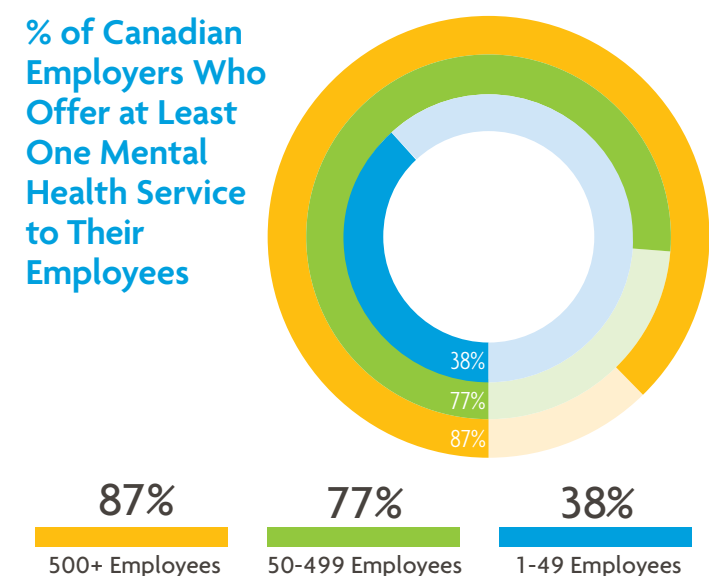
Larger organizations are more likely to acknowledge needs that span the health continuum - from prevention to support, offering programs for employees who have returned to work after being off due to illness. These programs suggest employers have a more complete understanding of the scope of mental health issues and recognize what is required to effectively address them.

Preventative Mental Health Initiatives Offered by Employers



Conversely, the majority of small organizations are not offering any mental health initiatives, despite most acknowledging this area of need. This could be due to a lack of awareness of what's available, where to start, or concerns about introducing mental health supports in an environment that is less anonymous than in larger organizations.

% of Canadian Employers Who Offer at Least One Mental Health Service to Their Employees



75%

of organizations are not confident that they have the knowledge or support to effectively address their mental health needs.

The link between mental health and physical health is widely acknowledged by employers – and this is an important link to be making. Prolonged periods of high stress levels, for example, present a risk factor for all forms of psychological illness, most notably depression and anxiety-related disorders.² But stress can also significantly contribute to the development of chronic physical illness, with links to high blood pressure, hardening of the arteries, obesity and type II Diabetes.³ Employers acknowledge this link, and say that a key motivation to improving mental health is to improve physical health among employees.

Reducing absenteeism and improving productivity are also among the top five motivators for offering mental health initiatives, indicating that many employers believe in the potential bottom line benefits of offering these supports.



Top 5 Motivators for Offering Mental Health Services

2: GBE Roundtable

3: Harvard Mental Health Letter, Harvard Medical School, March 2011

Incentives can play a role

47%

of employers now offer incentives to encourage participation in company wellness efforts.

66%

of those who provide incentives, do for participation only, rather than rewarding healthy behaviour change.

The Most Effective Incentives Include:

66%

Personal Time Off

27%

Money

21%

Paid Time to Attend Wellness Initiatives

17%

Draws for Prizes



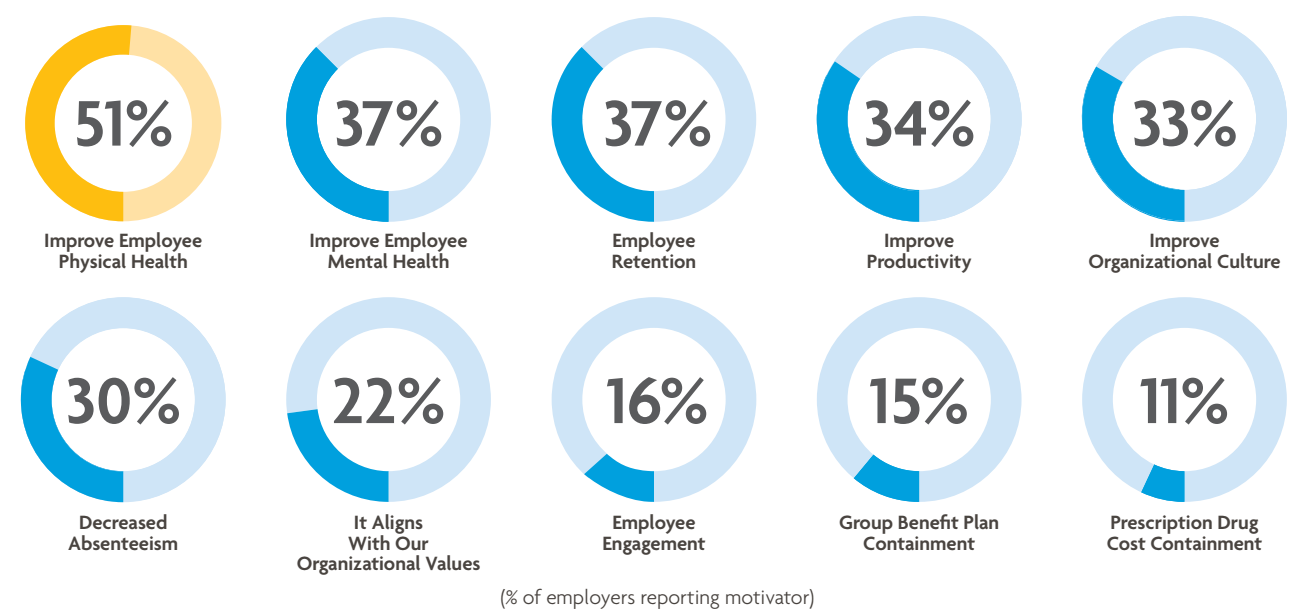
Organizations are beginning to recognize and acknowledge the tangible benefits of their wellness programs, reporting “harder”, more measurable results from their efforts than ever before.

Section 4

The Motivation Behind Wellness Initiatives

For the most part, organizations are motivated to offer initiatives to improve employee wellness, and reflect the importance of improving both physical and mental health.

Top Motivators for Offering Wellness



Across all respondents, improving employee physical health was the most popular motivator, with improving mental health close behind – in fact, both medium and large organizations rank physical and mental health as equally important motivators.

This equal emphasis was not the case as recently as a decade ago. We are seeing a decided shift in awareness and acknowledgement of mental health issues, as indicated by its presence at the forefront of employer concerns, and their motivation to address it. At the same time, employers recognize that physical health remains to be a key priority as well.

The third most cited motivator was employee retention. It’s clear that plan sponsors realize wellness can play a key role in influencing morale and driving greater employee engagement.

The year 2013 also highlights reducing absenteeism and increasing productivity as strong motivators for wellness initiatives, signalling that many employers do recognize the potential for more tangible benefits, and are anticipating them.

Reducing employee benefit costs is, however, not among the top motivators, but is cited more frequently in larger organizations (34% versus 14% in smaller organizations). This lower ranking could stem from the fact that many organizations – particularly smaller ones – do not have a deep enough understanding of wellness to know that this outcome can be realized. Organizations who indicate cost as a primary motivation tend to have more sophisticated and comprehensive wellness programs, and typically have a greater understanding of what they can accomplish in terms of “hard” outcomes.

