Health, Productivity, and Performance Study Committee

Exploring the Value Proposition for Workforce Health

Business Leader Attitudes about the Role of Health as a Driver of Productivity and Performance

February 2015

The **Health Enhancement Research Organization** (HERO) is a non-profit corporation dedicated to the creation and dissemination of employee health management (EHM) research, education, policy, strategy, and leadership. HERO's vision is to promote a culture of health and performance through employer leadership.

The **Health, Productivity, and Performance (HPP) study committee** was created to inform HERO members on the state of the evidence about the influence of all aspects of workforce health on performance at work. The committee charter is to document what is known about the HPP connection, identify the gaps in the current evidence base, and identify new opportunities for innovation and research. During this report's development, the committee was comprised of over 50 volunteers, listed below. We appreciate their contributions to this work.

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Executive Summary

Increasingly, U.S. business leaders are viewing workforce health as a business issue and emerging research demonstrates the influence of workforce health on business outcomes. The Health Enhancement Research Organization (HERO) partnered with seven member organizations to survey business leaders about their views on the value proposition for workforce health and the connection between health, productivity, and performance. Several of the key findings are described briefly below.

- Most leaders view productivity and performance as related but different concepts that contribute equally to meeting organizational business objectives. This has implications for how to use these terms when presenting the business case for an investment in workforce health and well-being, as well as for program evaluation metrics.

- Survey results confirm that business leaders recognize health as a significant contributor to productivity and performance and that health is more likely to be viewed as an investment in human capital than it is a health care cost containment strategy. While this finding is encouraging, for every leader that views health as a core business strategy, nearly an equal number view health as an expense to be managed.

- Most business leaders indicate their organization's leaders are committed to improving the health of their workforce, but middle managers are less likely to recognize this commitment than more senior business leaders. This finding underscores the importance of addressing all levels of leadership within the organization when building support for workforce health and well-being programs.

- Business leaders' views about the relationship between health, productivity, and performance are complex. Among this group, workforce health is not widely recognized to be among the top drivers of productivity or performance, but most leaders believe health is a significant contributor. Emerging research indicates this may be a fair assessment in that workforce health is less influential to productivity and/or performance, relative to other contributors. However, it is still important to address

workforce health as a part of a comprehensive approach to optimizing worker productivity and performance.

These key findings make critical the need to better understand the role of workforce health as a direct and indirect contributor to productivity and performance in order to substantiate a broader value proposition for employer investments in workforce health. Four organizations were identified to serve as case studies of organizations leveraging health as a business strategy. Organizations were selected based on their national recognition for producing substantive business outcomes and their dedication to employee well-being. Common themes across the four case study organizations include: (1) people-centric organizational philosophies drive the importance of taking care of the workforce to achieve organizational goals; (2) organizational culture is viewed as a strong contributor to health, performance, and productivity; (3) steadfast and pervasive organizational commitment to measurement and evaluation is essential; (4) workforce health and well-being is considered a primary driver of organizational performance and productivity. Each of the organizations is very unique in their approach to demonstrating a connection between health and broader business objectives. The bottom line is that the survey findings and case studies represent the beginning of a dialogue on how to strengthen the dialogue and the state of the evidence on the connection between workforce health and broader business outcomes.

It is important to emphasize that all business leaders cannot be presumed to think similarly about the connection between health, productivity, and performance. Demographic characteristics, such as seniority level, organization size, geographic region, and industry category were collected from the survey respondents and sub-analysis of the findings by these characteristics reveal some important differences in business leaders' beliefs. While the group sizes the sub-population analysis are too small to be representative of all business leaders with similar characteristics, the differences are meaningful enough to urge caution in generalizing these key findings too broadly.

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Contributors to This Report

This report is a product of the HERO Health, Productivity, and Performance (HPP) Study Committee. A broad group of HPP study committee members and industry subject matter experts contributed to the development of the business leader survey and the four accompanying case studies that are summarized in this report. A complete list of HPP study committee members is included at the end of this report.

Survey Design and Report Developers

The business leader survey and this report of key findings was led by HERO staff, members of the Health, Productivity, and Performance (HPP) Study Committee, and industry subject matter experts. Contributors to the report are listed alphabetically below.

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Survey Distribution Partners

The business leader survey was administered by HERO, with support from seven survey distribution partners. Special thanks to the survey distribution partners for their efforts to promote the survey to a diverse group of business leaders.

- Findley Davies
- HUB International
- Hylant
- Institute for HealthCare Consumerism

- Mid-America Coalition on Health Care
- National Business Coalition on Health
- Virgin Pulse Institute

Employer Case Studies

In addition to the business leader survey, members of the HPP Study Committee conducted interviews with employer members to identify organizations whose leaders recognize the important role of workforce health in the achievement of business objectives. Four employers were selected on which case studies are provided. These organizations are real-world examples of how employee health can be leveraged to optimize business value. Individuals from each of the organizations below contributed to the case studies.

- American Express
- Barry-Wehmiller
- Intermountain Healthcare
- The Schwan Food Company

Introduction: Health as a Business Issue

Increasingly, U.S. business leaders are viewing workforce health as a business issue. A 2012 survey of senior financial officers found more than two-thirds of them view health as a financial priority in their organizations (IBI, 2012). That same year, an Aon Hewitt survey of 1,800 companies indicated that 70% of respondents invest in health and wellness as part of their business strategy (Aon Hewitt, 2012), and a year later a survey of employers found modifiable lifestyle issues—such as employee stress, obesity, and lack of physical activity—to be among their top concerns due to their demonstrated association with elevated absence costs (NBGH/Towers Watson, 2013). Still more recently, Buck Consultants released a report listing improved worker productivity as a primary reason to invest in workforce wellness programs (Buck, 2014).

Emerging research demonstrates the influence of workforce health on business outcomes. A report by the National Business Group on Health and Towers Watson found employers that invest in workforce health report better business performance (NBGH/Towers Watson, 2013). Right Management, a talent and career management company serving Fortune 500 and global employers reported that organizational performance increased 2.5 times in organizations with well-managed health and wellness programs (Right Management, 2009). A Willis North America survey of over 1,500 companies reported that some of the top benefits associated with health and wellness programs include better employee morale and employee retention (Willis NA, 2012). And yet, when asked about the chief drivers of business performance, health is not often a top-of-mind response for C-suite leaders (Terry, 2014).

To investigate this apparent disconnect, the HERO conducted a survey of business leaders from a wide variety of different industries. Nearly 520 individuals representing companies of different industry types, geographical regions, and organization sizes completed the survey. Approximately 25% of the business leaders responding to the survey held executive-level positions and the majority (72%) represented organizations with less than 5,000 employees. See the appendix (figures A1-A4) for more information on survey respondents and results by these demographic groups.

Business Leaders' Views on Health

The primary objective of the survey was to better understand how business leaders think about the concepts of productivity and performance, and also their beliefs about the connection between health, productivity, and performance. The survey did not offer respondents definitions of these terms because HERO wanted to understand how business leaders think about these concepts based on their own understanding of the terms. Further, HERO wanted to explore whether or not these terms mean the same thing to most business leaders or if they thought about them as two distinct concepts. As expected, in open-ended comments at the end of the survey some of the respondents suggested that clear definitions of the terms would have been helpful.

The responses from all survey respondents are addressed in the detailed results below, but all questions were also analyzed by demographic groups including the business leader's role in the organization, size of the organization, geographic region of company headquarters location, and industry type. All group comparisons are provided in the appendix at the end of the report, with some of the group differences featured in the primary findings.

Productivity versus Performance

The majority of business leaders (91%) view the terms productivity and performance as related concepts but not the same thing, and this view was held most strongly by leaders with a vice president role (94%, appendix figure A6) and by leaders representing companies headquartered in the Northeastern U.S. (appendix Figure A24). In contrast, business leaders from organizations with less than 500 employees were the least likely to distinguish between the terms (appendix Figures A32 and A33). Only 10% of the surveyed business leaders considered the terms similar enough to be used interchangeably. Moreover, 84% indicated both productivity and performance are equally important for meeting corporate objectives. Business leaders from organizations with more than 50,000 employees were less likely to agree (67%), slightly favoring performance as a stronger contributor to achieving corporate objectives (appendix figures A34 and A36). However larger organizations were more likely to be represented by individuals holding less senior roles (appendix Table A21).

Distinction between productivity and performance

Category	Agree	Neutral	Disagree
Terms mean the same and can be used interchangeably	10%	10%	80%
Terms are related but different	91%	3%	6%
Both are equally important for achieving corporate objectives	84%	7%	9%
Productivity is more important	15%	40%	45%
Performance is more important	47%	31%	22%
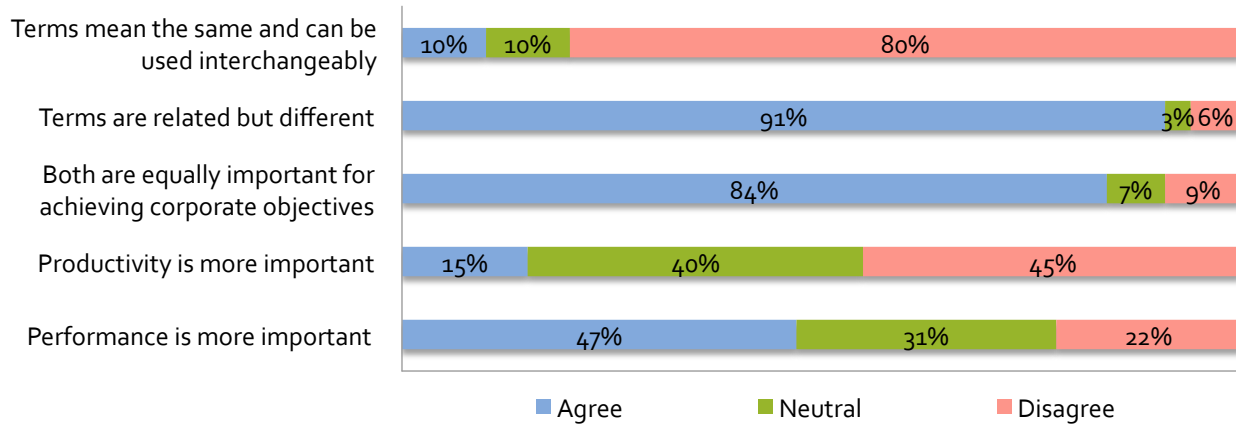
Drivers of Productivity and Performance

Reinforcing the distinction between terms, there were slight nuances in the drivers of productivity and performance identified by business leaders. Having the right tools to do one's job was listed by 42% of survey respondents as a top driver of productivity while employee engagement with their work was listed as the top driver of performance by 38% of respondents. Employee engagement with their work was the second most commonly identified driver of productivity followed by having the right people in the right jobs. Executive-level leaders and those from organizations with 1,000 to 5,000 employees were more likely than others to select employee accountability as a top driver above employee engagement with their work (appendix Tables A5 and A23).

Drivers of Productivity

Driver	Percentage
Appropriate resources and tools to do one's job	42%
Employee engagement with their work	35%
Having the right people in the right jobs	32%
Clear understanding of job responsibilities and performance objectives	29%
Org. culture support wellbeing of individuals and teams	23%
Environment of continuous process and quality improvement	23%
Employee accountability for meeting individual/ department objectives	23%
Employee health and wellbeing	23%
Employee training and professional development programs	19%
Employee happiness or morale	19%
Employee recognition, appreciation, compensation	16%
Employee freedom to make decisions about how to do their work most effectively	16%
Job stability and predictability	11%
Employee values aligned with organizational mission and strategy	10%
Effectively addressing job related stress	4%
Other	2%

Employee engagement with their work was the most frequently indicated top driver of performance followed by having the right people in the right jobs and having a clear understanding of one's job responsibilities and performance objectives. In response to both questions, less than a quarter of business leaders indicated employee health and well-being as a top driver. Senior-level leaders were less likely to name health and well-being as a top driver of productivity (appendix Table A5), and only 12% of vice president-level leaders selected employee health and well-being as a top driver of performance (appendix Table A6).

Drivers of Performance

Driver	Percentage
Employee engagement with their work	38%
Having the right people in the right jobs	30%
Clear understanding of job responsibilities and performance objectives	28%
Employee recognition, appreciation, compensation	26%
Org. culture support wellbeing of individuals and teams	25%
Employee training and professional development programs	25%
Employee accountability for meeting individual/ department objectives	25%
Employee freedom to make decisions about how to do their work most effectively	23%
Employee values aligned with organizational mission and strategy	23%
Employee health and wellbeing	21%
Appropriate resources and tools to do one's job	20%
Employee happiness or morale	19%
Environment of continuous process and quality improvement	13%
Job stability and predictability	8%
Effectively addressing job related stress	5%
Other	1%

Managers and leaders from organizations with 500 to 1,000 or 5,000 to 10,000 employees were more likely than higher-level business leaders or leaders in larger organizations to name employee health and well-being among their top three drivers of productivity (appendix figures A37 and A38). Business leaders from the education sector (36%) were most likely to list health and well-being as a top driver, with more than 30% of that group representing executive-level leaders (appendix Table A11). Geographical differences also emerged with leaders from organizations headquartered in the Northeastern U.S. far more likely (31%) than leaders from organizations in the West (12%) to select employee health and well-being as a top driver of productivity (appendix Table A17). Similar differences were noted for drivers of performance (appendix Table A18). This may have been driven by the strong representation of health care services (27%) organizations among the respondents from

companies based in the Northeast (appendix Table A16).

It may seem discouraging to industry health and well-being professionals that most business leaders did not name health as a top driver of productivity or performance, but some evidence suggests it may be a fair assessment. Emerging research studies indicate that employee health has a significant influence on productivity and performance but its contribution may be less than work-related factors such as one's relationship with his or her supervisor (Shi et al, 2013), organizational policies (Lynch and Sherman, 2014), or work environment problems (Karlsson et al, 2013). This does not mean health is not an important contributor to productivity and performance, but rather it is one of several contributors and should be addressed as part of a comprehensive approach to optimizing business outcomes.

Health as a Contributor to Organizational Priorities

Influence of Health on Productivity and Performance

It was interesting how attitudes shifted when business leaders were asked directly about the importance of employee health to their organization's success. More than 90% of those surveyed said health had a very significant or significant influence on productivity and performance. None of the business leaders surveyed said health had an insignificant influence on these outcomes.

Influence of Health on Productivity

7%

43%

50%

■ Very Significant   ■ Significant   ■ Modest

Influence of Health on Performance

9%

42%

49%

■ Very Significant   ■ Significant   ■ Modest
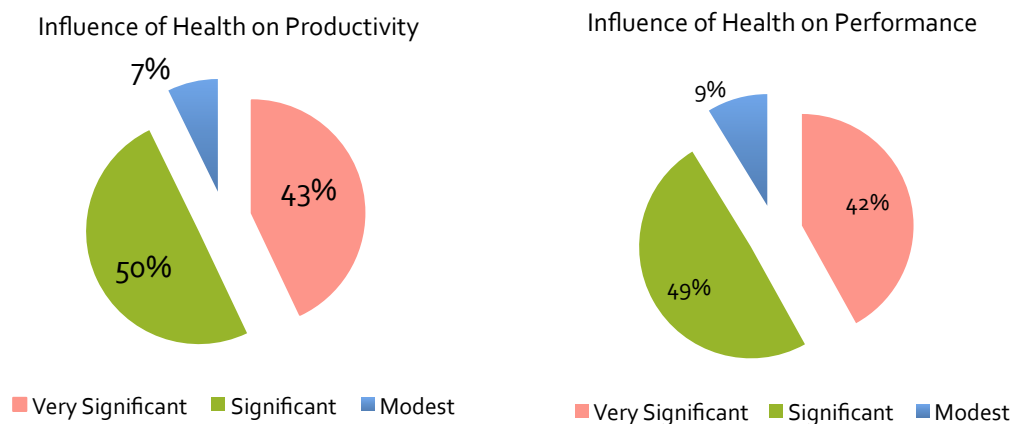
The survey asked business leaders to what degree they believed health influenced worker productivity and worker performance, using separate questions. Business leaders representing education services organizations were more likely than most other industry business leaders to say health has a significant influence on productivity (appendix Figure A19). Leaders in the government sector most strongly supported health as a significant contributor to performance (appendix Figure A20).

Influence on Business Priorities

When business leaders were asked directly about the top organizational priorities influenced by employee health, productivity and performance were most often listed. Employee engagement or morale followed those priorities. Business leaders representing government organizations more frequently selected benefit cost reduction and safety over employee engagement, while manufacturing leaders favored safety as a top response. Business leaders from transportation, communications, and utilities organizations also favored benefits cost reduction as a priority most impacted by health (appendix Table A13).

Business Priorities Influenced by Health

Priority	Percentage
Productivity	62%
Performance	60%
Employee engagement or morale	41%
Benefits cost reduction	30%
Safety	29%
Quality	22%
Sustainability	10%
Benefits plan design	10%
Recruitment/Retention	6%
Sales	4%
Global competitiveness	3%
Other	1%
None of the above	1%
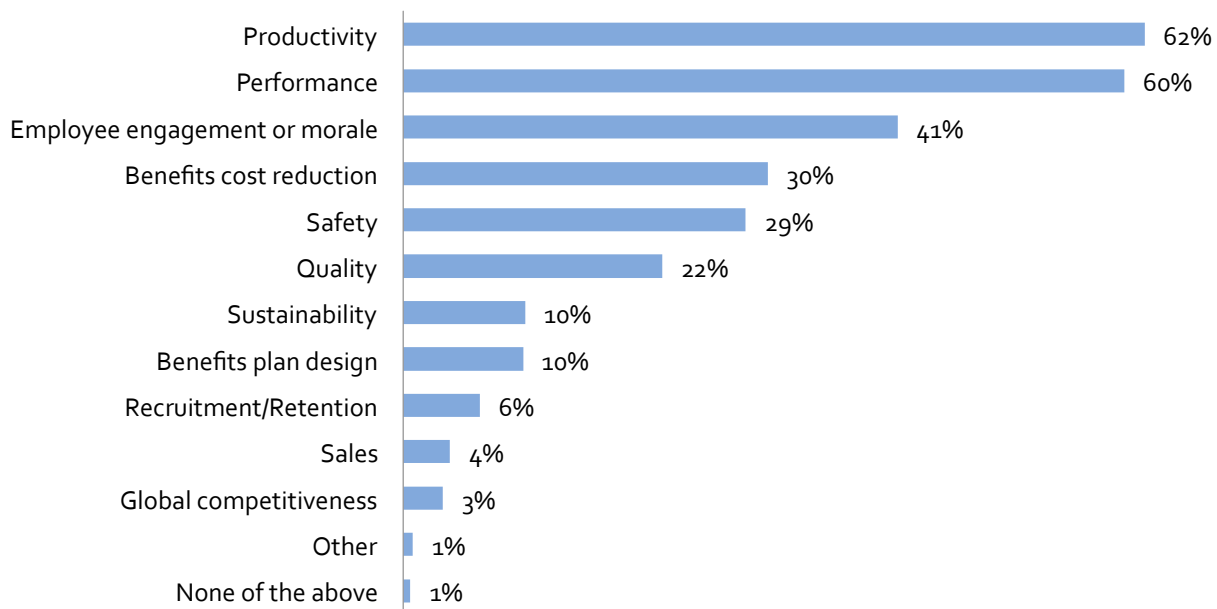
More surprising, are the priorities that were not as well recognized as being influenced by health. Only 3% of business leaders selected global competitiveness as a top organizational priority influenced by wellness and this pattern held true even for organizations that were not headquartered in the United States. What may have influenced this finding is the makeup of the survey sample. A majority of survey respondents (72%) represented organizations with less than 5,000 employees and it may be the case that smaller organizations are less likely to compete globally. Yet, only 7% of business leaders in large organizations (10K – 50K employees) indicated health impacts their global competitiveness. This is an interesting contrast to the position of health in the minds of global business leaders, where reducing employee absence and improving productivity are among the top reasons for investing in workforce wellness programs (Buck Consultants, 2014).

