Day of Learning for Next-Generation HR Leaders

Employee Health and Wellbeing — From myth to reality

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Today's discussion

- Why Wellness Matters
- Wellness "Then and Now"
  - Market Trends, Setting a Wellness Strategy
  - What Does the Research Say
  - Measuring Success
- Getting Started:
  - Some Innovative Ideas
  - Case Study: How One Organization Put it All Together
Why does wellness matter?  
What are your health and productivity costs as a percentage of payroll?

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td><strong>Direct Costs</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Medical and drug coverage</td>
<td>4.0</td>
<td>4.7</td>
<td></td>
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<tr>
<td>Workers compensation</td>
<td>0.7</td>
<td>1.3</td>
<td></td>
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<tr>
<td>Unplanned absence</td>
<td>1.0</td>
<td>1.4</td>
<td></td>
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<tr>
<td>Short-term disability</td>
<td>1.0</td>
<td>1.5</td>
<td></td>
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<tr>
<td>Long-term disability</td>
<td>1.0</td>
<td>1.5</td>
<td></td>
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<tr>
<td><strong>Indirect Costs</strong></td>
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<td></td>
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<tr>
<td>Health management programs</td>
<td>0.2</td>
<td>0.2</td>
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<td>Financial incentives for health management programs</td>
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<td>0.1</td>
<td></td>
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<tr>
<td>Overtime</td>
<td>2.8</td>
<td>3.5</td>
<td></td>
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<tr>
<td>Workstation modification/job accommodation</td>
<td>0.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Replacement workers</td>
<td>1.2</td>
<td>2.4</td>
<td></td>
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<tr>
<td>Onsite health clinics (permanent or seasonal)</td>
<td>—</td>
<td>0.7</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>12.6</strong></td>
<td><strong>17.1</strong></td>
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Most common reasons for employers to do more on health and wellness:

- Reduce costs
- Legal/social responsibility
- Address preventable health conditions
- Enhance employer perceptions

Source: Towers Watson Staying@Work Research 2012
Determining ROI on wellness starts with generating insights from multiple perspectives

**Integrated Insights**

- **Plan/Program Design Insights**
  Understand individual plans (e.g. Rx, dental, medical, disability, etc…) along with supporting programs

- **Employee Segment/Eligibility Insights**
  Understand population segments for different elements of program

- **Provider/Vendor Insights**
  Assess integrated platform of carriers, providers, and specialty vendors

- **Employee Engagement and Behaviour**
  Understand employee and leadership behaviours to support strategy

- **Health Management Strategy**
  Understand and manage key conditions that drive significant cost and impact productivity
Wellness Then and Now…

A Shift to Organizational Health and Individual Well-being
Wellness then and now:
The concept of wellness and well-being is evolving

Programmatic Benefit Management
- Medical
- Pharmacy
- Mental Health & EAP
- Occasional Absence
- STD
- LTD

Health and Productivity Management
- e-health
- Wellness and Prevention
- Disease Management
- Case Management
- Occ. Health and Safety
- Health Management
- Absence and Disability Management

Culture of Health and Well-being – the ultimate "Health Dividend"
- Health
- Physical
- Safety
- Psychological
- Workplace Practices
- Culture
- Social

The Next Frontier:
Sustainable Engagement
The business case for sustainable engagement

Companies with low Traditional Engagement

Companies with high Traditional Engagement

Companies with high Sustainable Engagement

Operating Margin

9.9

14.3

27.4

3x higher

In 2012 – The #2 Driver of Sustainable Engagement:

2 Stress, Balance and Workload
Organizational priorities: Current wellness strategies

- Improve physical health: 49%
- Educate employees: 41%
- Develop a wellness culture: 54%
- Improve mental health: 61%
- Improve emotional/social health: 60%
- Incorporate workforce well-being and work/life balance: 52%
- Adopt new technologies: 30%

Source: Towers Watson Staying@Work Research 2012
The focus today is on how to create a workplace culture that fosters human performance and worker effectiveness

- Research shows connections between highly-effective health and productivity programs:
  - Higher revenue per employee
  - Fewer work days lost due to absence and disability
  - Lower medical costs and trends
  - Improved targeted health risks

### Designing an Effective Health and Productivity Framework

#### Health Programs

**PREVENT**
- Health safety
- Social/psychological
- Health promotion
- Presenteeism management

**RETURN**
- Absence management
- Disability management
- Disease management

**SUPPORT**
- Incentive design
- Quality of care
- Physical environment
- Financial management
- Vendor management

#### Workforce Effectiveness

**REWARD**
- Design
- Delivery
- Accountability

**LEAD**
- Alignment
- Health and productivity support
- Change management and performance

**COMMUNICATE**
- Organizational messages
- Personalized health
- Social media and tools

Source: Towers Watson Staying@Work Research 2012

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What's your strategy?