Section 5

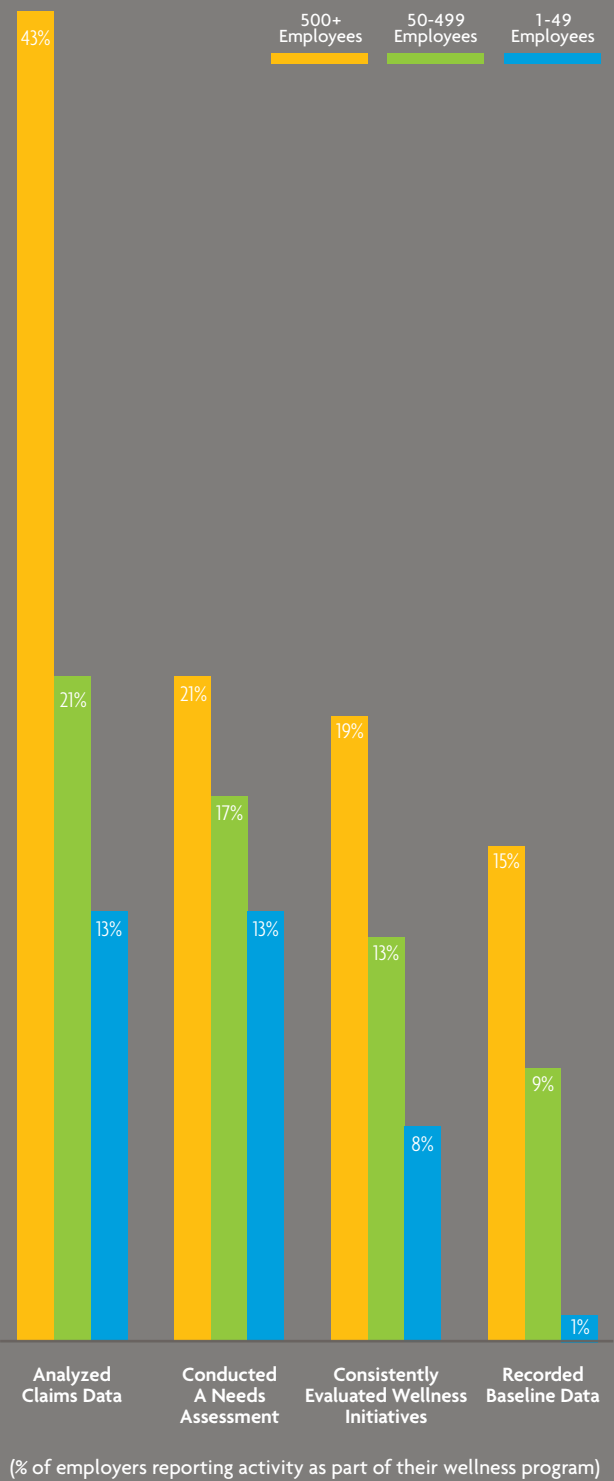
The Need for a Purposeful Approach to Wellness

Consistent with our 2011 survey results, most organizations are still not adopting the strategic approach to wellness programs required to address their primary employee health concerns.

There are a number of wellness initiatives that have been proven to deliver superior results for organizations. These include conducting needs assessments, evaluating wellness programs on an ongoing basis, and recording the outcomes of wellness components in the workplace. By taking steps such as these, organizations would be better poised to ensure their investment aligns with their needs and goals.

While these best practices are more common in larger organizations, there is still a low incidence of these and other important strategic wellness initiatives across employers of all sizes. A notable exception is the analysis of claims data with 43% of 500+ employee organizations reporting this as part of their wellness program - a significant increase over previous surveys.

Few Employers Taking a Strategic Approach to Wellness



Larger Organizations Cite Greater Budget Concerns

Despite being more likely to offer comprehensive wellness programs, larger organizations frequently report that budget – as well as senior level support – are barriers to implementation (more so than medium sized and smaller organizations).

This is most likely because large organizations have a stronger perceived understanding of the impact of poor employee health – and are looking to do more to tackle the bigger issues. Such an undertaking often requires greater financial commitment and support from senior management – two things that can take time to secure when competing with other organizational priorities.