Value of Workforce Health

Investment Versus Expense

Consistent with the finding that, when prompted, business leaders acknowledged the importance of health as an influencer of productivity, performance, and employee engagement or morale the finding that business leaders think of health as more than a cost containment strategy. More than half (57%) of survey respondents reported that health was viewed as part of their organization's core business strategy or as an investment in human capital. Only about a third of business leaders said health is viewed primarily as a cost containment strategy and fewer still, as an expense. This finding is important because it recognizes growing support for a broader value proposition for investment in workforce health and well-being. Review of the

Senior leaders primarily view health as:
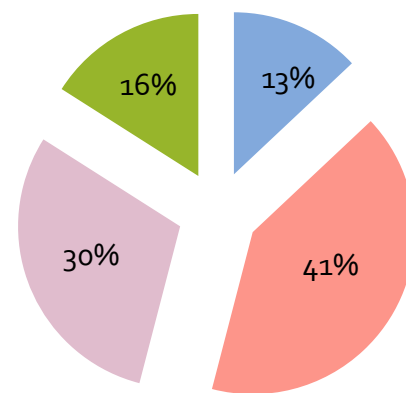
16%
13%
30%
41%

- An expense
- An investment in human capital
- A health care cost containment strategy
- A core business strategy

findings analyzed by demographic groups suggest that communiations challenges may exist within an organization. For instance, directors and managers are far more likely to indicate that senior leaders view health primarily as a cost containment strategy rather than an investment in human capital or as part of the organization's core business strategy (appendix Figure A13). Business leaders from the smallest organizations (1 to 100 employees) were most likely to express commitment to improving health (appendix A39). More than 70% of the business leaders from these organizations were represented by executive-level leaders. So, the data might suggest that there is a disconnect between the way senior leaders see the value of employee health, and the way middle managers think it is seen by senior leaders.

Commitment to Health

What is encouraging is the finding that most business leaders (77%) felt their organization's leaders were committed or strongly committed to improving the health of their workforces.

Senior Leadership Commitment to Improving Health

- Very committed — 27%
- Committed — 50%
- Neither committed nor uncommitted — 16%
- Uncommitted — 6%
- Very uncommitted — 1%
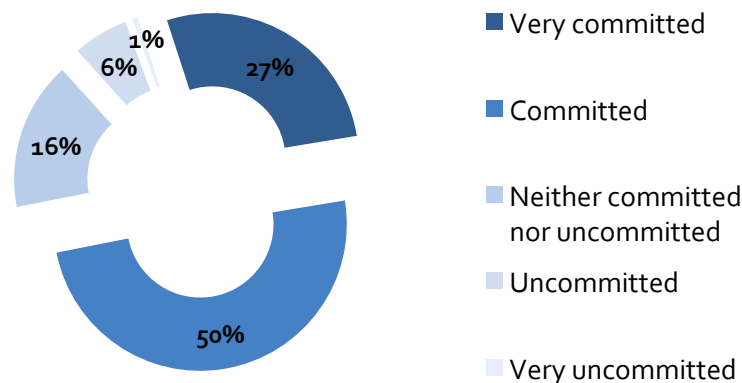
Where work remains to be done is with middle managers, who were less likely (71%) to report commitment than were senior executives (87%, appendix Figure A12). Business leaders from the largest organizations were least likely to indicate its organizations senior leaders were committed to the health of its people (appendix Figure A39), but this could be the result of the fact that many of the survey participants from the largest organizations were most likely to be represented by managers

and individual contributors. The observation that middle managers feel that senior leaders are less committed to workforce health, or that these middle managers are less committed than leaders at the top of the organization, speaks to the importance of building support for workplace health at every level of leadership within the organization. The value of aligning leaders at all levels of an organization has been addressed in several recently-published books (Edington, 2009; Ward and Robison, 2015). Business leaders from wholesale/retail organizations were more likely than leaders from other industries to feel that senior leaders in their organization were committed to health improvement and were much less likely to view health as an expense (appendix Figures A21 and A22).

Conclusion

The HERO HPP study committee survey findings provide insights for anyone seeking to engage business leaders in discussion about the value of investing in workforce health. However, just as the industry has come to understand the need to use a comprehensive approach to best impact the health of end-users of health promotion programs, we may also need to develop unique messages for leaders at different levels within organizations and even messages specific to the seniority level of the leader or the type of organization they represent. Leaders from smaller organizations responded differently to some of the questions than did leaders from larger organizations, as did leaders holding senior leadership roles versus middle management roles. There were also slight differences in some of the responses based on industry type and geographical location (see appendices).

Many business leaders in this survey felt that health and well-being programs can impact important business priorities such as productivity, performance, and employee engagement with their work. More research is needed to fully understand the influence of health and well-being relative to other potential influences on these outcomes. A prerequisite to evaluating the full impact of health management programs on business results is building such outcomes into a comprehensive evaluation plan. Some of the leaders responding to this survey expressed a desire to have clearer definitions of productivity and performance. The challenge is that these terms may mean different things to different individual workers, departments, business units, and organizations.

There are several recommendations for organizations interested in applying the information in this report to pursue a broader value proposition for workplace health promotion programs. One suggestion is to share relevant findings from the survey report with business leaders as a conversation starter about their beliefs related to the value of workforce well-being.

Another potential application of the survey findings is to consider how workforce health programs are positioned within an organization and why. Many times senior business leaders turn to workforce health initiatives in an effort to control health care costs. While there is research evidence to support this positioning, there is also evidence supporting a broader value proposition such as increased productivity and performance, higher engagement and morale, and lower turnover rates. However, in order to associate workforce health with some of these broader aspects of value, it is important to consider the scope of the program, if these types of outcomes are realistic, and what the implications are for program evaluation. If the program is focused only on improving the physical health of the population, it may not be appropriate to expand the value proposition. As organizations broaden their business case and evaluation strategies, they may also need to expand the focus of their programs to include social, financial, spiritual, and mental well-being.

It is instructive to learn from other organizations that have positioned their programs as part of a broader business strategy and have been successful in measuring the HPP connection. The HERO HPP study committee identified four organizations that have received national recognition for their commitment and investment in workforce well-being. The next section of this report provides case studies on all four of these organizations. The survey findings and case studies shared in this report represent a first step towards a dialogue about the value proposition of workforce health as a driver of productivity and performance, and ultimately, business outcomes and profitability.

Case Studies of Organizations Leveraging Health as a Business Strategy

Organizations were selected for case studies based on their national recognition for producing substantive business outcomes and their dedication to employee well-being. The work group aimed to identify companies representing diverse size, industry type, and US geographical location. Common themes across the four case studies include: (1) people-centric organizational philosophies drive the importance of taking care of the workforce in order to achieve organizational goals; (2) organizational culture is viewed as a strong contributor to health, performance, and productivity; (3) steadfast and pervasive organizational commitment to measurement and evaluation; (4) workforce health and well-being is considered a primary driver of organizational performance and productivity.

American Express

Established in 1850, American Express (AXP) is a global services company, providing customers with access to products, insights and experiences that enrich lives and build business success. AXP offers the broadest array of payments, expense management and travel solutions for consumers, small businesses, mid-sized companies and large corporations. The New York City-based company employs more than 50,000 people worldwide and was ranked 90th among the Fortune 500 in 2014. Last year, $952.4 billion was spent worldwide using the 107 million American Express cards that are accepted in more than 130 countries and territories. American Express prides itself on providing superior customer service and earned the 2014 J.D. Power and Associates award for highest customer satisfaction for the eighth consecutive year.

Barry-Wehmiller

With more than 20 consecutive years of 18% compound growth in share value, Barry-Wehmiller is a diversified global supplier of manufacturing technology and services across a broad spectrum of industries. The St. Louis, Missouri-based company employs more than 8,500 team members across more than 70 companies operating in 28 countries. The company's four primary operating platforms are packaging automation, paper systems, paper converting, and engineering & IT consulting. In 2014, *Inc. Magazine* named Barry-Wehmiller one of its "Most Audacious Companies" due to its commitment to a people-first culture and purpose driven growth.

Intermountain Healthcare

Intermountain Healthcare is a not-for-profit health system based in Salt Lake City, Utah, with 22 hospitals and 185 clinics in its health services group; 1100 doctors and caregivers in the Intermountain Medical Group; and a broad range of clinics, services, and health insurance plans from SelectHealth. It is the largest healthcare provider in the Intermountain West, with more than 34,000 employees and serving the healthcare needs of Utah and southeastern Idaho residents. For five consecutive years, SelectHealth was recognized by J.D. Power and Associates as the top ranked health plan for member satisfaction within the mountain area.

The Schwan Food Company

The Schwan Food Company is a multibillion-dollar, privately owned company with 15,000 employees in the United States. Based in Marshall, Minnesota, the company sells frozen foods from home delivery trucks, in grocery store freezers, by mail, and to the food service industry. The company produces, markets, and distributes products developed under brands such as *Schwan's*, *Red Baron*, *Freschetta*, *Tony's*, *Mrs. Smith's*, *Edwards*, *Pagoda Express*, and many others. In 2013 Schwan's was recognized by Minnesota Business Magazine, ComPsych, and the Minneapolis/St. Paul Business Journal for its health and wellness programs.

American Express (AXP)

AXP's Vice President and Chief Medical Officer, Dr. Wayne Burton, describes the value proposition for a strong health and productivity strategy this way: "Service is the soul of our company. Our employees are at the heart of our connection with our customers, so their productivity and performance are critical to our success."

With more than half its employees working outside the United States, there is a global business case for AXP's health and productivity strategy. In many countries medical costs are not an issue for the company because the payment for, and the provision of, medical services are handled predominantly by the government. However, one goal is crucial all countries and cultures: keeping people at work and performing optimally. Dr. Burton's department is responsible for developing and implementing the productivity and wellness strategy. But he is quick to mention that senior leadership is essential to success. A steering committee made up of four executive leaders representing lines of business around the world reviews and provides direction to the overall health management program.

AXP is a customer service driven organization and performance metrics are at the heart of the culture. Productivity is considered a component of an employee's performance at AXP but performance encompasses many other factors, which are evaluated in the annual job performance assessment. Senior leaders understand that healthy employees are more productive and engaged with their work, and that unmanaged stress, lack of regular exercise, and obesity are global regarding their impact on productivity. Twice a year, employees complete performance assessments and are evaluated by their supervisors. Annually, company senior leaders undergo a 360 evaluation. In addition, there is an annual Pulse Survey distributed to all employees that focuses on leadership and engagement.

The company has an integrated database that provides information on productivity outcomes including short and long term disability, workers compensation, and incidental absenteeism. Dr. Burton's group selected a health risk appraisal (HRA) and the Work Limitations Questionnaire to measure the connection between health risks and productivity outcomes by age group, location, and ethnicity as well as to assess opportunities for wellness initiatives. They've demonstrated that poor health is associated with an increased likelihood of a short-term disability event and that improved health status is associated with a decline in short-term disability events.

 "In order to provide exceptional customer service, we need to have engaged employees." To assess engagement Dr. Burton's team added a set of questions to the HRA. Two years of results are in, and they have found that healthier employees are more engaged. Dr. Burton cautions that they do not know the directionality of the relationship, so cannot assume that health leads to engagement. Future data analysis will begin to determine how the metrics change over time.

Barry-Wehmiller

For Barry-Wehmiller, the organizational connection of health, performance and productivity starts with the company's culture. Their *Guiding Principles of Leadership* defines the cultural strategy for the entire organization. The vision for cultural strategy reflects their people-centric culture: "We measure success by the way we touch the lives of people." The Guiding Principles foster the belief that leadership is responsible for creating a dynamic environment that is based on trust, brings out and celebrates the best in each individual, allows for teams and individuals to have a meaningful role, inspires a sense of pride, challenges individuals and teams, and liberates everyone to realize "true success".

Barry-Wehmiller's leaders are driving towards a culture that promotes health as a contributor to both performance and productivity. They acknowledge that when people don't feel their best, people will not be able to achieve the highest levels of performance and productivity. In order to foster the connection between health, performance and productivity, health metrics are integrated into business updates and the senior leadership teams are becoming involved in setting and supporting health goals.

The company's people-centric approach to measuring performance and productivity centers on the belief that leaders play a central role in how their people feel about the contributions that they make to the organization. Barry-Wehmiller's leaders believe that creating an environment where people feel good about the work that they do is directly related to the other aspects of people's lives, and if people feel fulfilled and valued at work, they will create better lives for themselves and stronger relationships with their families outside of work.

Barry-Wehmiller's commitment to measuring the success of their culture and leadership model is steadfast, and the organization has conducted a recent study to develop a clear understanding of the outcomes associated with their people-centric business model. This study, conducted in conjunction with Georgetown University and Washington University, found a strong correlation between the company's leadership model, culture and key business outcomes such as performance, creativity, and altruism. The company utilizes several different measurement tools including the HERO and WELCOA scorecards, financial analysis, an environmental assessment tool, and comprehensive health drivers and outcomes data such as biometrics, health risk assessments, and incentive analysis.

As Barry-Wehmiller's CEO Bob Chapman notes: "All the metrics—inventory turns, quality, on-time delivery, financial performance—will come if you have the right vision and connect it with the right inspirational leadership model." Through this leadership model, Barry-Wehmiller instills a sense of both organizational and societal responsibility for the company's leaders to create a caring environment that inspires positive behaviors and allows team members to reach their fullest potential.

Intermountain Healthcare

The focus at Intermountain Healthcare is on people helping people improve their health and well-being, as evidenced in its mission, "Helping people live the healthiest lives possible." They do this through their community, patient-focused, and employee LiVe Well programs and services. This practice of supporting the health of every life they touch demonstrates their commitment to achieving optimal well-being and its value to them as an organization. The company believes that being a healthy organization is a primary strategy, commensurate with delivering proper care for patients.

Intermountain leadership 'walks the walk' by participating on the LiVe Well Program Steering Committee, which focuses on initiatives that support employees and their families to live healthy, happy, connected, engaged, and secure lives. These leaders then turn to their departments to assist with the development of a culture of wellness. The goal is to establish the connection between personal health and well-being, and Intermountain's capacity to fulfill its mission of providing excellence in healthcare to the communities it serves.

In terms of the link between health, performance and productivity, Intermountain connects their mission of delivering patient clinical improvement and the highest quality of care with employee engagement. Performance is measured through engagement and after three years of using the Gallup Survey, Intermountain has found that the level of employee engagement correlates highly with patient satisfaction and employee participation in the LiVe Well program. Performance is also measured through patient clinical outcomes. Intermountain believes that when employees are engaged, the result is high performance, which translates to high levels of patient safety and patient satisfaction.

Intermountain leadership understands the difference between work process and outcomes, but does not make a distinction between the terms performance and productivity. There is consensus, however, that good customer service is clearly tied to good health and wellness. Modeling good health is now viewed as an important component of being a high performing employee.

Success has long been defined at Intermountain as delivering health outcomes and high quality services, as well as meeting or exceeding financial goals. Specific metrics by which the LiVe Well employee initiative will be measured are now being analyzed and prioritized but at the highest level Intermountain's leadership and Board of Directors are focused on engagement at work, participation in the wellness program, improvements in HEDIS measures, and changes in overall healthcare costs.

The Schwan Food Company

Corporate citizenship is at the heart of Schwan's culture and their unique approach to making the connection between health, performance and productivity. Schwan's commitment to improve the quality of life of its employees and improve the communities in which they live occurs through community involvement, creating sustainable programs, and sponsoring events that promote charitable giving and educational involvement.

One of the keys to Schwan's success is the company's relentless dedication to measuring the financial, operational and people-related components of the organization. Schwan's business priorities are safety, quality, growth, cost, service and culture, and the company measures key elements of performance and productivity in order to determine their progress in each of these priorities. Schwan also develops specific metric targets for each of their business units, and manages to them. Schwan's leaders view performance as the "output" and productivity as the "efficiencies needed" to achieve that output. Of Schwan's fifteen key performance indicators, one-third are productivity-oriented and two-thirds are performance-oriented.

Schwan's fundamental approach to performance is captured in one simple question: How much of a person's potential did they bring to the job today? Additionally, Schwan believes that the primary drivers of performance and productivity are removal of barriers, streamlining processes and creating a supportive culture, and the company's leaders consistently strive to find meaningful and measurable ways to address these drivers.

As Schwan evolves its process of making the connection between health, performance and productivity, it has studied the connection between safety and its annual work engagement survey. Intuitively, the leaders at Schwan believe that fostering a culture that enables healthy lifestyles can be a source of increased innovation, improved quality and improved efficiencies. Furthermore, they have demonstrated this connection by developing correlational studies focused on their business priorities and engagement data. Interestingly, Schwan found that organizational support for healthy employee lifestyles is the engagement survey item that is most strongly correlated to safety.

As Schwan continues to refine its understanding of the link between health, performance and productivity, it is focused on helping front-line managers better make the connection with their teams. While the senior leadership team at Schwan understands the connection, they feel it is also critical to facilitate this understanding with employees throughout the different layers of the organization. Additionally, the company intends to continue to pursue measurable ways to strengthen the connection between health, performance and productivity.

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Appendix

About the Survey

In May 2014, the Health Enhancement Research Organization (HERO) launched a web-based survey to assess business leaders' attitudes about the connection between worker health, productivity, and performance (HPP). The survey was distributed to U.S. employers via seven distribution partners including Findley-Davies, HUB International, Hylant, Institute for HealthCare Consumerism, Mid-America Coalition on Health Care, National Business Coalition on Health, and Virgin Pulse Institute. The survey was completed by 519 employers between May 15, 2014 and July 15, 2014 and less than 3% of the respondents were HERO members at the time of survey completion.

Figure A1. Leadership Role in Organization

Legend:
- Executive
- VP
- Director
- Manager
- Individuals/ Other
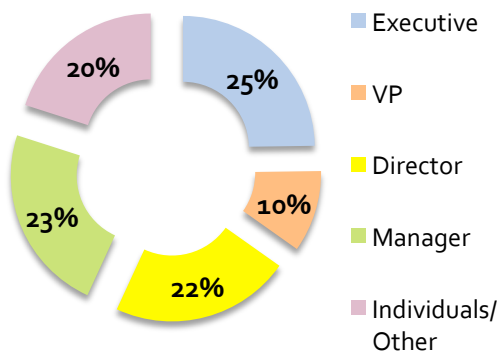
The distribution partners were asked to send the survey to individuals with senior-level leadership roles within their organizations but it is possible that the survey link was forwarded to other individuals within an organization to complete. Approximately 25% of the business leaders responding to the survey held executive-level positions including CEO, CFO, COO, President, and similar executive leadership roles (Figure A1).

Figure A2. Organization Size (Number of Employees)

Legend:
- < 100
- 101-500
- 501-1000
- 1001-5000
- 5001-10,000
- 10,001-50,000
- > 50,000
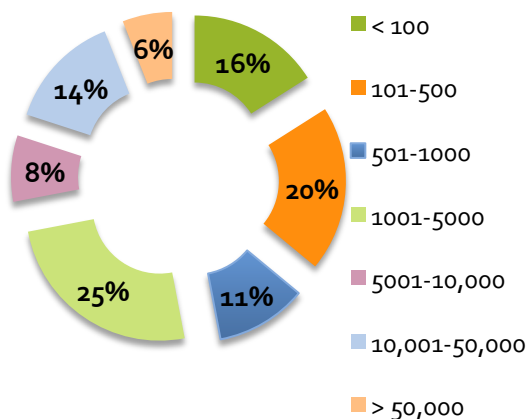
The organizations represented by survey respondents ranged from fewer than 100 total employees (16%) to more than 50,000 total employees (6%), with the majority ranging from 1,000 to 5,000 employees. Approximately 72% of respondents represented organizations with less than 5,000 employees (Figure A2).