Employee Well Being

- Total Rewards Framework
- Employee Value Proposition
- Branded Communication
- Integrated Delivery
- Sustainable Engagement
- "WHOlistic" Wellbeing
Spending More Time Establishing the Strategy

Business Plan & Leadership Input
Current business plan, priorities and future vision, corporate culture and presenting issues

Workforce Diagnostics
Workforce engagement, demographics and performance

PIVOTAL INSIGHTS
Issues
Opportunities
Directions for Change

Process & Program Diagnostics
Current workforce programs, processes and market trends
How will you get there?
Realizing the Strategy: Wellness Tactics

- Incentive Programs
- Social/green initiatives
- Social Media
- Online wellness apps
- Online wellness vendors

Metrics
New technology providers are changing the landscape
Beyond WebMD – A Plethora of Apps are in Play

- The use of wellness apps is increasing in an effort to engage employees and provide a health tracking platform

<table>
<thead>
<tr>
<th>Category</th>
<th>Logo</th>
<th>Name</th>
<th>Description</th>
<th>Apple</th>
<th>Android</th>
</tr>
</thead>
</table>
| Cardiovascular Activity     |      | Run Keeper                  | Track your fitness activities (run, bike, roller, etc.)  
  Stats and progress on your pace, distance, and time  
  Measure your heart rate with many available sensors  
  Built-in audio cues  
  Listen and control your music  
  Map your runs  
  Share your workouts and get rewards |       |         |
| Weight Management Game      |      | My Weight Loss Coach        | Helps you take control of your weight efficiently and feel better.  
  Create your personal profile and evaluate your improvement  
  Earn Rewards: enter your physical activity input, your food intake and record your daily steps  
  Use your iPod touch/iPhone as a pedometer to track your daily step count  
  Mini-games: play up to 500 fun challenges with 10 coaching sessions and receive more than 160 tips.  
  Developed in collaboration with a fitness coach and a nutritionist. |       |         |
| Global Physical Health      |      | My Fitness Pal              | Fast and easy wait to track your calories balance  
  Calorie counter  
  Food database  
  Free barcode scanner  
  Fully syncs with your web account  
  Add friends and support each other’s |       |         |
| Home Workouts               |      | Nike training Club          | Your own trainer with more than 85 workouts  
  Detailed video instruction and audio support  
  Select your goal and fitness level  
  Workout history and training progress  
  Share workout and rewards on Facebook/Twitter |       |         |
| First Aid                   |      | First Aid by American Red Cross | Simple step-by-step instructions guide you through first aid scenarios.  
  Fully integrated with 9-1-1  
  Videos and animations make learning first aid fun and easy.  
  Safety tips for everything (hurricanes, earthquakes, etc.)  
  Interactive quizzes with rewards that you can share |       |         |
Appealing to our Personal Values – Social, Green and Other Sustainability Initiatives

- Some of the emerging ideas:
  - "Green" Spending Accounts
  - Carbon offset programs (employee and corporate contributions)
  - Community involvement
  - Volunteer work
  - Charitable donations/fundraising programs
  - Employee help funds
  - Recycling programs
  - Carpooling and use of energy efficient vehicles
  - Bicycle commuting
Better Metrics will help you to Track Performance and ROI

- Many organizations offering enhanced health benefit programs are looking to measure the impact of their efforts – beyond counting participation

- Meaningful metrics vary significantly – from the "size of the scrubs" to actuarial calculations of ROI
  - Health risk assessment data
  - Drug, disability, and EAP program trends
  - Wellness activity participation
  - Engagement survey data
  - Other employee survey/focus group data
  - Broader wellness surveys (Staying@Work)
Align and Integrate Data, Analytics and Reporting

- Measurement Strategy
- Data Management Strategy
- Analytics Strategy
- Reporting Strategy
Align and Integrate Data, Analytics and Reporting

- **Tier 1**: CEO Scorecard (Value Dimensions)
- **Tier 2**: Management Scorecards (High-Level Program tracking)
- **Tier 3**: Strategic Insight Reporting/Program Management/ROI
- **Tier 4**: Program Performance (Data Warehouse/Core Reporting)
Change at BP Canada

Over the past two years, BP Canada has experienced a tremendous organizational shift due to global and local changes.

Locally, this included the divestment of our Gas and NGL assets and the shift in business strategy to an Oil Sands owner/operator.

Elements for Life – BP Canada's redesigned benefits program – became a unique opportunity to reinstate trust, demonstrate a commitment to the business and re-energize employees.