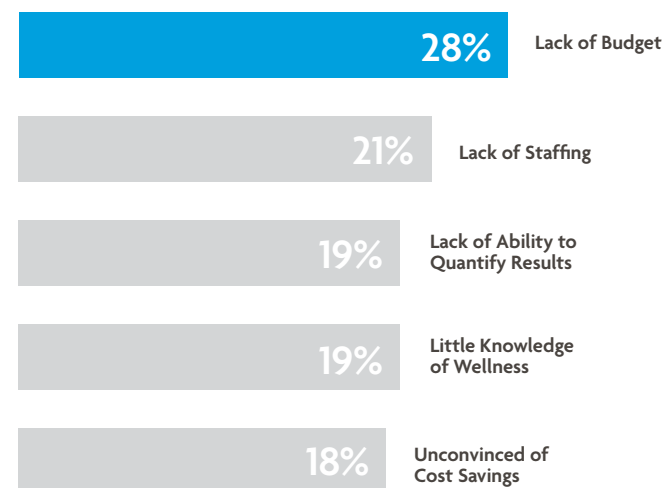
Section 6

Barriers

What's holding employers back

Budget is still the top barrier to implementing a wellness initiative, and a lack of staffing is cited as number two. Wellness initiatives must compete with other organizational priorities for resources as many employers are challenged to prove the “case” for wellness to senior managers to get the necessary buy-in and resources for these initiatives. An inability to quantify results is the third most cited barrier and is likely a driving factor behind the first two barriers. As discussed in the previous section, most organizations are not integrating key process steps required to quantify results, such as recording baseline data and consistently evaluating results. Again, adopting a more purposeful approach to wellness would surely assist in overcoming these top, recurring obstacles.

Top Barriers to Implementing Results



(% of employers who report one or more barriers)

Section 7

The Turning Point

Bottom line benefits are here

Organizations are beginning to recognize and acknowledge the tangible benefits of their wellness programs, reporting more quantitative results from their efforts than ever before. We asked employers what outcomes they have experienced as a result of wellness efforts, and the results are significant:

- 51% have experienced improved employee morale
- 40% have seen reduced absenteeism
- 36% have received positive feedback from employees
- 30% have witnessed improved productivity
- 23% have experienced improved employee retention

When asked the same question in 2011, improved productivity and reduced absenteeism were not part of the top five benefits cited. This is a turning point in our wellness research results – and we believe these reported outcomes will lead more organizations to adopt and maintain a strategic approach to capturing these more tangible, “bottom line” results.

Employee Health Matters
92% of organizations believe employee health influences corporate performance.



Guidance and Support: The Key for Greater Success

After over 15 years of conducting this survey, we are seeing an exciting turning point, as organizations are truly realizing and beginning to report on the more tangible benefits of their wellness programming. When wellness is done right, organizations can win – healthy employees mean greater productivity, lower costs, as well as a happier and more engaged workforce.

But there is a flip side to the good news revealed in this year's study. Although we are at a turning point, more needs to be done by organizations to keep their wellness momentum. To make a more meaningful difference, the past theme remains true - employers must continue to adopt a more purposeful, strategic approach to wellness.

Small and large organizations – while at different points of their wellness journey – can do more

to align their programming to the risks they identify. Many smaller organizations still do not offer wellness initiatives – and those that do offer basic, low impact programming. Many larger organizations, meanwhile, demonstrate significant misalignment between key risk areas and programming despite their greater awareness and more advanced infrastructure.

Risks are changing. The new prominence of a sedentary lifestyle and related illnesses must be met with the right programming. Employee mental health needs to be addressed with purposeful, effective initiatives in order to make a difference. Employers need to keep up with these shifts, which begins with fundamentally making sure programs are

both relevant and effective. That most organizations are not yet incorporating best practices - such as needs assessments, frequent program evaluations and capturing baseline data – suggests this misalignment may continue for some time.

But we can't lose sight of the fact that a turning point has been reached – and if organizations can make the connection between tangible results and targeted wellness initiatives, it will become easier to make the case for the programming they need. And once the main barriers to implementation are broken down, there's no telling how effective organizations can become in addressing the key risks that face Canadian employees today, and in the future.

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Notes



About *The Conversation*

At Sun Life, we know that it takes many voices to have a great conversation. That's why we are working with a wide range of people – inside and outside of Sun Life – to bring the best thinking in Group Benefits to the marketplace. These are subject experts, visionaries and leaders in best practices and innovative ideas – coming together to take benefits to the next level. We will be using our resources, expertise and relationships to facilitate the dialogue.

We understand the power of great minds. We want everyone to contribute.

About Healthy*RETURNS*

Sun Life's Healthy*RETURNS* offering is a best practice suite of health and wellness products and services, based on a strategic wellness model that includes three key components for success: assessment, health promotion and measurement. Sun Life is the only insurer to offer this market differentiated in-house wellness solution.

To learn more visit www.sunlife.ca/healthyreturns

Life's brighter under the sun

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