Figure A3. Industry Groups

- Health Care Services
- Other Services
- Manufacturing - Mining
- Financial Services
- Education
- Other
- Wholesale/retail
- Government
- Transportation, communications, utilities
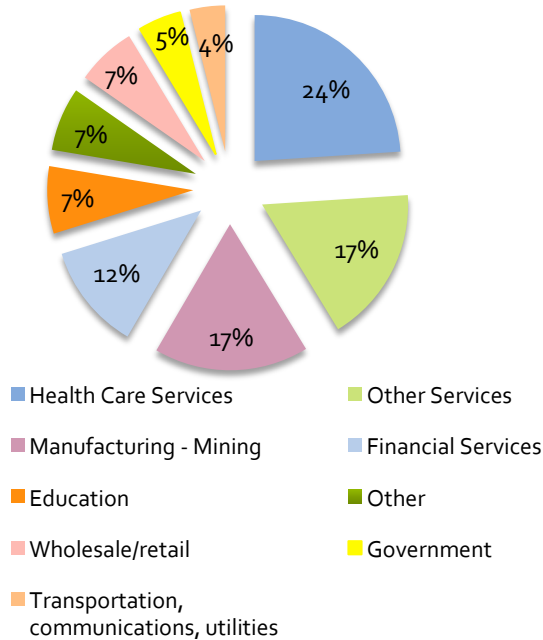
Most respondents represented the services sector (60%), primarily health care services (24%). The remainder represented a wide range of industries including government, manufacturing-mining, wholesale/retail, transportation, communications, and utilities (Figure A3).

Figure A4. Geographical Region (Location of Organization Headquarters)

- North Central
- South
- Northeast
- West
- Outside US
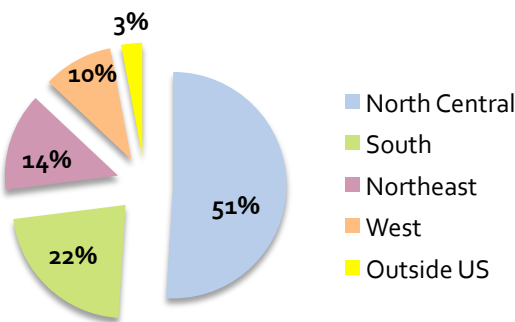
More than half of the respondents represented organizations that are headquartered in northern central states and a small minority were headquartered outside of the U.S. (Figure A4). Organizations were grouped into regions based on U.S. Census groups (Table A1).

Table A1. States in Geographical Region

U.S. CENSUS REGION	STATES
North Central	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI
South	AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV, DC
Northeast	CT, ME, MA, NH, NJ, NY, PA, RI, VT
West	AK, AZ, CA, HI, ID, MT, NV, NM, UT, WA, WY
Outside U.S.	Not Applicable

Survey Questions

1. Please indicate your level of agreement or disagreement with the following statements by selecting the response that best corresponds with your opinion.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Productivity and performance mean the same thing and the terms can be used interchangeably	○	○	○	○	○
Productivity and performance are related but represent different things to me	○	○	○	○	○
Productivity and performance are equally important in achieving corporate objectives	○	○	○	○	○
Productivity is more important to achieving corporate objectives	○	○	○	○	○
Performance is more important to achieving corporate objectives	○	○	○	○	○

2. Within your organization, which of the following do you feel are the **most** influential on worker *productivity*? Please select up to three responses that are most relevant for your organization.
   o Environment of continuous process and quality improvement
   o Organizational culture supports well-being of individuals and teams
   o Employee engagement with work
   o Employee training and professional development programs
   o Employee health and well-being
   o Job stability and predictability
   o Employee happiness or morale
   o Employee freedom to make decisions about how to do their work most effectively
   o Employee accountability for meeting individual/team/department objectives
   o Effectively addressing job-related stress
   o Employee values aligned with organizational mission and strategy
   o Appropriate resources and tools to do one's job
   o Having the right people in the right jobs
   o Employee recognition, appreciation, and compensation
   o Clear understanding of job responsibilities and performance objectives
   o Other (please specify) _____

3. Within your organization, which of the following do you feel are the **most** influential on worker *performance*? Please select up to three that are most relevant for your organization.
   o   Environment of continuous process and quality improvement
   o   Organizational culture supports well-being of individuals and teams
   o   Employee engagement with work
   o   Employee training and professional development programs
   o   Employee health and well-being
   o   Job stability and predictability
   o   Employee happiness or morale
   o   Employee freedom to make decisions about how to do their work most effectively
   o   Employee accountability for meeting individual/team/department objectives
   o   Effectively addressing job-related stress
   o   Employee values aligned with organizational mission and strategy
   o   Appropriate resources and tools to do one's job
   o   Having the right people in the right jobs
   o   Employee recognition, appreciation, and compensation
   o   Clear understanding of job responsibilities and performance objectives
   o   Other (please specify) _____

4. In your opinion, to what degree does health influence worker productivity and worker performance?

	Very Significant Influence	Significant Influence	Modest Influence	Insignificant Influence	Very Insignificant Influence
Worker Performance	O	O	O	O	O
Worker Productivity	O	O	O	O	O

5. Which of the following organizational priorities do you believe is most impacted by the health of your employees? Please select up to three that are most relevant for your organization.
   O   Productivity
   O   Sales
   O   Performance
   O   Recruitment/retention
   O   Safety
   O   Benefits cost reduction
   O   Benefits plan design
   O   Quality
   O   Sustainability

o   Global competitiveness
o   Employee engagement or morale
o   None of the above
o   Other (please specify) _____

6. To what extent do you feel your organization's leaders are committed to improving the health of its people? Commitment speaks to the level of leadership actions that visibly support health improvement and maintenance as well as dollars and other resources that are invested.
    o   Very committed
    o   Committed
    o   Neither committed nor uncommitted
    o   Uncommitted
    o   Very uncommitted

7. At my organization, improving and maintaining employee health is primarily viewed as: _____. Please select the response that you think represents the beliefs of your organization's most senior leaders.
    o   An expense
    o   An investment in human capital
    o   A core business strategy
    o   A health care cost containment strategy

8. In which state is your organization's headquarters located? _____

9. Please indicate the number of U.S. worksites your organization has by typing the number in the box below. Count each geographically dispersed worksite that is managed as a single location. _____

10. Please provide the total number of employees that work for your organization by typing the number in the box below.

    _____

11. Please identify your organization's primary type of business by selecting one of the choices below.
    o Manufacturing – Mining (construction, energy/petroleum)
    o Manufacturing – Products (equipment, chemicals, food/beverage, printing/publishing, etc)
    o Transportation, communications, utilities
    o Services – Education (public and private)
    o Services – Financial (banks, insurance, real estate)
    o Services – Health care (hospitals and health services)
    o Wholesale/retail
    o Government (federal, state, city, county)
    o Other (diversified companies, farms, etc)

12. Please provide your current title/role in your organization. Select one from the following list.
    o CEO
    o CFO
    o COO
    o Other C-suite (CMO, CTO, etc)
    o General Manager
    o President
    o Vice President
    o Director
    o Manager
    o Individual Contributor
    o Other (please specify) _____

13. Please indicate if your organization represents any of the following categories. Select all that apply.
    o Employer
    o Wellness industry vendor supplier
    o Consulting organization
    o HERO Think Tank Member

14. Please add any additional comments you have regarding the connection between employee health, productivity, and performance.

Results by Leadership Role

The majority of survey respondents (25%) held executive-level positions in their organization, but there was strong representation of leaders at all levels of the organization, which enabled data analysis by leadership role. A potential relationship between leadership role and organization size is evident in these results. Executive-level leaders responding to the survey were more likely to represent smaller organizations with less than 500 employees while larger organizations were more likely to be represented by directors and managers, particularly for organizations with more than 50,000 employees.

Table A2. Leadership role by organization size

NUMBER OF EMPLOYEES	ALL RESPONSES	EXECUTIVE	VICE PRESIDENT	DIRECTOR	MANAGER	INDIVIDUAL CONTRIBUTOR
	(n=478)	(n=128)	(n=50)	(n=109)	(n=111)	(n=80)
1 - 100	15.9%	32.0%	10.0%	9.2%	11.7%	8.8%
101 - 500	19.9%	30.5%	26.0%	19.3%	12.6%	10.0%
501 – 1,000	10.9%	9.4%	12.0%	11.0%	9.0%	15.0%
1,001 – 5,000	25.1%	14.8%	30.0%	25.7%	27.9%	33.8%
5,001 – 10,000	8.2%	4.7%	0.0%	12.8%	12.6%	6.2%
10,001 – 50,000	14.4%	6.3%	20.0%	18.3%	14.4%	18.8%
> 50,000	5.6%	2.3%	2.0%	3.7%	11.7%	7.5%

Executive leaders were most likely to represent organizations headquartered in the North Central region of the United States and least likely to represent organizations in the western states. Organizations headquartered outside of the U.S. were fairly equal in their distribution of leaders at all levels of the organization.

Table A3. Leadership role by geographical region

STATE WHERE ORGANIZATION IS HEADQUARTERED	ALL RESPONSES	EXECUTIVE	VICE PRESIDENT	DIRECTOR	MANAGER	INDIVIDUAL CONTRIBUTOR
(by census region)	(n=477)	(n=127)	(n=49)	(n=106)	(n=112)	(n=83)
Northeast	13.4%	4.7%	18.4%	19.8%	11.6%	18.1%
North Central	50.7%	67.7%	51.0%	43.4%	42.0%	45.8%
South	22.2%	20.5%	14.3%	24.5%	26.8%	20.5%
West	10.5%	3.1%	12.2%	8.5%	16.1%	15.7%
Outside U.S.	3.1%	3.9%	4.1%	3.8%	3.6%	0.0%

Executives and vice presidents were more likely to represent the health care services industry and less likely to represent government, transportation, communication, and utility companies.

Table A4. Leadership role by industry type

INDUSTRY CATEGORY	ALL RESPONSES (n=486)	EXECUTIVE (n=127)	VICE PRESIDENT (n=51)	DIRECTOR (n=110)	MANAGER (n=114)	INDIVIDUAL CONTRIBUTOR (n=84)
Education Services	7.4%	8.7%	5.9%	9.1%	3.5%	9.5%
Financial Services	11.7%	5.5%	15.7%	8.2%	11.4%	23.8%
Government	4.7%	3.1%	0.0%	4.5%	7.9%	6.0%
Health Care Services	23.9%	30.7%	29.4%	20%	21.9%	17.9%
Manufacturing	17.5%	18.9%	17.6%	18.2%	17.5%	14.3%
Other Services	17.1%	17.3%	17.6%	18.2%	16.7%	15.5%
Transportation, Communications, Utilities	6.4%	0.8%	5.9%	6.4%	4.4%	3.6%
Wholesale / Retail	6.6%	8.7%	2.0%	8.2%	8.8%	1.2%
Other	7.2%	6.3%	5.9%	7.3%	7.9%	8.3%

Distinguishing between productivity and performance

Some interesting patterns emerged when responses were analyzed by leadership level, though group sizes were too small to detect significant differences. More than 90% of business leaders agree that productivity and performance are related but different terms, with vice presidents and directors being slightly more likely to distinguish between them (Figure A6). Vice presidents in particular are more likely to indicate that performance is more important than productivity in achieving corporate objectives. Managers were most likely to say productivity and performance are the same and that both are equally important to achieving corporate objectives (Figures A5 and A7).

Figure A5. Productivity and performance mean the same thing and terms can be used interchangeably

	Agree	Neutral	Disagree
Executive	11%	10%	78%
VP	8%	10%	81%
Director	6%	8%	85%
Manager	12%	11%	77%
Other	10%	11%	80%

■ Agree ■ Neutral ■ Disagree
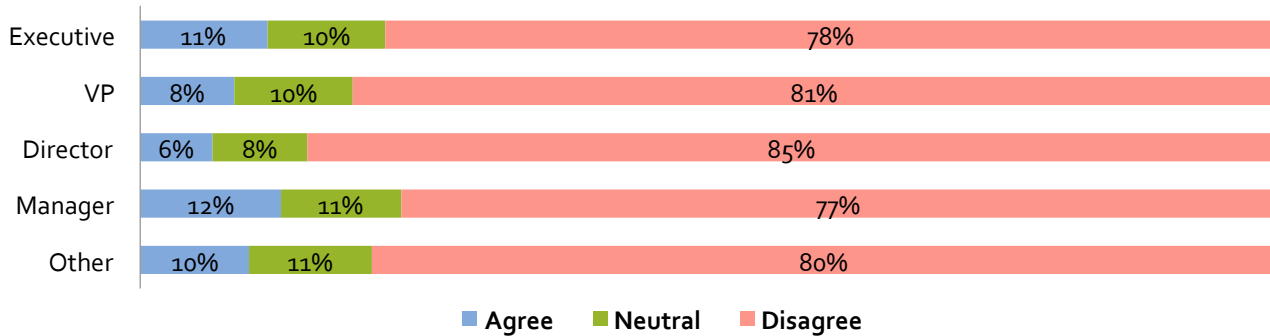
Figure A6. Productivity and performance are related but represent different things to me

	Agree	Neutral	Disagree
Executive	91%	2%	7%
VP	94%	0%	6%
Director	93%	3%	5%
Manager	91%	3%	6%
Other	90%	5%	5%

■ Agree ■ Neutral ■ Disagree
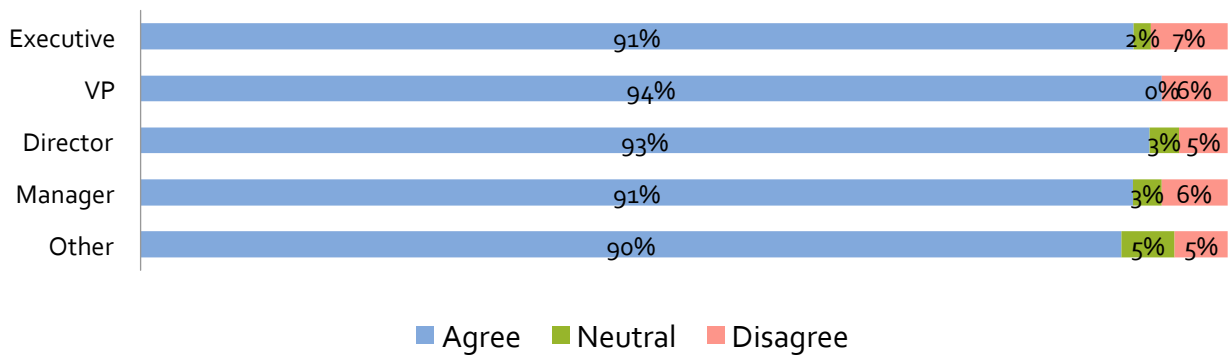
Figure A7. Productivity and performance are equally important in achieving corporate objectives

	Agree	Neutral	Disagree
Executive	83%	6%	10%
VP	77%	15%	8%
Director	82%	10%	8%
Manager	89%	4%	8%
Other	86%	6%	8%

■ Agree ■ Neutral ■ Disagree
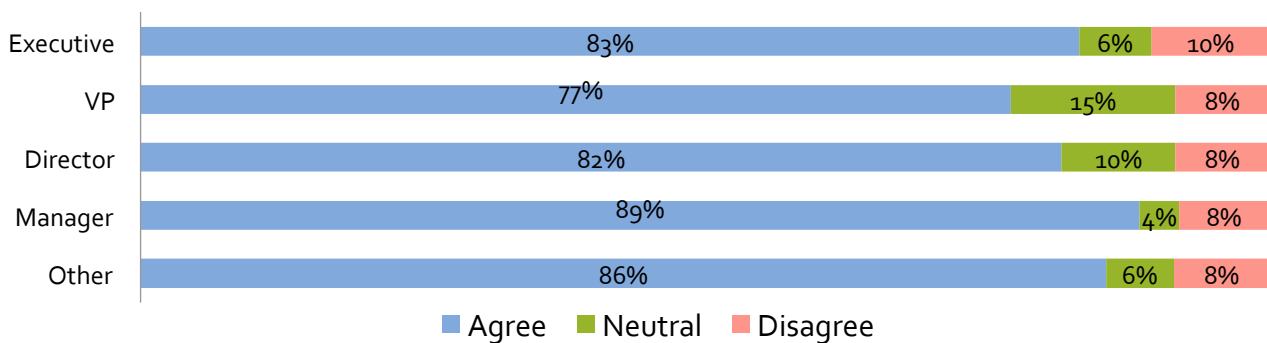
Figure A8. Productivity is more important to achieving corporate objectives

	Agree	Neutral	Disagree
Executive	15%	36%	49%
VP	8%	33%	58%
Director	9%	46%	45%
Manager	18%	45%	38%
Other	22%	37%	42%

■ Agree ■ Neutral ■ Disagree
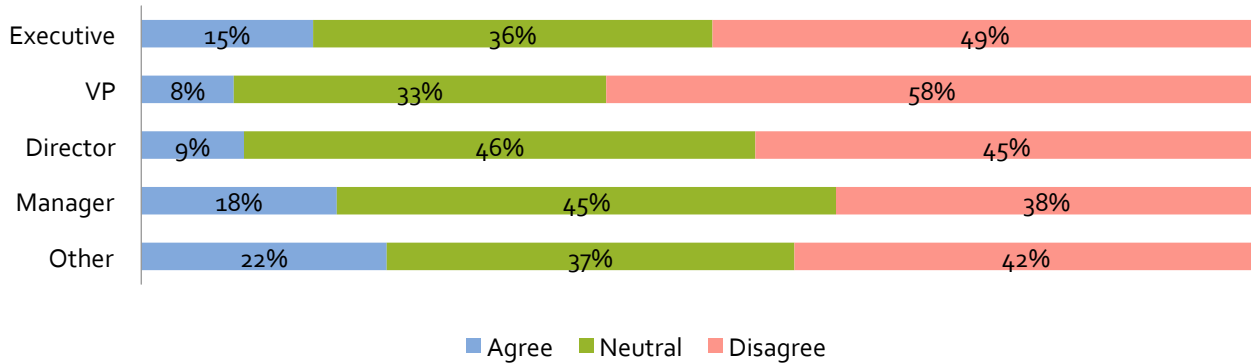
Figure A9. Performance is more important to achieving corporate objectives

	Agree	Neutral	Disagree
Executive	51%	28%	21%
VP	58%	21%	21%
Director	40%	33%	27%
Manager	51%	31%	18%
Other	46%	36%	19%

■ Agree ■ Neutral ■ Disagree
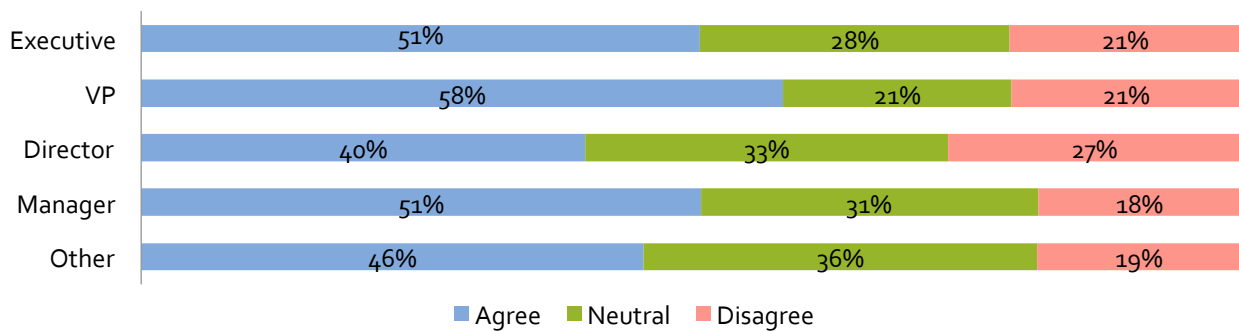
Drivers of productivity and performance

Having the appropriate resources to do one's job was among the top drivers of productivity for the majority of business leaders, who were asked to select the three top drivers in their organization. Executive-level leaders were far more likely than others to select employee accountability as a top driver above employee engagement with their work, which was named as a top driver by other leaders. In contrast, all levels of leadership named employee engagement with their work as a top driver of performance. Having the right people in the right jobs was also selected as a top driver of both productivity and performance, particularly by more senior leaders. Across most levels of leadership, approximately one in five leaders listed employee health and well-being as a driver of productivity. Leaders were slightly more likely to indicate employee health and well-being amongst the top drivers of performance with the exception of vice president-level leaders; only 12% of them selected it as a top driver.

