

Study Links Participation in Health and Well-being Programs to Employee Retention

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Study Title: The Association Between Health Program Participation and Employee Retention.

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Publication: Journal of Environmental and Occupational Medicine. September 2016;58(9): 896–901.

Study Overview

Emerging research¹ supports the notion that organizations with cultures supporting employee health report higher levels of employee job satisfaction, and ample evidence links employee job satisfaction with reduced turnover.²⁻³ Most prior studies the authors reviewed did not incorporate enough long-term data on wellness program participation, with large enough sample sizes, to show a strong link between participation in a wellness program and increased employee retention. This study aimed to estimate whether, how, and how much participation in health promotion activities (i.e., a wellness program) at different levels or intensities could affect workforce retention, as measured by sustained enrollment in the health plan.

Methodology

The study used four full years of data (one baseline and three years of follow up), from 272 companies and more than 693,000 employees. Researchers segmented the population into six comparison groups defined by (1) program qualification, or risk based on data from claims, diagnoses, health risk assessment (HRA) or other sources; and (2) type of participation, which included HRA completion and telephone-based health promotion programs (e.g., disease

management/care coordination, complex case management, wellness, and decision support services). Non-participants were those that did not complete an HRA survey or any of the health promotion programs. The lowest-level participation group of an HRA-only touched more than 44,000 plan members; the higher-level participation group of coaching touched over 42,000; and more than 26,000 participated in both elements. Health plan enrollment was used as a proxy for employee retention with their employer because turnover data were not available to researchers.

Complex statistical models were used to compare group members against one outcome – whether or not they dropped off the plan (i.e., retention) during the three years of follow-up – while controlling for individual demographics, claims-generated health risk scores, geocoding-sourced characteristics (e.g., zip codes to show aggregated race and socio-economic attributes), health plan type, “richness” of health benefits (i.e., percentage of health premiums covered by company), presence of incentives, and a consumer activation metric based on percentage of the company’s employees active in health care decisions – an indicator of the firm’s culture of health.

Results

Retention rates were higher for participants versus non-participants in all but one segment: telephonic program participants excluding HRA completers. This suggests that targeting the entire population with health promotion strategies rather than solely at-risk groups will likely have a greater effect on health plan retention, and therefore, theoretically, on employee retention. Additionally, highlights of the results include:

- The highest retention group was for participants of both wellbeing program activities and the HRA
- Larger favorable differences in retention occurred in the group that included lower-risk participants
- Higher risk participants for program activities, those qualified based on identified health risk markers from various sources, had lower retention than higher risk non-participants

Limitations

Using a proxy of health plan membership for employee retention rather than using real attrition data introduces a potential bias and could capture a potentially significant volume of “false

terminations.” The researchers could not measure subjects’ employment histories or employment tenure, or the reasons for turnover, employer culture or other retention factors and management commitment to health promotion. The study also excludes any other influences on turnover, which likely diluted the strength of the observed relationships. The study did not validate the outcome measure by proxy against actual employee turnover in organizations studied. Additionally, the study adjusted for health risk, but did not account for changes in health risk of the population over time and did not incorporate employee motivations to improve health or maintain good health.

Study Conclusions

The study found that participation in health and wellbeing activities was associated with health plan retention, which may align with employee retention. It also suggests that efforts to increase population engagement in health and wellbeing, at least by encouraging HRA participation, may lead to increases in employee retention. Logically, this could decrease turnover-related costs to an employer.

Study Implications

For employers interested in increasing employee retention, the researchers recommend offering health promotion programs to an entire population as opposed to limiting programs to only those at high risk. Hypothetically speaking, increasing the variety and value of these programs to appeal to and benefit a wider audience could further increase retention across a larger proportion of the employer’s workforce.

REVIEWER COMMENTARY

Mixed Findings: Most wellbeing participant groups showed a greater retention rate than the non-participant groups, which supports the hypothesis that wellbeing participation positively affects retention. The finding, however, that high risk participants have lower retention rates than high risk non-participants seems counterintuitive. It could be surmised that participants would be expected to have a better general health risk awareness and, therefore, a stronger need or desire to stay enrolled in their medical plan than non-participants.

Strong Methodology, Simple Program: This study has a good statistical design and is an improvement from other studies in terms of the size of the subject population and time period

involved. Further, study results support the value of wellbeing beyond traditional health and cost outcomes in correlating wellbeing program participation to reduced turnover. However, the studied interventions are not comprehensive enough to represent the wider variety of health promotion or wellbeing offerings offered by many employers today.

Study Limitations are Significant: The study would have benefited from the inclusion of some measures of intensity of health program participation, such as types and frequency of activities, and even changes over time in individual health outcomes, for participants as compared to non-participants. As well, the incorporation of validating evidence, or even correlating evidence, of turnover by comparing health plan retention to actual workforce retention rates from the employers themselves, would have made the study stronger. The estimated retention rates of the populations in this study seem very low for a three-year follow-up period, as 54-84% of all members did not stay on the plans. The national average turnover rate during the study years was below five percent,⁴ which roughly equates to ~80% three-year retention rather than 16-46%.

Tough But Worthy Subject for Future Research: The researchers are among the first to examine the potential relationship between wellbeing and retention, which is an enduring concern for human resource managers. There are many factors that could directly influence employee retention at both the micro (supervisor relationships, promotion opportunities, etc.) and macro levels (healthier economy/job creation), making this a worthy area for further research.

References

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