Our goal: to build a bright future for BP Canada.
Good for the employee, good for the business

for employees

Investing in People: BP Canada is here to stay

Employer of Choice

Competitive benefits package

BP Canada cares about my well-being

for BP

"Sustainable Engagement"

Committed workforce

Delivery of the business

Optimize for enhanced risk management

Better positioned for growth

"Sustainable Engagement"… the intensity of employees' connection to their organization, marked by committed effort to achieve work goals (being engaged) in environments that support productivity (being enabled) and maintain personal well-being (feeling energized)
Strategy

PIVOTAL INSIGHTS
- Issues
- Opportunities
- Directions for Change

Workforce diagnostics
- Workforce engagement, demographics and performance

Leadership input
- Future vision, business strategy, corporate culture and presenting issues

Process and program diagnostics
- Current workforce programs and processes

Business plan/performance
- Current business plan, priorities and performance

Process and program trends
- External trends and industry process and program practices

Best Place to Work Strategy

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BP employee survey: what they wanted

### Flexible, competitive benefits
- **Competitive to the market**
- **Choice** on how to spend individual benefits dollars

### Better work life balance
- More vacation, flex time non-working breaks
- **63% of employees** indicated they would like the option to purchase additional vacation days with flex credits

### Encouragement to make fitness a priority
- Onsite or subsidized fitness / health options

### Better physical work environment
- Better air, lighting, space
An innovative, flexible program that:

- **Offers the ability to assess mental health online**
- Offers the ability to **tailor coverage to suit individual circumstances** (cost shared)
- Uses the **latest technology** to deliver and administer the program
  - Internet-based microsite, QR codes, iPad
- Provides considered and varied engagement opportunities
- Leveraged a **change management strategy** to ensure employee readiness and engagement
- Creates the platform for **future program development**
Comprehensive approach: the elements

- Emotional Health (Eh)
- Physical Health (Ph)
- Financial Health (Fh)
- Social Health (Sh)
Our wellness partners: support by element

- **Physical Health (Ph)**
  - Wellness Program Administrator: Virgin HEALTHMILES
  - Keep track of your wellness activities and be rewarded for making a commitment to living healthy

- **Emotional Health (Eh)**
  - feelingbetternow.com
  - Janus associates

- **Financial Health (Fh)**
  - Sun Life Financial
  - workperks®

- **Social Health (Sh)**

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How it works

1. Complete **qualifying activities** and log them online

2. Earn **points**

3. Earn **REWARDS**

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<tr>
<th>Annual Flex Credits *</th>
<th>200</th>
<th>500</th>
<th>1000</th>
<th>1500</th>
<th>3000</th>
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Wellness Program launch

- **Wellness Champions** were given the opportunity to get a "sneak peek" and test drive the program for a month
  - Grassroots approach to engagement and increased ownership
  - Support for future program initiatives
  - Increased accessibility to information; Wellness Champions can offer quick insights on individual program questions outside of HR
- Humorous teaser **videos featuring employees** for added engagement
- **Town Hall** launch event featuring celebrity fitness trainer (Tommy Europe)
  - Wellness Champions rolled out the program at the Town Hall to their peers; resonated with staff and encouraged buy-in
Compelling communications: engagement starts here

• Drafted to support the vision of the **desired BP Canada culture**
• Considered **varied demographics** and range of effective **communications channels**
• Engagement methods included fun videos and participation in launch events (Wellness Fair, FitCamp with Tommy Europe)
• Incorporated 'traditional' methods and new approaches using technology (microsite, social media-based platform, iPad, QR codes)
Compelling communications: statistics

Benefits Program

- **Over 95% on-time enrolment**
- **High readership on communications**
  - Viral videos viewed over 1,800 times
- **Post-enrolment feedback survey illustrates we are open to feedback**

Wellness Program

- **60% enrolment in first three days and currently over 90%**
- **Viral videos viewed online almost 1,000 times (audience of ~400) within a few weeks**

Above: oversized wall hanging
Left: glass decals for bathrooms and conference rooms
Measurement: what was achieved

Attraction
Innovative
Nothing like it – iPads, "green", microsite
Bus talk
Immediate word of mouth from commuters
Media
National Post article about attracting younger workers cites BP Canada
The Globe and Mail article about attracting and retaining talent with competitive benefits offers

Engagement
95% of employees actively enrolled in flex
89% ranked new benefits communication "Easy to understand"
90% enrolled in the new wellness program (60% within 3 days!)

Success

Retention
Recent employee survey results (October 2012) indicate that this reinvigoration of the employee benefits program is a "concrete demonstration" of BP's investment in BP Canada's bright future
Voluntary attrition from post-NGL 2012 to current is nil

BP Helios Award
commended in 2012 (Benefits)
2013 IABC Gold Quill Award
BP Helios Award
commended in 2013 (Benefits & Wellness)

Culture of Wellness
Targets sustainable behaviour change
Technology communicates and delivers the program in a modern and fun way
Links wellness to benefits – enhanced employee perception of entire program
Program impact - 22% reduction in participant BP within 6 months
Next steps

• Develop a **Quarterly scorecard** to measure the impact of the wellness program on:
  - Organizational health
  - Employee productivity
  - Engagement

• Scorecard will **include reports from our wellness vendors**, and incorporate our drug, disability, EAP, attendance, HR and employee engagement data to create an integrated analysis of program results

• Step deeper into the **emotional health** space starting with **pilot programs in fall 2013**

• Pedometers for family members in Year 2
  - Parallel program with social media links
Questions

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