Table A5. Top three influences on productivity[*]

	EXECUTIVE	VICE PRESIDENT	DIRECTOR	MANAGER	INDIVIDUAL CONTRIBUTOR
	(n=125)	(n=48)	(n=109)	(n=113)	(n=83)
Environment of continuous process and quality improvement	25%	33%	23%	17%	24%
Organizational culture supports well-being of individuals and teams	22%	16%	31%	23%	21%
Employee engagement with their work	29%	41%	39%	41%	31%
Employee training and professional development programs	20%	28%	18%	22%	14%
Employee health and well-being	19%	20%	19%	25%	36%
Job stability and predictability	9%	10%	16%	12%	11%
Employee happiness or morale	17%	16%	15%	22%	26%
Employee freedom to make decisions about how to do their work most effectively	16%	18%	10%	13%	26%
Employee accountability for meeting objectives	31%	26%	26%	16%	19%
Effectively addressing job-related stress	2%	4%	6%	4%	4%
Employee values aligned with organizational mission and strategy	11%	14%	11%	11%	10%
Appropriate resources and tools to do one's job	40%	37%	43%	46%	38%
Having the right people in the right jobs	38%	39%	33%	27%	24%
Employee recognition, appreciation, and compensation	16%	14%	14%	22%	21%
Clear understanding of job responsibilities and performance objectives	23%	33%	31%	33%	27%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Table A6. Top three influences on performance*

	EXECUTIVE	VICE PRESIDENT	DIRECTOR	MANAGER	INDIVIDUAL CONTRIBUTOR
	(n=125)	(n=48)	(n=109)	(n=113)	(n=83)
Environment of continuous process and quality improvement	20%	14%	14%	8%	5%
Organizational culture supports well-being of individuals and teams	31%	22%	27%	25%	19%
Employee engagement with their work	38%	39%	42%	39%	32%
Employee training and professional development programs	19%	20%	30%	28%	24%
Employee health and well-being	23%	12%	19%	25%	21%
Job stability and predictability	9%	12%	8%	7%	8%
Employee happiness or morale	20%	10%	13%	22%	25%
Employee freedom to make decisions about how to do their work most effectively	19%	29%	21%	25%	26%
Employee accountability for meeting objectives	25%	29%	26%	24%	20%
Effectively addressing job-related stress	4%	4%	6%	4%	10%
Employee values aligned with organizational mission and strategy	25%	33%	22%	22%	18%
Appropriate resources and tools to do one's job	15%	18%	22%	22%	26%
Having the right people in the right jobs	30%	41%	32%	26%	33%
Employee recognition, appreciation, and compensation	30%	22%	31%	25%	23%
Clear understanding of job responsibilities and performance objectives	30%	26%	29%	32%	26%

* Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Influence of health on productivity and performance

All levels of leaders indicated health has a significant influence on productivity but there was more variation in their responses for performance. Directors were less likely than other leaders to indicate health influences performance (85%) while executives were most likely to believe it does (97%). Directors were more likely than other leaders to express neutrality on the role of health as a contributor to performance.

Figure A10. Degree health influences productivity
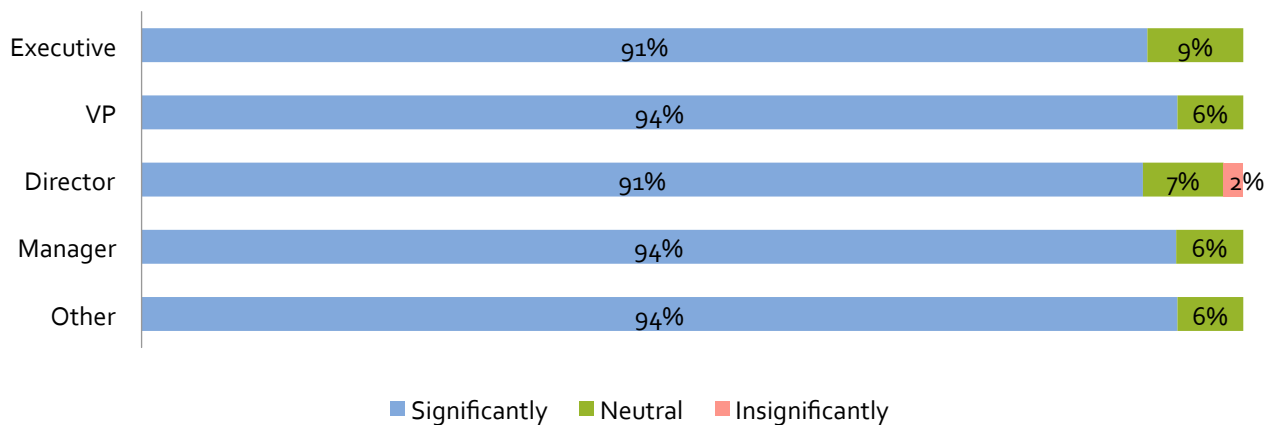
Figure A11. Degree health influences performance
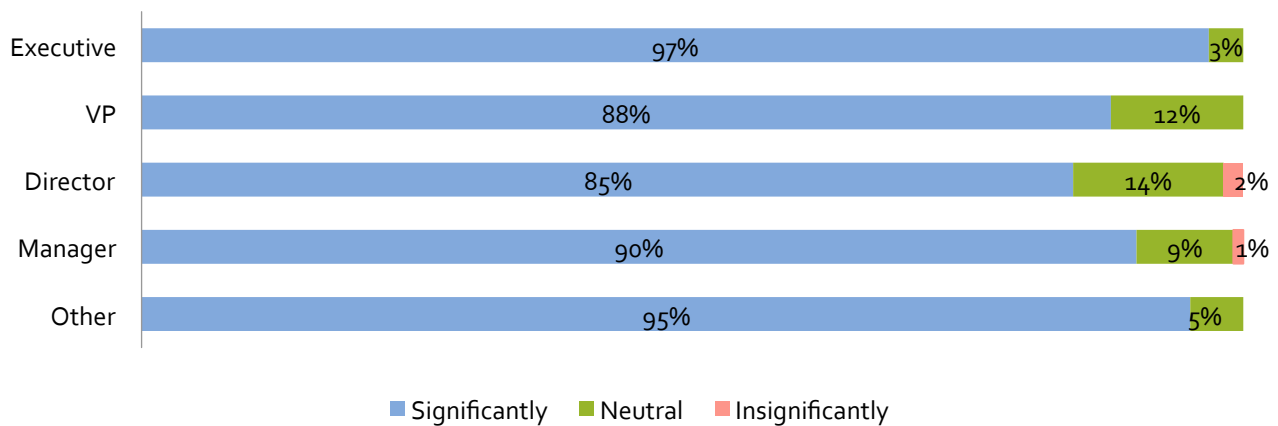
Influence of health on organizational priorities

Productivity and performance were most frequently selected as one of the top organizational priorities influenced by health, as was employee engagement or morale with one slight exception. Director-level leaders were far more likely than others to indicate benefit cost reduction as a priority influenced by health and ranked it higher than employee engagement or morale. Directors also more frequently listed benefits plan design among the top priorities influenced by health.

Table A7. Organizational priorities most influenced by health[*]

	EXECUTIVE	VICE PRESIDENT	DIRECTOR	MANAGER	INDIVIDUAL CONTRIBUTOR
	(n=125)	(n=48)	(n=109)	(n=113)	(n=83)
Productivity	63%	65%	68%	62%	67%
Performance	64%	67%	56%	67%	61%
Employee engagement or morale	52%	43%	38%	45%	36%
Benefits cost reduction	27%	22%	41%	32%	35%
Safety	29%	35%	30%	31%	27%
Quality	23%	29%	16%	22%	26%
Sustainability	12%	12%	10%	11%	10%
Benefits plan design	7%	4%	21%	7%	12%
Recruitment/retention	7%	6%	5%	9%	6%
Sales	6%	4%	3%	5%	1%
Global competitiveness	2%	2%	7%	3%	2%
None of the above	0%	0%	1%	1%	0%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Leadership commitment to health

Executive-level leaders were far more likely than other leaders to indicate that senior leadership in their organizations were committed to improving the health of their people. A higher ratio of lower-level leaders expressed neutrality on the issue of commitment, particularly individuals in managerial roles. This apparent disconnect supports the need to address all levels of leadership within an organization when building support for health improvement initiatives. It is especially important to address the value proposition for health. Directors and managers are far more likely to indicate that senior leaders view health primarily as a cost containment strategy rather than an investment in human capital or as part of the organization's core business strategy.

Figure A12. Senior leadership commitment to improving the health of its people

	Committed	Neutral	Uncommitted
Executive	87%	10%	3%
VP	76%	18%	6%
Director	79%	15%	6%
Manager	71%	21%	8%
Other	69%	21%	10%
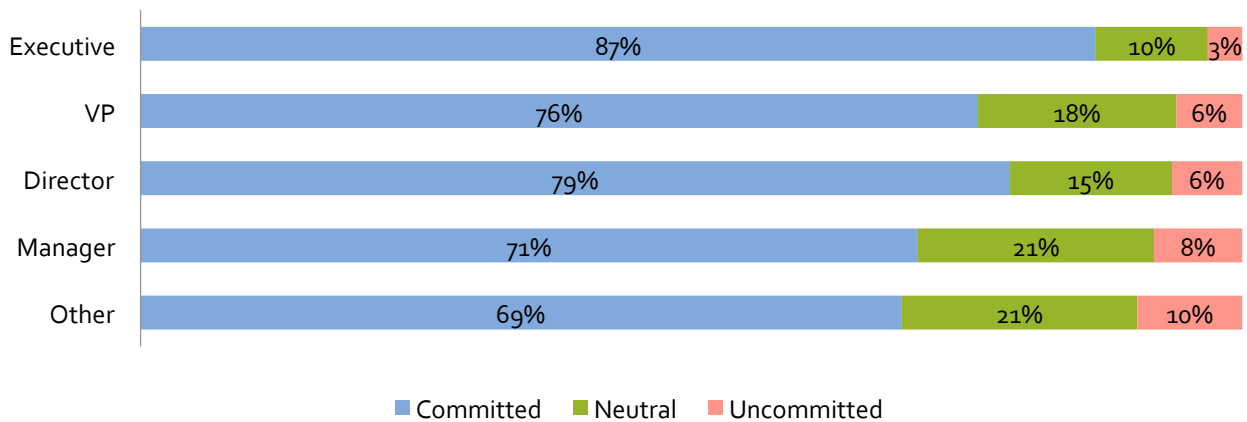
Figure A13. Senior leaders at organization primarily view health as:

	An expense	An investment in human capital	A health care cost containment strategy	A core business strategy
Executive	5%	52%	24%	20%
VP	14%	46%	24%	16%
Director	12%	40%	34%	15%
Manager	15%	29%	41%	15%
Other	24%	39%	24%	13%
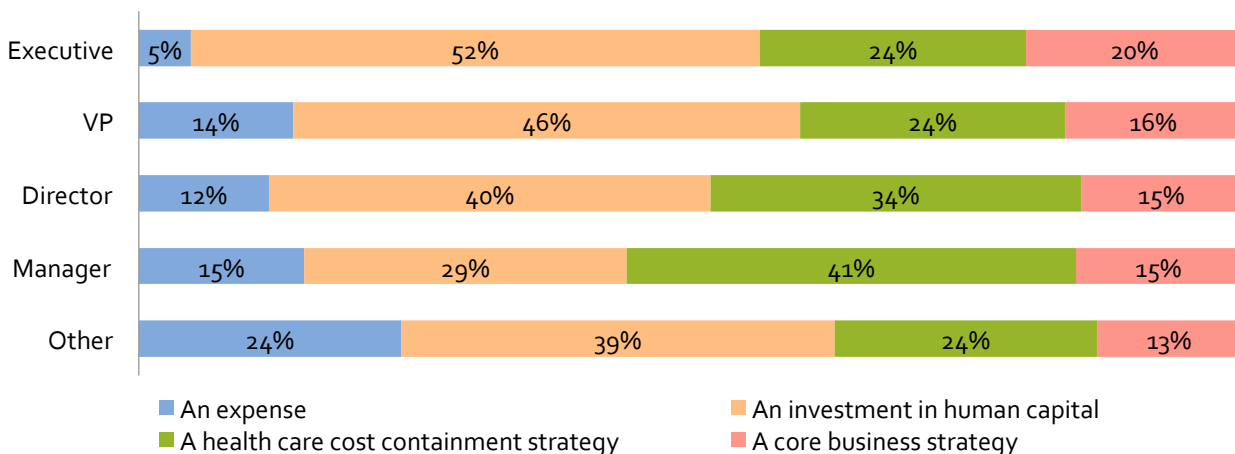
Results by Industry Type

Some of the industry groups were very small. While we could have combined some of the smaller groups into larger categories for this analysis, doing so would have masked the unique perspectives of some of the industry groups.

The distribution of roles within each industry group varied and it is meaningful to review the industry-level comparisons while keeping in mind the demographic characteristics of the individuals representing a given industry. The health care services industry received the largest number of survey responses and the majority (33.6%) of respondents held executive-level positions. The financial services and transportation, communication, and utilities industry organizations were the least likely to have executive-level leaders complete the survey.

Table A8. Industry type by leadership role

LEADERSHIP ROLE	ALL RESPONSES (n=486)	EDUCATION SERVICES (n=36)	FINANCIAL SERVICES (n=57)	GOVERNMENT (n=23)	HEALTH CARE SERVICES (n=116)	MANUFAC-TURING (n=85)
Executive	26.1%	30.6%	12.3%	17.4%	33.6%	28.2%
Vice president	10.5%	8.3%	14.0%	0.0%	12.9%	10.6%
Director	22.6%	27.8%	15.8%	21.7%	19.0%	23.5%
Manager	23.5%	11.1%	22.8%	39.1%	21.6%	23.5%
Individual Contributor	17.3%	22.2%	35.1%	21.7%	12.9%	14.1%

LEADERSHIP ROLE	ALL RESPONSES (n=486)	OTHER SERVICES (n=83)	TRANSPORT. COMMUNI-CATION, UTILITIES (n=19)	WHOLESALE / RETAIL (n=32)	OTHER (n=35)
Executive	26.1%	26.5%	5.3%	34.4%	22.9%
Vice president	10.5%	10.8%	15.8%	3.1%	8.6%
Director	22.6%	24.1%	36.8%	28.1%	22.9%
Manager	23.5%	22.9%	26.3%	31.3%	25.7%
Individual Contributor	17.3%	15.7%	15.8%	3.1%	20.0%

Business leaders in the health care services, wholesale/retail, and manufacturing industries were more likely to represent organizations headquartered in the North Central U.S.

Table A9. Industry type by geographical region

STATE WHERE ORGANIZATION IS HEADQUARTERED	ALL RESPONSES	EDUCATION SERVICES	FINANCIAL SERVICES	GOVERNMENT	HEALTH CARE SERVICES	MANUFAC-TURING
(by census region)	(n=477)	(n=35)	(n=55)	(n=23)	(n=113)	(n=83)
Northeast	13.4%	17.1%	21.8%	8.7%	15.0%	9.6%
North Central	50.7%	37.1%	49.1%	47.8%	57.5%	57.8%
South	22.2%	37.1%	18.2%	30.4%	14.2%	24.1%
West	10.5%	5.7%	7.3%	13.0%	9.7%	3.6%
Outside U.S.	3.1%	2.9%	3.6%	0.0%	3.5%	4.8%

STATE WHERE ORGANIZATION IS HEADQUARTERED	ALL RESPONSES	OTHER SERVICES	TRANSPORT. COMMUNI-CATION, UTILITIES	WHOLESALE / RETAIL	OTHER
(by census region)	(n=477)	(n=82)	(n=19)	(n=32)	(n=35)
Northeast	13.4%	13.4%	5.3%	6.3%	14.3%
North Central	50.7%	47.6%	36.8%	59.4%	37.1%
South	22.2%	20.7%	36.8%	15.6%	31.4%
West	10.5%	14.6%	21.1%	15.6%	17.1%
Outside U.S.	3.1%	3.7%	0.0%	3.1%	0.0%

Business leaders from government, transportation, communication, and utilities organizations were predominantly representative of companies with 1,000 to 5,000 employees. Financial services and manufacturing organizations had the highest ratio of leaders in organizations with more than 50,000 employees.

Table A10. Industry type by organization size

NUMBER OF EMPLOYEES	ALL RESPONSES	EDUCATION SERVICES	FINANCIAL SERVICES	GOVERNMENT	HEALTH CARE SERVICES	MANUFAC- TURING
	(n=478)	(n=35)	(n=54)	(n=23)	(n=113)	(n=84)
1 - 100	15.9%	11.4%	5.6%	8.7%	11.5%	14.3%
101 - 500	20.1%	17.1%	24.1%	17.4%	18.6%	26.2%
501 – 1,000	10.9%	14.3%	9.3%	13.0%	13.3%	4.8%
1,001 – 5,000	24.9%	25.7%	25.9%	47.8%	23.0%	23.8%
5,001 – 10,000	8.2%	14.3%	13.0%	0.0%	10.6%	7.1%
10,001 – 50,000	14.4%	17.1%	14.8%	8.7%	16.8%	16.7%
> 50,000	5.6%	0.0%	7.4%	4.3%	6.2%	7.1%

NUMBER OF EMPLOYEES	ALL RESPONSES	OTHER SERVICES	TRANSPORT. COMMUNI- CATION, UTILITIES	WHOLESALE / RETAIL	OTHER
	(n=478)	(n=84)	(n=19)	(n=31)	(n=35)
1 - 100	15.9%	26.2%	21.1%	25.8%	22.9%
101 - 500	20.1%	20.2%	5.3%	19.4%	17.1%
501 – 1,000	10.9%	14.3%	5.3%	12.9%	8.6%
1,001 – 5,000	24.9%	22.6%	36.8%	12.9%	25.7%
5,001 – 10,000	8.2%	2.4%	5.3%	12.9%	5.7%
10,001 – 50,000	14.4%	9.5%	21.1%	12.9%	11.4%
> 50,000	5.6%	4.8%	5.3%	3.2%	8.6%

Distinguishing between productivity and performance

Business leaders representing government, transportation, communications, and utilities organizations were overwhelmingly in agreement that productivity and performance were related but different concepts, while wholesale/retail leaders were most likely to disagree. The small group (n=19) of business leaders from transportation, communication, and utilities companies were more likely than leaders from other industries to favor productivity as more important to corporate objectives.

Figure A14. Productivity and performance mean the same thing and the terms can be used interchangeably

	Agree	Neutral	Disagree
Education Services	9%	6%	86%
Financial Services	7%	9%	84%
Government	8%	4%	87%
Health Care Services	9%	14%	78%
Manufacturing	12%	14%	74%
Other Services	10%	5%	86%
Transportation, Communications, Utilities	11%	17%	72%
Wholesale & Retail	7%	10%	84%
Other	18%	9%	74%

■ Agree   ■ Neutral   ■ Disagree
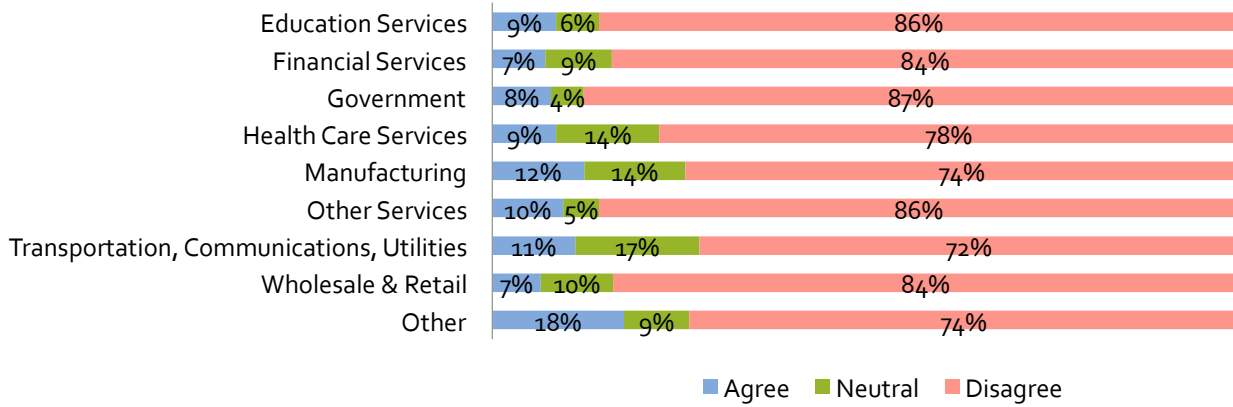
Figure A15. Productivity and performance are related but represent different things to me

	Agree	Neutral	Disagree
Education Services	89%	6%	6%
Financial Services	95%		6%
Government	100%		
Health Care Services	91%		9%
Manufacturing	89%	2%	8%
Other Services	93%	5%	2%
Transportation, Communications, Utilities	100%		
Wholesale & Retail	87%		13%
Other	89%	3%	9%

■ Agree   ■ Neutral   ■ Disagree
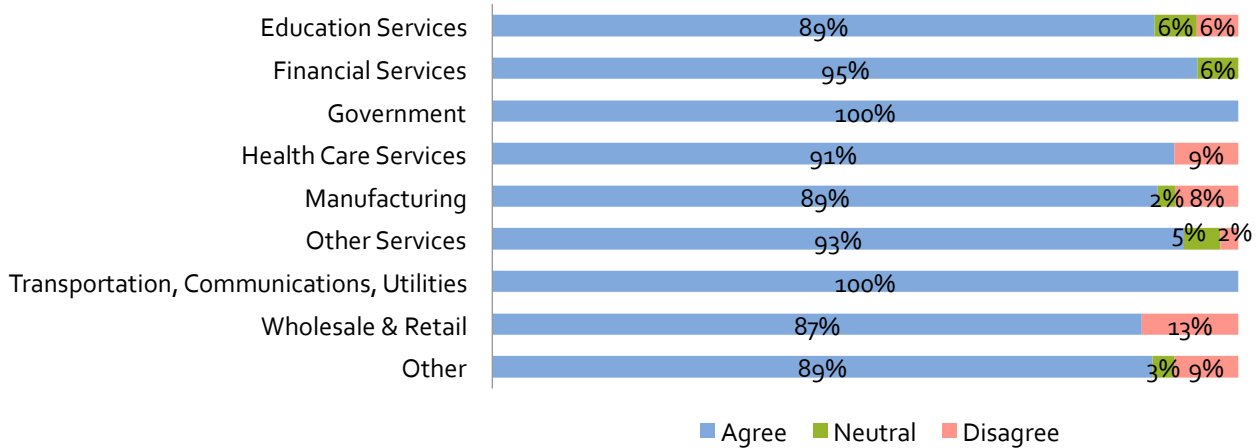
Figure A16. Productivity and performance are equally important in achieving corporate objectives

	Agree	Neutral	Disagree
Education Services	85%	6%	9%
Financial Services	71%	13%	16%
Government	91%	4%	4%
Health Care Services	89%	7%	4%
Manufacturing	86%	5%	10%
Other Services	83%	6%	11%
Transportation, Communications, Utilities	89%	6%	6%
Wholesale & Retail	87%	7%	7%
Other	77%	12%	12%

■ Agree   ■ Neutral   ■ Disagree
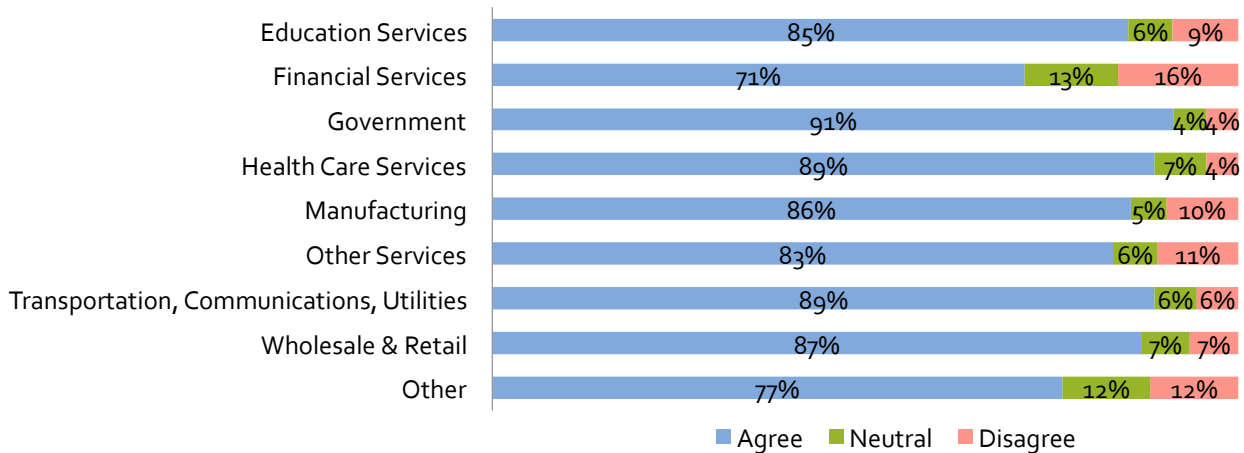
Figure A17. Productivity is more important to achieving corporate objectives

Industry	Agree	Neutral	Disagree
Education Services	11%	43%	46%
Financial Services	14%	39%	46%
Government	17%	44%	39%
Health Care Services	14%	41%	46%
Manufacturing	15%	41%	44%
Other Services	16%	42%	43%
Transportation, Communications, Utilities	44%	22%	33%
Wholesale & Retail	7%	36%	58%
Other	12%	41%	47%

■ Agree ■ Neutral ■ Disagree
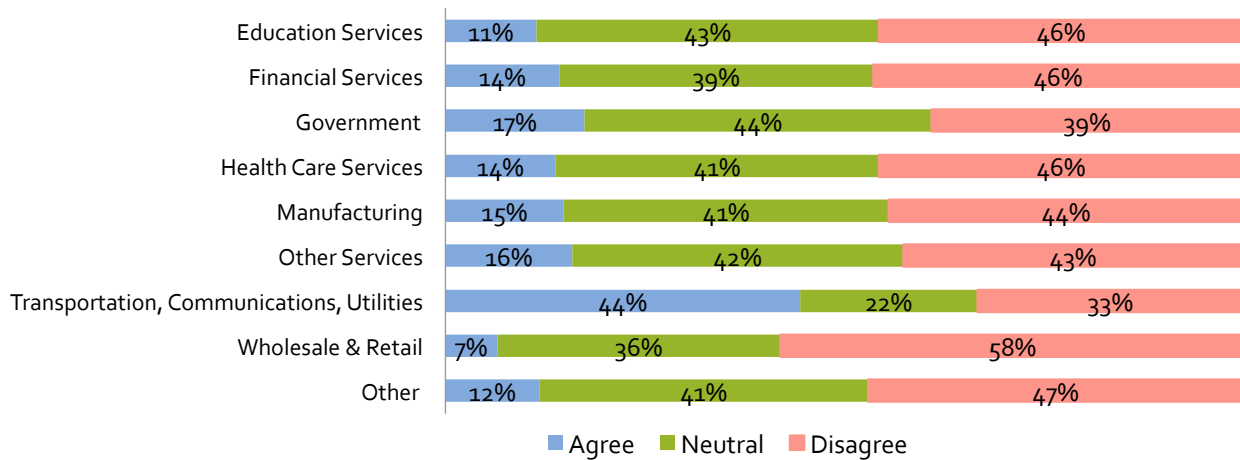
Figure A18. Performance is more important to achieving corporate objectives

Industry	Agree	Neutral	Disagree
Education Services	53%	27%	21%
Financial Services	48%	30%	21%
Government	57%	30%	13%
Health Care Services	47%	31%	22%
Manufacturing	43%	36%	21%
Other Services	51%	31%	18%
Transportation, Communications, Utilities	33%	28%	39%
Wholesale & Retail	48%	19%	32%
Other	53%	29%	18%

■ Agree ■ Neutral ■ Disagree
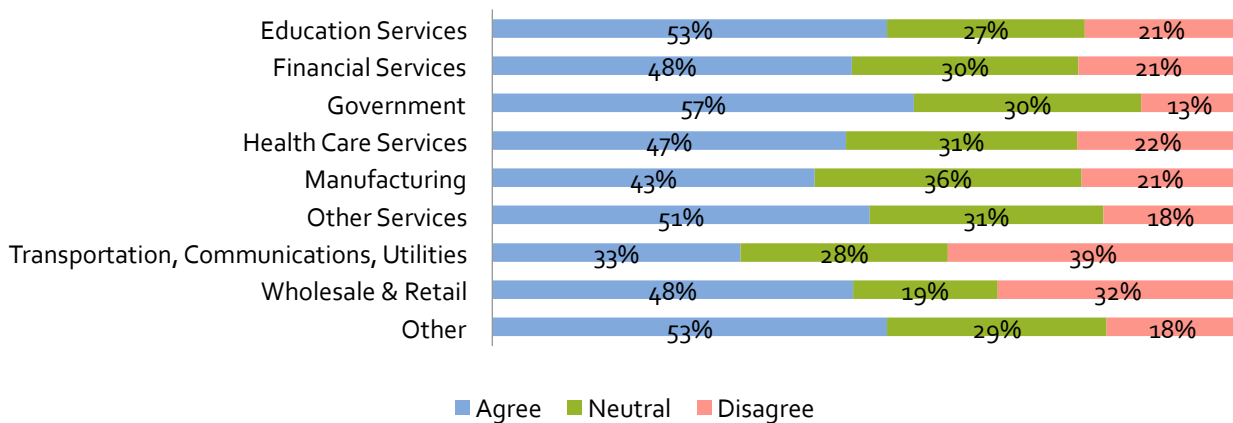
Drivers of productivity and performance

Leaders from all industry groups most frequently selected having appropriate resources to do one's job as a top driver of productivity and employee engagement with their work as a top driver of performance, but there were many industry differences in top drivers. Leaders in the education industry were more likely than leaders from other industries to indicate employee health and well-being as a top driver of productivity but not performance. Leaders from wholesale/retail organizations were more likely than others to indicate employee happiness or morale as a top driver of productivity but not performance. Leaders from the government, transportation, communications, and utilities industries were more likely to select organizational culture support of well-being as a top driver of performance. Financial services business leaders more frequently selected employee health and well-being as a top driver of performance.

Table A11. Top three influences on productivity[*]

	EDUCATION SERVICES	FINANCIAL SERVICES	GOVERNMENT	HEALTH CARE SERVICES	MANUFAC-TURING
	(n=36)	(n=57)	(n=23)	(n=116)	(n=85)
Environment of continuous process and quality improvement	19%	35%	9%	16%	28%
Organizational culture supports well-being of individuals and teams	19%	25%	26%	19%	22%
Employee engagement with their work	14%	46%	35%	35%	44%
Employee training and professional development programs	19%	25%	17%	12%	15%
Employee health and well-being	36%	32%	30%	25%	24%
Job stability and predictability	17%	14%	22%	8%	12%
Employee happiness or morale	19%	21%	17%	20%	18%
Employee freedom to make decisions about how to do their work most effectively	28%	16%	4%	20%	6%
Employee accountability for meeting objectives	17%	28%	30%	27%	15%
Effectively addressing job-related stress	3%	7%	4%	5%	2%
Employee values aligned with organizational mission and strategy	14%	11%	13%	8%	19%
Appropriate resources and tools to do one's job	44%	39%	39%	42%	38%
Having the right people in the right jobs	25%	35%	35%	30%	34%
Employee recognition, appreciation, and compensation	28%	19%	9%	20%	15%
Clear understanding of job responsibilities and performance objectives	33%	25%	35%	28%	27%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

	OTHER SERVICES	TRANSPORT. COMMUNI- CATION, UTILITIES	WHOLESALE / RETAIL	OTHER
	(n=84)	(n=18)	(n=31)	(n=34)
Environment of continuous process and quality improvement	25%	21%	28%	20%
Organizational culture supports well-being of individuals and teams	24%	21%	28%	37%
Employee engagement with their work	39%	42%	22%	29%
Employee training and professional development programs	30%	26%	22%	23%
Employee health and well-being	17%	16%	19%	11%
Job stability and predictability	11%	5%	13%	14%
Employee happiness or morale	18%	16%	34%	9%
Employee freedom to make decisions about how to do their work most effectively	17%	5%	22%	23%
Employee accountability for meeting objectives	33%	16%	22%	11%
Effectively addressing job-related stress	5%	5%	0%	0%
Employee values aligned with organizational mission and strategy	7%	16%	3%	11%
Appropriate resources and tools to do one's job	43%	42%	44%	43%
Having the right people in the right jobs	31%	21%	34%	40%
Employee recognition, appreciation, and compensation	18%	5%	13%	17%
Clear understanding of job responsibilities and performance objectives	27%	42%	13%	43%

Table A12. Top three influences on performance[*]

	EDUCATION SERVICES (n=36)	FINANCIAL SERVICES (n=57)	GOVERNMENT (n=23)	HEALTH CARE SERVICES (n=116)	MANUFAC-TURING (n=85)
Environment of continuous process and quality improvement	8%	7%	4%	16%	17%
Organizational culture supports well-being of individuals and teams	22%	21%	39%	24%	22%
Employee engagement with their work	42%	47%	48%	36%	32%
Employee training and professional development programs	25%	14%	35%	22%	26%
Employee health and well-being	14%	37%	13%	21%	25%
Job stability and predictability	11%	9%	9%	8%	6%
Employee happiness or morale	22%	18%	17%	13%	18%
Employee freedom to make decisions about how to do their work most effectively	19%	33%	22%	21%	22%
Employee accountability for meeting objectives	22%	23%	17%	28%	33%
Effectively addressing job-related stress	6%	12%	0%	4%	2%
Employee values aligned with organizational mission and strategy	19%	25%	30%	27%	18%
Appropriate resources and tools to do one's job	19%	25%	26%	23%	26%
Having the right people in the right jobs	31%	21%	35%	29%	26%
Employee recognition, appreciation, and compensation	22%	25%	26%	26%	24%
Clear understanding of job responsibilities and performance objectives	19%	42%	30%	27%	29%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

	OTHER SERVICES	TRANSPORT. COMMUNI-CATION, UTILITIES	WHOLESALE / RETAIL	OTHER
	(n=84)	(n=18)	(n=31)	(n=34)
Environment of continuous process and quality improvement	8%	21%	19%	9%
Organizational culture supports well-being of individuals and teams	29%	32%	28%	26%
Employee engagement with their work	38%	53%	41%	26%
Employee training and professional development programs	24%	16%	34%	34%
Employee health and well-being	25%	11%	3%	20%
Job stability and predictability	10%	11%	6%	14%
Employee happiness or morale	24%	26%	28%	14%
Employee freedom to make decisions about how to do their work most effectively	21%	5%	22%	37%
Employee accountability for meeting objectives	24%	16%	22%	14%
Effectively addressing job-related stress	6%	16%	0%	6%
Employee values aligned with organizational mission and strategy	20%	32%	22%	26%
Appropriate resources and tools to do one's job	11%	5%	13%	26%
Having the right people in the right jobs	42%	16%	41%	37%
Employee recognition, appreciation, and compensation	39%	26%	16%	23%
Clear understanding of job responsibilities and performance objectives	26%	26%	31%	29%

Influence of health on productivity and performance

Business leaders representing education services organizations were far more likely than other industry business leaders to agree that health has a significant influence on productivity but leaders in the government sector most strongly supported health as a signficant contributor to performance. Interestingly, business leaders from financial services organizations were far less likely to indicate health has a significant influence on productivity than leaders in other business sectors, even though they were no less likely than others to indicate that health impacts performance as seen in the previous set of tables.

Figure A19. Degree health influences productivity
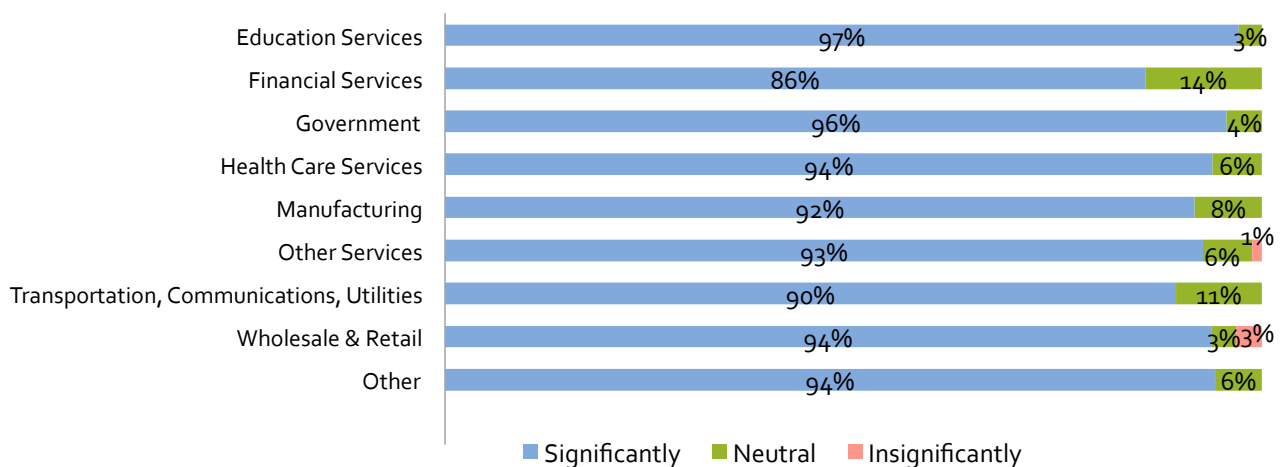
Figure A20. Degree health influences performance
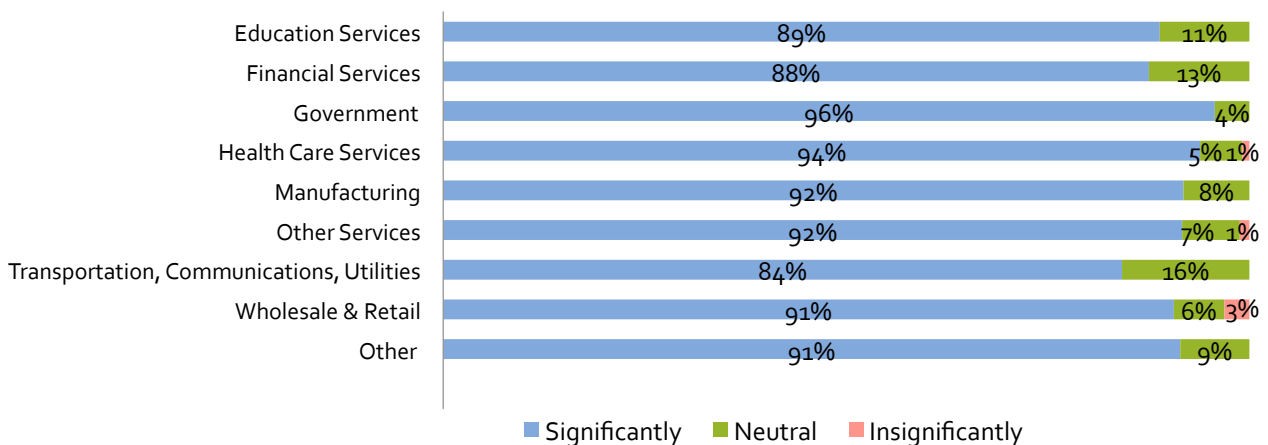
Influence of health on organizational priorities

Business leaders from all sectors most frequently chose productivity and performance as the organizational priorities most influenced by employee health. Most industry business leaders also selected employee engagement or morale as a priority most influenced by health with several exceptions. Business leaders representing government organizations more frequently selected benefit cost reduction and safety over employee engagement, while manufacturing leaders favored safety as a top response. Business leaders from transportation, communications, and utilities organizations also favored benefits cost reduction as a priority most impacted by health.

Table A13. Organizational priorities most influenced by health[*]

	EDUCATION SERVICES	FINANCIAL SERVICES	GOVERNMENT	HEALTH CARE SERVICES	MANUFAC-TURING
	(n=36)	(n=57)	(n=23)	(n=116)	(n=85)
Productivity	61%	61%	78%	63%	64%
Performance	58%	70%	61%	66%	59%
Employee engagement or morale	47%	54%	20%	41%	38%
Benefits cost reduction	33%	30%	30%	33%	26%
Safety	22%	7%	30%	33%	53%
Quality	31%	30%	17%	26%	17%
Sustainability	11%	5%	9%	12%	11%
Benefits plan design	14%	11%	22%	11%	9%
Recruitment/Retention	3%	5%	4%	12%	2%
Sales	3%	7%	0%	3%	4%
Global competitiveness	0%	4%	0%	3%	8%
None of the above	0%	0%	0%	0%	1%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

	OTHER SERVICES	TRANSPORT. COMMUNI- CATION, UTILITIES	WHOLESALE / RETAIL	OTHER
	(n=84)	(n=19)	(n=31)	(n=35)
Productivity	67%	68%	66%	69%
Performance	61%	53%	63%	69%
Employee engagement or morale	49%	32%	41%	49%
Benefits cost reduction	32%	53%	34%	29%
Safety	24%	37%	25%	26%
Quality	23%	5%	19%	26%
Sustainability	16%	11%	13%	6%
Benefits plan design	6%	16%	16%	6%
Recruitment/Retention	4%	11%	13%	6%
Sales	5%	5%	3%	6%
Global competitiveness	2%	0%	3%	3%
None of the above	1%	0%	0%	0%

Leadership commitment to health

Business leaders from wholesale/retail organizations were more likely than leaders from other industries to feel that senior leaders in their organization were committed to health improvement, and more frequently indicated that health was viewed as a health care cost containment strategy. Leaders from financial services organizations expressed more neutrality about the commitment to health and were also among the most likely industry business leaders to indicate health was viewed as an expense. Business leaders from health services industry organizations were not distinguished from other industry business leaders in their commitment to health or its view as an investment in human capital. However, they were more likely than leaders from other industries to view health as a core business strategy.

Figure A21. Senior leadership commitment to improving the health of its people

Industry	Committed	Neutral	Uncommitted
Education Services	75%	19%	6%
Financial Services	70%	21%	9%
Government	83%	13%	4%
Health Care Services	81%	17%	3%
Manufacturing	80%	13%	7%
Other Services	70%	19%	11%
Transportation, Communications, Utilities	74%	21%	5%
Wholesale & Retail	88%	9%	3%
Other	74%	17%	9%

■ Committed ■ Neutral ■ Uncommitted
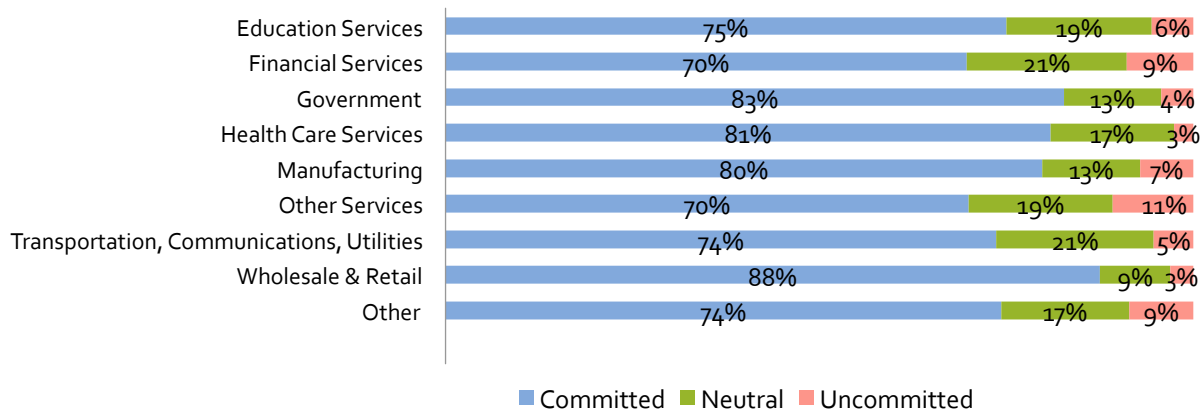
Figure A22. Senior leaders at organization primarily view health as:

Industry	An expense	An investment in human capital	A health care cost containment strategy	A core business strategy
Education Services	11%	42%	36%	11%
Financial Services	20%	43%	29%	9%
Government	13%	44%	39%	4%
Health Care Services	8%	42%	28%	22%
Manufacturing	13%	41%	31%	16%
Other Services	17%	36%	30%	18%
Transportation, Communications, Utilities	16%	37%	37%	11%
Wholesale & Retail	3%	44%	41%	13%
Other	20%	46%	14%	20%

■ An expense ■ An investment in human capital
■ A health care cost containment strategy ■ A core business strategy

Results by Geographical Region

Business leaders from organizations headquartered outside of the U.S., in the Northeastern U.S., and in the Western U.S. tended to be from larger organizations, while leaders from organizations based in the North Central U.S. tended to represent smaller organizations.

Table A14. Geographical region by organization size

NUMBER OF EMPLOYEES	ALL RESPONSES	NORTHEAST	NORTH CENTRAL	SOUTH	WEST	OUTSIDE U.S.
	(n=469)	(n=62)	(n=240)	(n=104)	(n=48)	(n=15)
1 - 100	15.8%	3.2%	21.3%	15.4%	10.4%	0.0%
101 - 500	19.8%	6.5%	27.9%	16.3%	6.3%	13.3%
501 – 1,000	11.1%	4.8%	13.3%	10.6%	12.5%	0.0%
1,001 – 5,000	25.4%	32.3%	21.3%	23.1%	35.4%	46.7%
5,001 – 10,000	8.1%	14.5%	4.6%	12.5%	6.3%	13.3%
10,001 – 50,000	14.3%	33.9%	8.3%	17.3%	14.6%	6.7%
> 50,000	5.5%	4.8%	3.3%	4.8%	14.6%	20.0%

Business leaders from the North Central U.S. and based outside of the U.S. were most likely to represent executive-level leaders, while leaders from organizations based in the West were most likely to hold managerial positions or be individual contributors. Organizations based in the Northeastern U.S. were most likely to be represented by leaders in director-level positions.

Table A15. Geographical region by leadership role

LEADERSHIP ROLE	ALL RESPONSES	NORTHEAST	NORTH CENTRAL	SOUTH	WEST	OUTSIDE U.S.
	(n=477)	(n=64)	(n=242)	(n=106)	(n=50)	(n=15)
Executive	26.6%	9.4%	35.5%	24.5%	8.0%	33.3%
Vice President	10.3%	14.1%	10.3%	6.6%	12.0%	13.3%
Director	22.2%	32.8%	19.0%	24.5%	18.0%	26.7%
Manager	23.5%	20.3%	19.4%	28.3%	36.0%	26.7%
Individual Contributor	17.4%	23.4%	15.7%	16.0%	26.0%	0.0%

Leaders from companies based in the Northeastern and North Central U.S. were most likely to represent the health care services sector, while leaders from companies based in the South were the least likely to do so. Leaders from companies based in the Western U.S. were primarily from health care services or other services orgizations. More than half of the leaders based in companies outside of the U.S. represented manufacturing or health care services organizations.

Table A16. Geographical region by industry type

INDUSTRY TYPE	ALL RESPONSES	NORTHEAST	NORTH CENTRAL	SOUTH	WEST	OUTSIDE U.S.
	(n=477)	(n=64)	(n=242)	(n=106)	(n=50)	(n=15)
Education Services	7.3%	9.4%	5.4%	12.3%	4.0%	6.7%
Financial Services	11.5%	18.8%	11.2%	9.4%	8.0%	13.3%
Government	4.8%	3.1%	4.5%	6.6%	6.0%	0.0%
Health Care Services	23.7%	26.6%	26.9%	15.1%	22.0%	26.7%
Manufacturing	17.4%	12.5%	19.8%	18.9%	6.0%	26.7%
Other Services	17.2%	17.2%	16.1%	16.0%	24.0%	20.0%
Transportation, Communications, Utilities	4.0%	1.6%	2.9%	6.6%	8.0%	0.0%
Wholesale / Retail	6.7%	3.1%	7.9%	4.7%	10.0%	6.7%
Other	7.3%	7.8%	5.4%	10.4%	12.0%	0.0%

Distinguishing between productivity and performance

The small group of business leaders from organizations based outside of the U.S. (n=15) were most likely to express neutrality about the difference between productivity and performance while business leaders from the Northeastern U.S. were least likely to believe their was a difference between the terms. Among organizations based in the U.S., leaders from those headquartered in the South most strongly agreed that both productivity and performance were equally important to achieving organizational objectives (Figure A25). It is somewhat contradictory to observe that leaders from organizations based in the West and in the South seemed to favor the contributions of performance over productivity in meeting organizational objectives (Figure A27).

Figure A23. Productivity and performance mean the same thing and the terms can be used interchangeably
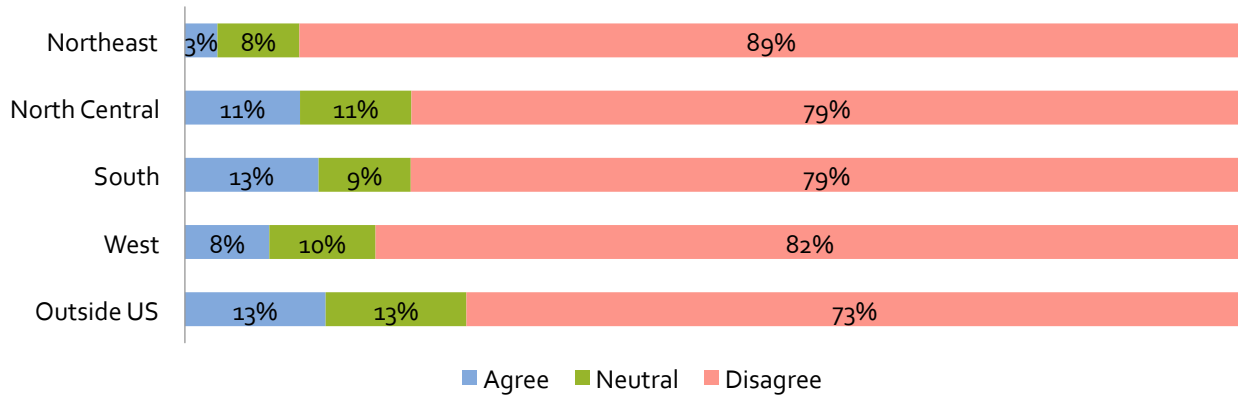

Figure A24. Productivity and performance are related but represent different things to me
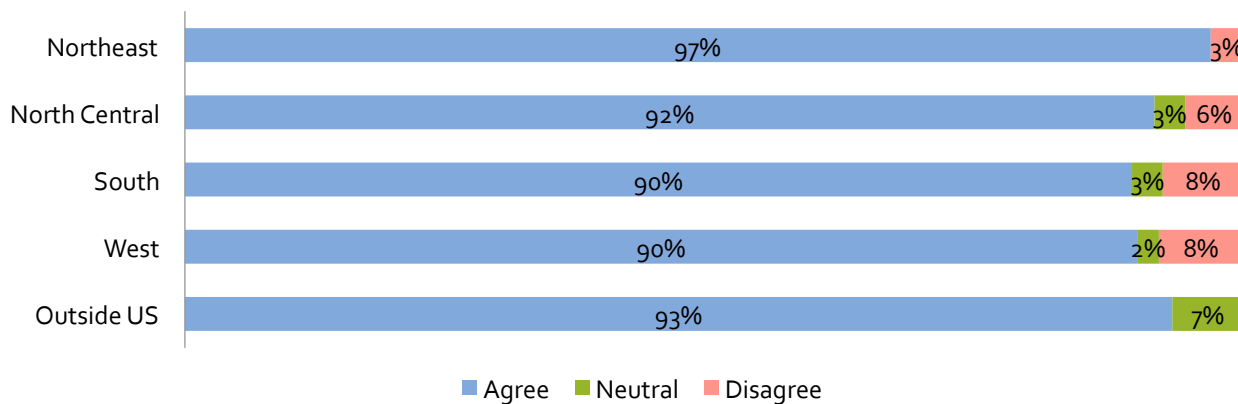
Figure A25. Productivity and performance are equally important in achieving corporate objectives
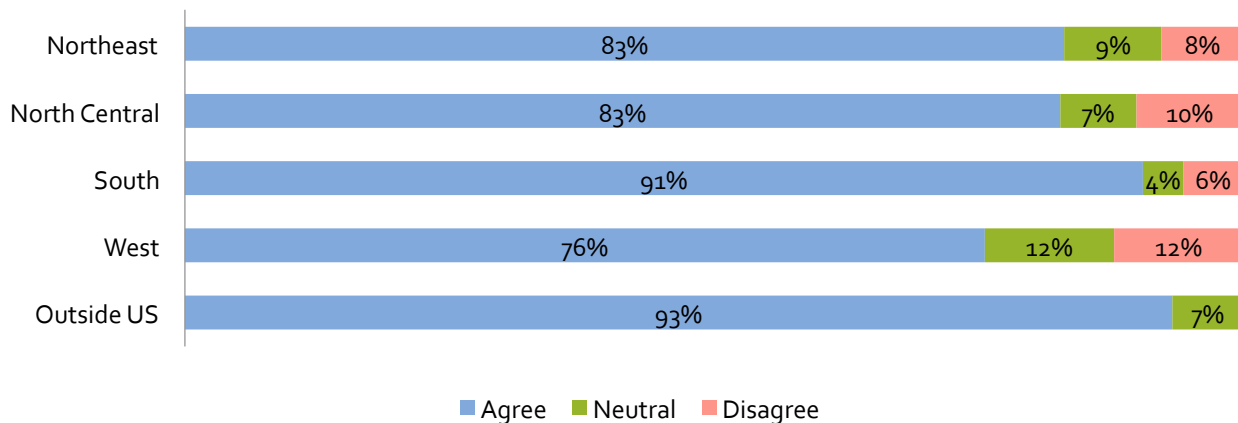
Figure A26. Productivity is more important to achieving corporate objectives
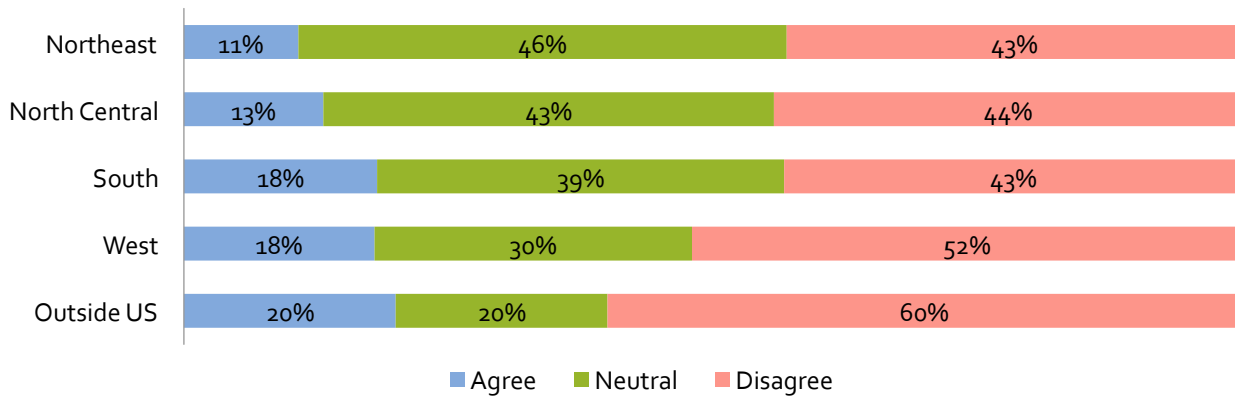
Figure A27. Performance is more important to achieving corporate objectives
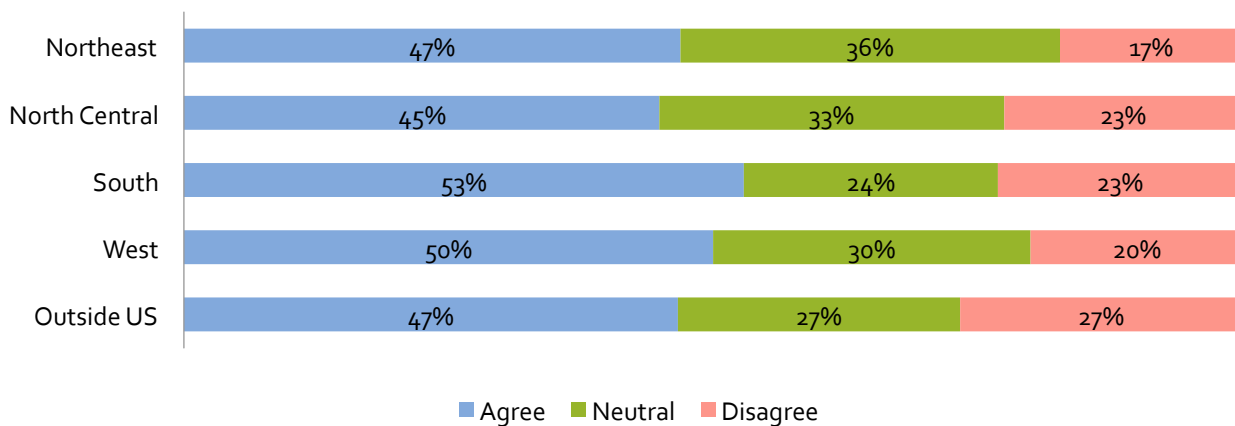
Drivers of productivity and performance

Across all geographical regions, business leaders selected having the appropriate resources to do one's job and having the right people in the right jobs as top drivers of productivity. Likewise, there was regional consensus that employee engagement with their work was a top driver of performance. Around these commonalities, some interesting patterns were observed. Business leaders from organizations based in the Northeast U.S. more frequently listed employee health and well-being as a top driver of productivity, and selected employee training/professional development programs as well as organizational culture support for well-being as top drivers of performance. Business leaders representing organizations based outside of the U.S. were far more likely than business leaders from U.S.-based organizations to select employee engagement with their work as a top driver of productivity. In addition, non-U.S. based business leaders were more likely to select employee freedom to make decisions about how to do their work and having the appropriate resources and tools to do one's job as top drivers of performance (Tables A17 and A18).

Table A17. Top three influences on productivity[*]

	NORTHEAST (n=65)	NORTH CENTRAL (n=244)	SOUTH (n=106)	WEST (n=50)	OUTSIDE U.S. (n=15)
Environment of continuous process and quality improvement	15%	26%	26%	14%	27%
Organizational culture supports well-being of individuals and teams	28%	23%	23%	22%	13%
Employee engagement with their work	25%	37%	34%	34%	60%
Employee training and professional development programs	9%	20%	26%	20%	20%
Employee health and well-being	31%	23%	23%	12%	27%
Job stability and predictability	11%	11%	16%	6%	20%
Employee happiness or morale	23%	18%	20%	16%	13%
Employee freedom to make decisions about how to do their work most effectively	19%	17%	13%	16%	7%
Employee accountability for meeting objectives	23%	21%	25%	28%	27%
Effectively addressing job-related stress	5%	4%	2%	4%	7%
Employee values aligned with organizational mission and strategy	12%	9%	14%	6%	7%
Appropriate resources and tools to do one's job	40%	46%	37%	36%	40%
Having the right people in the right jobs	32%	30%	31%	38%	53%
Employee recognition, appreciation, and compensation	17%	14%	19%	22%	27%
Clear understanding of job responsibilities and performance objectives	28%	30%	25%	32%	40%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Table A18. Top three influences on performance[*]

	NORTHEAST (n=65)	NORTH CENTRAL (n=244)	SOUTH (n=106)	WEST (n=50)	OUTSIDE U.S. (n=15)
Environment of continuous process and quality improvement	8%	13%	14%	12%	20%
Organizational culture supports well-being of individuals and teams	26%	24%	28%	22%	33%
Employee engagement with their work	52%	33%	42%	30%	53%
Employee training and professional development programs	32%	23%	26%	20%	7%
Job stability and predictability	8%	8%	10%	8%	13%
Employee happiness or morale	19%	19%	22%	10%	7%
Employee freedom to make decisions about how to do their work most effectively	20%	23%	22%	22%	40%
Employee accountability for meeting objectives	23%	25%	21%	28%	27%
Effectively addressing job-related stress	5%	5%	7%	2%	7%
Employee values aligned with organizational mission and strategy	17%	21%	30%	30%	20%
Appropriate resources and tools to do one's job	20%	20%	20%	18%	40%
Having the right people in the right jobs	20%	33%	30%	38%	33%
Employee recognition, appreciation, and compensation	22%	25%	30%	28%	27%
Clear understanding of job responsibilities and performance objectives	23%	29%	29%	24%	53%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Influence of health on productivity and performance

Business leaders from companies based in the Northeast U.S. were most likely to indicate health has a significant impact on productivity but there were very few regional differences with regard to the influence of health on performance.

Figure A28. Degree health influences productivity

Region	Significantly	Neutral	Insignificantly
Northeast	97%	3%	
North Central	92%	8%	
South	93%	7%	
West	90%	8%	2%
Outside US	93%	7%	

■ Significantly   ■ Neutral   ■ Insignificantly
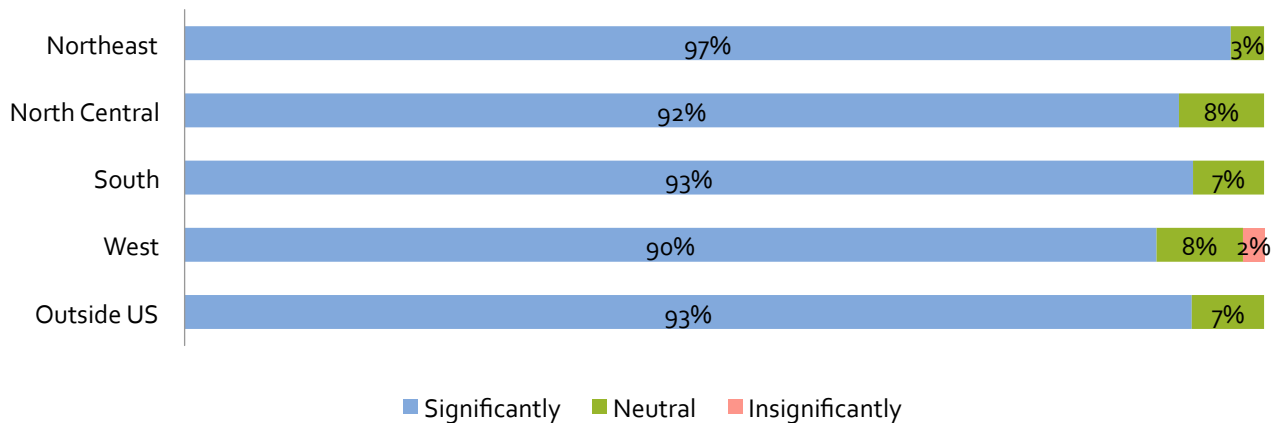
Figure A29. Degree health influences performance

Region	Significantly	Neutral	Insignificantly
Northeast	91%	9%	
North Central	91%	8%	1%
South	92%	9%	
West	90%	8%	2%
Outside US	93%	7%	

■ Significantly   ■ Neutral   ■ Insignificantly
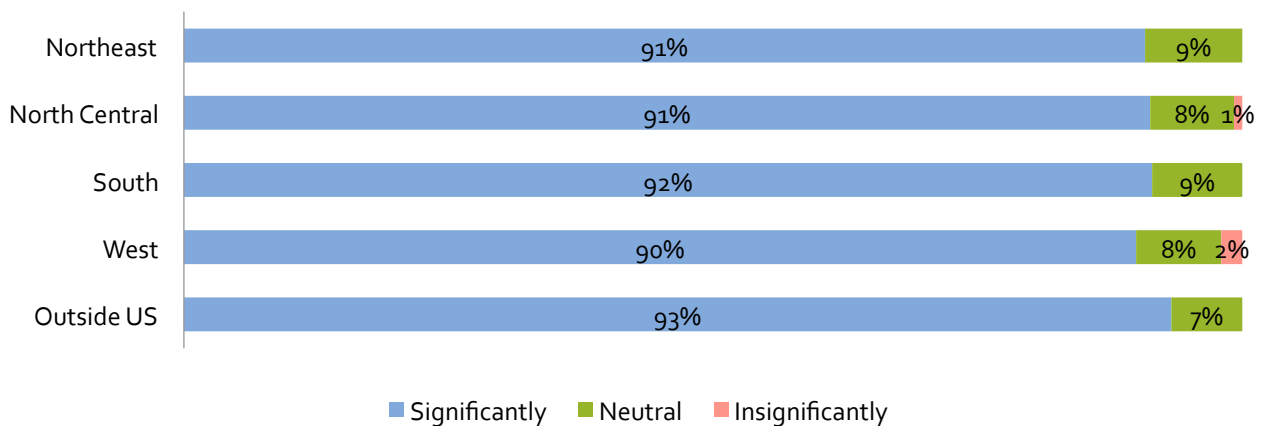
Influence of health on organizational priorities

Northeastern and Southern-based business leaders most frequently named productivity, performance, and benefits cost reduction as the top organizational priorities impacted by employee health. Business leaders from organizations based in the North Central U.S., Western U.S., and outside of the U.S. were similar except they favored employee engagement with their work as a top priority over benefits cost reduction.

Table A19. Organizational priorities most influenced by health[*]

	NORTHEAST	NORTH CENTRAL	SOUTH	WEST	OUTSIDE U.S.
	(n=65)	(n=244)	(n=106)	(n=50)	(n=15)
Productivity	68%	64%	70%	54%	67%
Performance	63%	64%	61%	58%	60%
Employee engagement or morale	35%	48%	36%	34%	60%
Benefits cost reduction	39%	29%	37%	30%	27%
Safety	32%	28%	34%	30%	27%
Quality	14%	24%	23%	30%	20%
Sustainability	15%	8%	13%	16%	13%
Benefits plan design	8%	11%	13%	6%	0%
Recruitment/Retention	5%	7%	7%	8%	7%
Sales	6%	3%	3%	12%	0%
Global competitiveness	5%	3%	5%	0%	7%
None of the above	0%	0%	1%	0%	0%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Leadership commitment to health

Leaders based in the North Central U.S. and outside of the U.S. were most likely to state that their senior leaders were committed to improving the health of their people. Leaders based in the West and South were most likely to say their leaders were uncommitted to improving health (Figure A30). Leaders from organizations based outside of the U.S. were more likely to view health as a core business strategy over an investment in human capital (Figure A31).

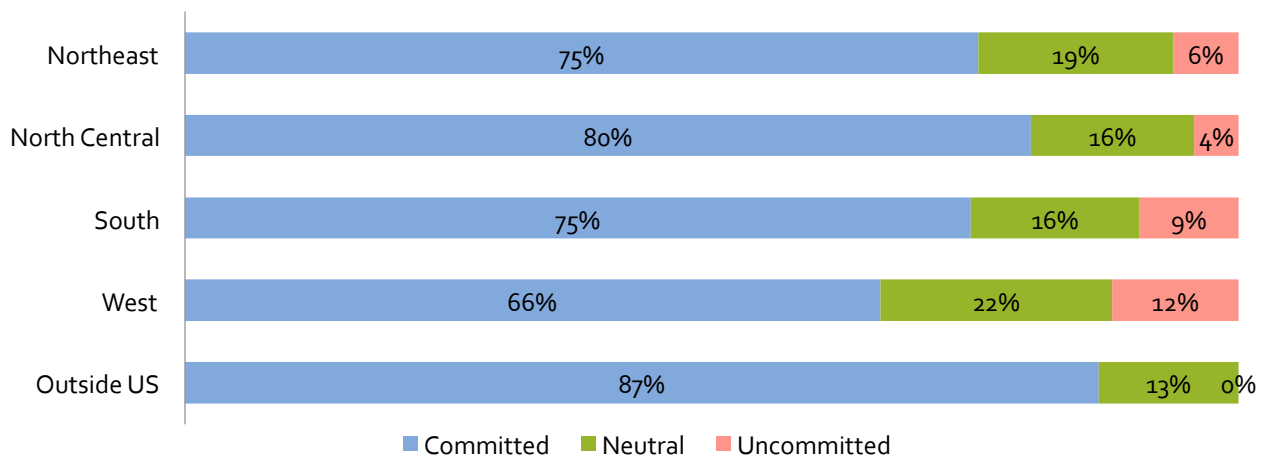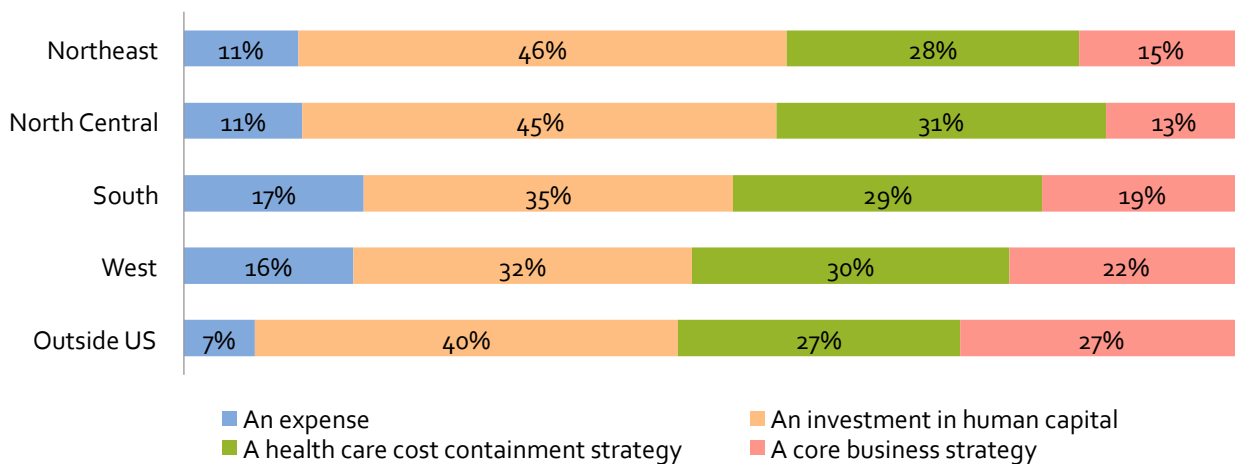Figure A30. Senior leadership commitment to improving the health of its people

Figure A31. Senior leaders at organization primarily view health as:

Results by Organization Size

Business leaders from the largest organizations (10,000+ employees) tended to represent health care services and manufacturing organizations. Nearly one-third of the individuals from mid-sized companies (5,000 to 10,000 employees) represented health care services organizations. The majority of business leaders from the smaller companies (less than 500 employees) represented organizations in the health care services, other services, or manufacturing industries.

Table A20. Organization size (number of employees) by industry type

INDUSTRY TYPE	ALL RESPONSES	1 – 100	101 - 500	501 – 1,000	1,001 to 5,000	5,001 to 10,000
	(n=478)	(n=76)	(n=96)	(n=52)	(n=119)	(n=39)
Education Services	7.3%	5.3%	6.3%	9.6%	7.6%	12.8%
Financial Services	11.3%	3.9%	13.5%	9.6%	11.8%	17.9%
Government	4.8%	2.6%	4.2%	5.8%	9.2%	0.0%
Health Care Services	23.6%	17.1%	21.9%	28.8%	21.8%	30.8%
Manufacturing	17.6%	15.8%	22.9%	7.7%	16.8%	15.4%
Other Services	17.6%	28.9%	17.7%	23.1%	16.0%	5.1%
Transportation, Communications, Utilities	4.0%	5.3%	1.0%	1.9%	5.9%	2.6%
Wholesale / Retail	6.5%	10.5%	6.3%	7.7%	3.4%	10.3%
Other	7.3%	10.5%	6.3%	5.8%	7.6%	5.1%

INDUSTRY TYPE	ALL RESPONSES	10,001 to 50,000	> 50,000
	(n=478)	(n=69)	(n=27)
Education Services	7.3%	8.7%	0.0%
Financial Services	11.3%	11.6%	14.8%
Government	4.8%	2.9%	3.7%
Health Care Services	23.6%	27.5%	25.9%
Manufacturing	17.6%	20.3%	22.2%
Other Services	17.6%	11.6%	14.8%
Transportation, Communications, Utilities	4.0%	5.8%	3.7%
Wholesale / Retail	6.5%	5.8%	3.7%
Other	7.3%	5.8%	11.1%

Business leaders from larger organizations tended to have director or manager roles, while organizations with fewer than 500 employees tended to be represented by executive-level leaders.

Table A21. Organization size (number of employees) by leadership role

LEADERSHIP ROLE	ALL RESPONSES	1 – 100	101 - 500	501 – 1,000	1,001 to 5,000	5,001 to 10,000
	(n=478)	(n=76)	(n=95)	(n=52)	(n=120)	(n=39)
Executive	26.8%	53.9%	41.1%	23.1%	15.8%	15.4%
Vice President	10.5%	6.6%	13.7%	11.5%	12.5%	0.0%
Director	22.8%	13.2%	22.1%	23.1%	23.3%	35.9%
Manager	23.2%	17.1%	14.7%	19.2%	25.8%	35.9%
Individual Contributor	16.7%	9.2%	8.4%	23.1%	22.5%	12.8%

LEADERSHIP ROLE	ALL RESPONSES	10,001 to 50,000	> 50,000
	(n=478)	(n=69)	(n=27)
Executive	26.8%	11.6%	11.1%
Vice President	10.5%	14.5%	3.7%
Director	22.8%	29.0%	14.8%
Manager	23.2%	23.2%	48.1%
Individual Contributor	16.7%	21.7%	22.2%

Business leaders from organizations with 10,000 to 50,000 employees tended to be from organizations based in the Northeastern and North Central U.S., and leaders in organizations with more than 50,000 employees tended to be from organizations based in the North Central or Western U.S. Individuals from smaller organizations (less than 1,000 employees) were predominantly headquartered in the north central U.S.

Table A22. Organization size (number of employees) by geographical region

STATE WHERE ORGANIZATION IS HEADQUARTERED (by census region)	ALL RESPONSES (n=469)	1 – 100 (n=74)	101 - 500 (n=93)	501 – 1,000 (n=52)	1,001 to 5,000 (n=119)	5,001 to 10,000 (n=38)
Northeast	13.2%	2.7%	4.3%	5.8%	16.8%	23.7%
North Central	51.2%	68.9%	72.0%	61.5%	42.9%	28.9%
South	22.2%	21.6%	18.3%	21.2%	20.2%	34.2%
West	10.2%	6.8%	3.2%	11.5%	14.3%	7.9%
Outside U.S.	3.2%	0.0%	2.2%	0.0%	5.9%	5.3%

STATE WHERE ORGANIZATION IS HEADQUARTERED (by census region)	ALL RESPONSES (n=469)	10,001 to 50,000 (n=67)	> 50,000 (n=26)
Northeast	13.2%	31.3%	11.5%
North Central	51.2%	29.9%	30.8%
South	22.2%	26.9%	19.2%
West	10.2%	10.4%	26.9%
Outside U.S.	3.2%	1.5%	11.5%

Distinguishing between productivity and performance

Business leaders from smaller organizations (less than 500 employees) were the least likely to distinguish between productivity and performance (Figure A32). Those affiliated with the largest organizations (more than 50,000 employees) most strongly disagreed that the terms mean the same thing and were the least likely to agree that both were equally important for achieving corporate objectives (Figures A32 and 34).

Figure A32. Productivity and performance mean the same thing and the terms can be used interchangeably

	Agree	Neutral	Disagree
1 - 100	14%	15%	71%
101 - 500	15%	10%	75%
501 - 1000	8%	8%	84%
1K - 5K	9%	8%	82%
5K - 10K	5%	10%	85%
10K - 50K	6%	10%	84%
> 50K		11%	89%

■ Agree   ■ Neutral   ■ Disagree
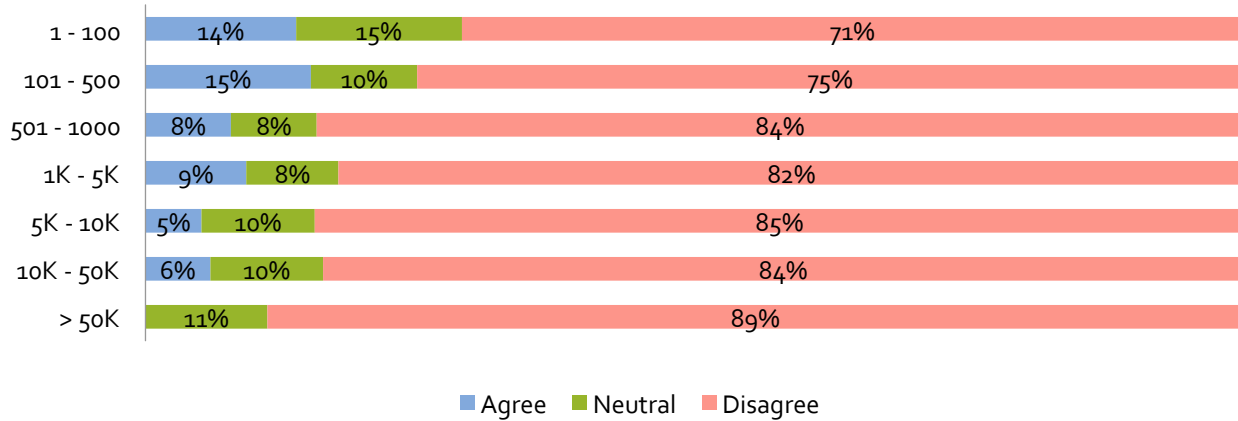
Figure A33. Productivity and performance are related but represent different things to me

	Agree	Neutral	Disagree
1 - 100	88%	3%	9%
101 - 500	88%	4%	7%
501 - 1000	96%		4%
1K - 5K	92%	3%	6%
5K - 10K	92%	3%	5%
10K - 50K	96%	2%	3%
> 50K	96%	4%	

■ Agree   ■ Neutral   ■ Disagree

Figure A34. Productivity and performance are equally important in achieving corporate objectives

	Agree	Neutral	Disagree
101 - 500	84%	7%	10%
501 - 1000	86%	4%	10%
1K - 5K	83%	8%	8%
5K - 10K	90%	8%	3%
10K - 50K	82%	6%	12%
> 50K	67%	22%	11%

■ Agree   ■ Neutral   ■ Disagree
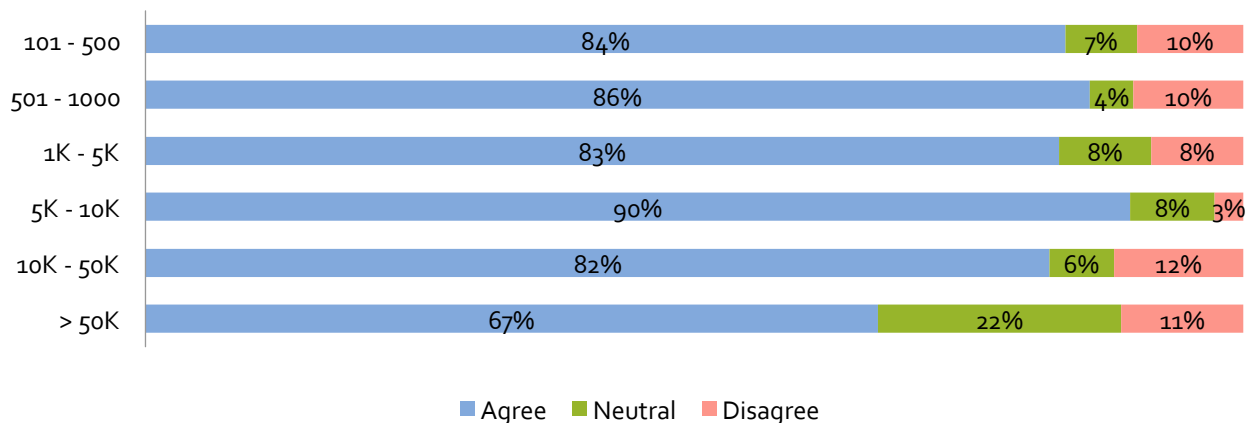
Figure A35. Productivity is more important to achieving corporate objectives

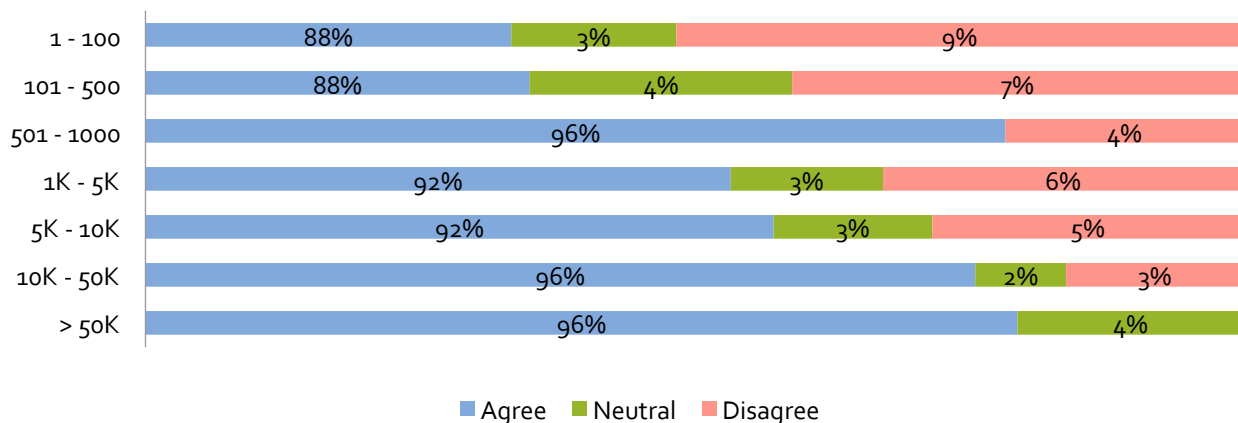|	Agree	Neutral	Disagree
101 - 500	15%	47%	37%
501 - 1000	20%	24%	57%
1K - 5K	10%	43%	47%
5K - 10K	26%	49%	26%
10K - 50K	6%	43%	52%
> 50K	26%	33%	41%

■ Agree ■ Neutral ■ Disagree
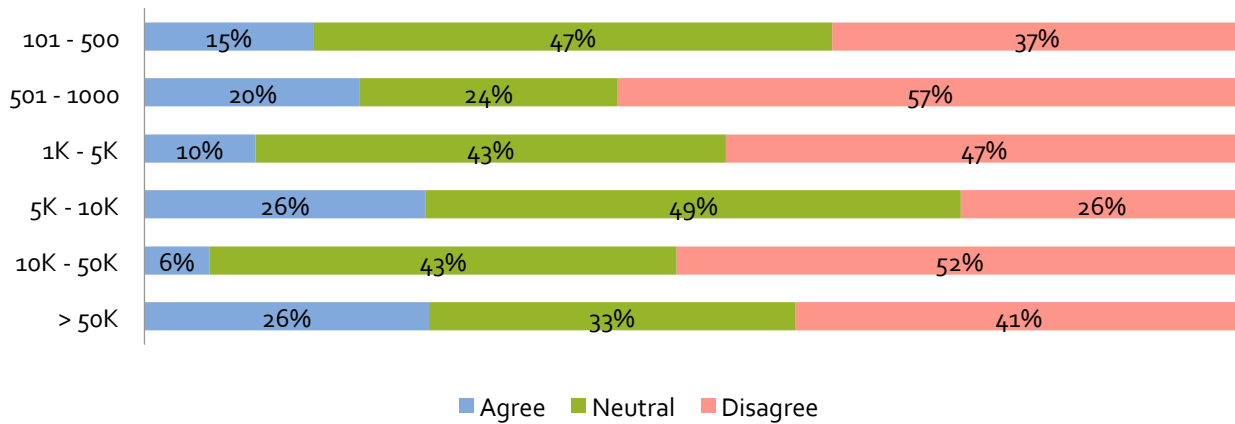
Figure A36. Performance is more important to achieving corporate objectives

	Agree	Neutral	Disagree
101 - 500	45%	38%	17%
501 - 1000	45%	20%	35%
1K - 5K	47%	37%	16%
5K - 10K	56%	28%	15%
10K - 50K	46%	31%	24%
> 50K	48%	26%	26%

■ Agree ■ Neutral ■ Disagree
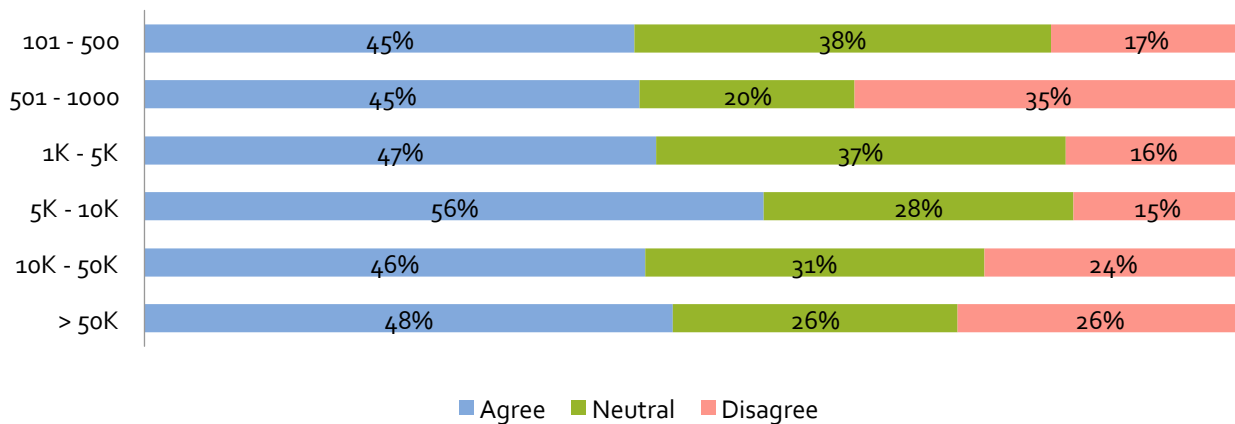
Drivers of productivity and performance

While most business leaders selected similar drivers of productivity and performance, there were some exceptions based on the number of employees in the organizations represented by survey respondents. Business leaders from organizations with 100 to 500 employees were more likely than others to select environment of continuous process and quality improvement as a driver of productivity. Likewise, leaders from organizations with 1,000 to 5,000 employees were more likely to select employee accountability for meeting objectives as a driver of productivity. Organizations with 5,000 to 10,000 employees favored having a clear understanding of job responsibilities as a driver. While most business leaders named employee engagement with their work among the top drivers of productivity, leaders from the largest organizations (more than 50,000 employees) were far more likely to select engagement as a top driver. As for performance, organizations with 500 to 1,000 employees more frequently selected employee training programs and employee value alignment with organizational mission and strategy as top drivers.

Table A23. Top three influences on productivity*

	< 100 (n=76)	101 to 500 (n=96)	501 to 1,000 (n=52)	1,001 to 5,000 (n=120)	5,001 to 10,000 (n=39)	10,001 to 50,000 (n=69)	> 50,000 (n=27)
Environment of continuous process and quality improvement	18%	34%	25%	18%	13%	23%	30%
Organizational culture supports well-being of individuals and teams	18%	27%	23%	19%	31%	26%	30%
Employee engagement with their work	32%	32%	33%	43%	28%	30%	63%
Employee training and professional development programs	28%	21%	27%	18%	21%	10%	7%
Employee health and well-being	13%	16%	31%	31%	23%	26%	26%
Job stability and predictability	15%	10%	12%	13%	18%	9%	4%
Employee happiness or morale	24%	22%	15%	16%	18%	22%	19%
Employee freedom to make decisions about how to do their work most effectively	20%	13%	21%	15%	15%	16%	11%
Employee accountability for meeting objectives	25%	25%	12%	33%	26%	16%	11%
Effectively addressing job-related stress	5%	2%	6%	4%	8%	3%	0%
Employee values aligned with organizational mission and strategy	8%	14%	14%	9%	5%	17%	7%
Appropriate resources and tools to do one's job	42%	40%	52%	43%	36%	38%	33%
Having the right people in the right jobs	41%	34%	39%	24%	44%	26%	19%
Employee recognition, appreciation, and compensation	17%	17%	17%	20%	18%	15%	15%
Clear understanding of job responsibilities and performance objectives	28%	30%	23%	31%	46%	19%	30%

* Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Table A24. Top three influences on performance*

	< 100 (n=76)	101 to 500 (n=96)	501 to 1,000 (n=52)	1,001 to 5,000 (n=120)	5,001 to 10,000 (n=39)
Environment of continuous process and quality improvement	15%	15%	8%	9%	21%
Organizational culture supports well-being of individuals and teams	25%	21%	33%	26%	26%
Employee engagement with their work	43%	38%	31%	33%	44%
Employee training and professional development programs	17%	27%	37%	22%	26%
Employee health and well-being	21%	25%	17%	24%	31%
Job stability and predictability	8%	9%	19%	3%	8%
Employee happiness or morale	25%	27%	10%	13%	23%
Employee freedom to make decisions about how to do their work most effectively	26%	21%	21%	30%	23%
Employee accountability for meeting objectives	25%	21%	21%	30%	31%
Effectively addressing job-related stress	8%	4%	4%	6%	13%
Employee values aligned with organizational mission and strategy	18%	27%	37%	23%	15%
Appropriate resources and tools to do one's job	15%	19%	21%	23%	18%
Having the right people in the right jobs	32%	33%	31%	33%	36%
Employee recognition, appreciation, and compensation	37%	28%	25%	24%	28%
Clear understanding of job responsibilities and performance objectives	21%	33%	39%	25%	26%

* Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Influence of health on productivity and performance

Business leaders from organizations with 500 to 1,000 and with 5,000 to 10,000 employees most frequently indicated that health has a significant influence on productivity. Business leaders from the smallest organizations (1 to 100 employees) expressed the most neutrality about the role of health on productivity but most frequently indicated health significantly influences performance. Business leaders from the largest organizations (more than 50,000 employees) expressed the most neutrality about the role of health on performance.

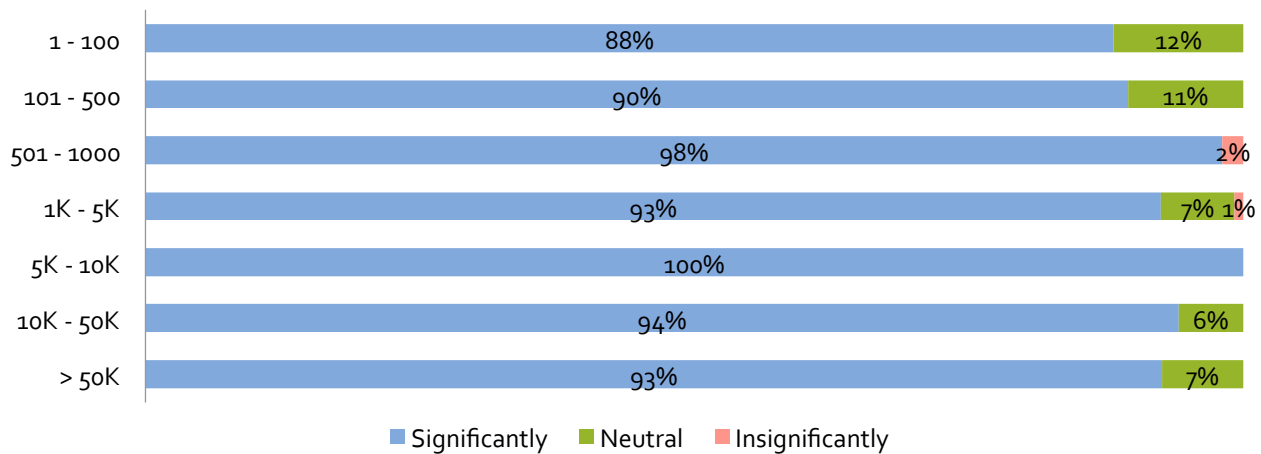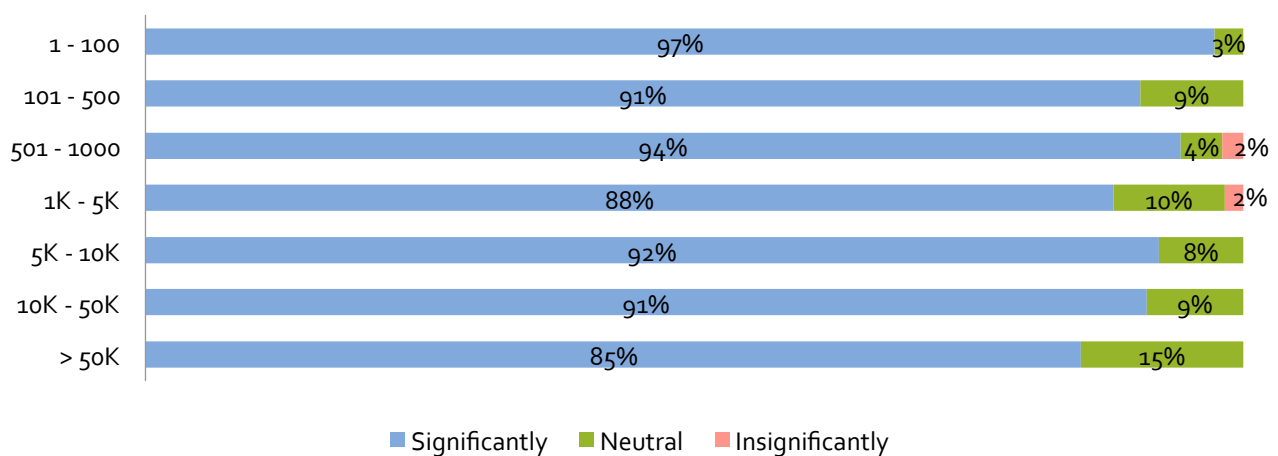Figure A37. Degree health influences productivity

Figure A38. Degree health influences performance

Influence of health on organizational priorities

There were some minor differences between groups in the ratio of leaders that selected productivity and performance as the top priorities influenced by health but stronger differences for other priorities. Business leaders from the smallest (less than 100 employees) and the largest (more than 50,000 employees) organizations were more likely than leaders from other organizations to indicate employee engagement or morale was among the priorities most influenced by employee health. Business leaders from the largest organization also were most likely to select recruitment and retention as a priority most influenced by health.

Table A25. Organizational priorities most influenced by health[*]

	< 100 (n=76)	101 to 500 (n=96)	501 to 1,000 (n=52)	1,001 to 5,000 (n=120)	5,001 to 10,000 (n=39)
Productivity	63%	55%	73%	73%	62%
Performance	63%	68%	65%	58%	62%
Employee engagement or morale	55%	39%	42%	40%	44%
Benefits cost reduction	18%	37%	42%	29%	39%
Safety	26%	22%	42%	31%	26%
Quality	29%	27%	10%	26%	28%
Sustainability	15%	14%	6%	8%	15%
Benefits plan design	7%	14%	14%	12%	10%
Recruitment/Retention	9%	7%	4%	4%	5%
Sales	3%	6%	0%	3%	8%
Global competitiveness	0%	3%	2%	3%	5%
None of the above	0%	2%	0%	0%	0%

[*] Columns exceed a sum of 100% because respondents were allowed to select up to 3 responses

Leadership commitment to health

Business leaders from the largest organizations were least likely to indicate that their senior leaders were committed to the health of their people and were the most likely to indicate that health was viewed as a health care cost containment strategy. But there could be a relationship with leadership role as the largest organizations were most likely to be represented by managers and individual contributors. Business leaders from the smallest organizations (1 to 100 employees) were most likely to express commitment to improving health and to view health as an investment in human capital. More than 70% of the business leaders from these organizations were represented by executive-level leaders.

Figure A39. Senior leadership commitment to improving the health of its people

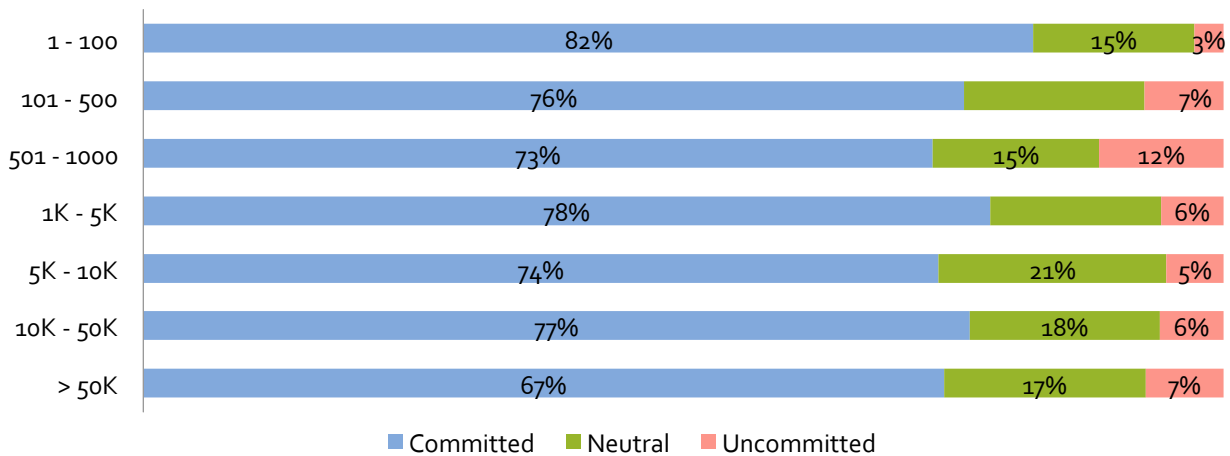| Size	Committed	Neutral	Uncommitted
1 - 100	82%	15%	3%
101 - 500	76%		7%
501 - 1000	73%	15%	12%
1K - 5K	78%		6%
5K - 10K	74%	21%	5%
10K - 50K	77%	18%	6%
> 50K	67%	17%	7%

Figure A40. Senior leaders at organization primarily view health as:

Size	An expense	An investment in human capital	A health care cost containment strategy	A core business strategy
1 - 100	11%	53%	20%	16%
101 - 500	19%	40%	30%	12%
501 - 1000	12%	39%	37%	14%
1K - 5K	15%	38%	32%	15%
5K - 10K	13%	39%	26%	23%
10K - 50K	6%	41%	31%	22%
> 50K	11%	33%	41%	15%