



BIG PICTURE

Strong Economic Case in Place for Wellness

By Charlee Beasor

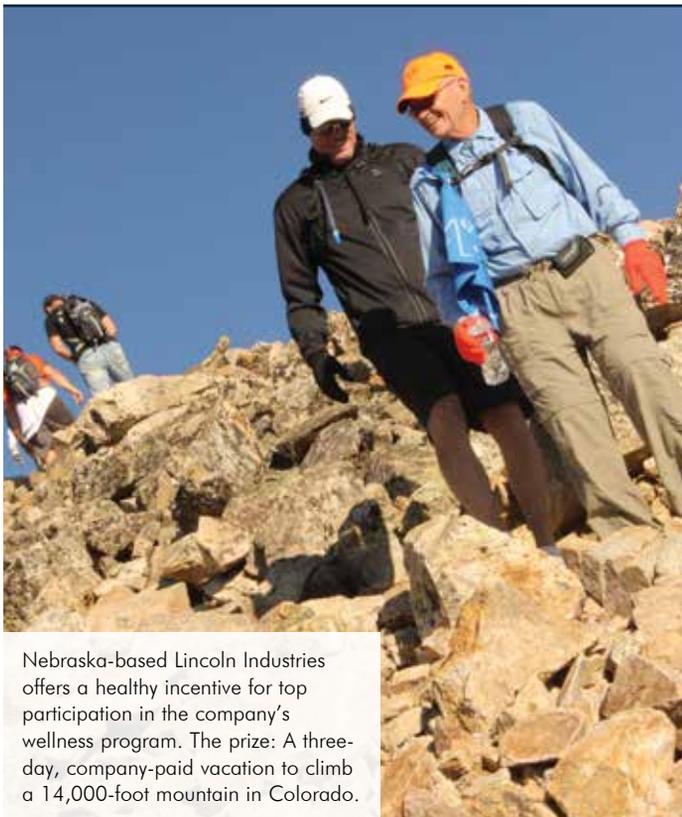
Would you be interested in the following results for your business?

- 15% average revenue growth every year for over 10 years
- Annual health care costs 40% lower than industry average
- 6.8% annual volunteer turnover rate (industry average is 10.6%)
- Worker's compensation claims at 50% of peer organizations
- Tobacco usage decline from 42% to 16% in less than 10 years
- Occupational Safety and Health Administration Total Injury and Illness rate: 2.54 (half the industry average)



"You have to work first on the culture. Measure it to determine where it is. Whether it's good, bad or indifferent, you have a culture. Don't try to create this without having a culture."

- Hank Orme, Performance pH



Nebraska-based Lincoln Industries offers a healthy incentive for top participation in the company's wellness program. The prize: A three-day, company-paid vacation to climb a 14,000-foot mountain in Colorado.

It may sound too good to be true, but the management and employees at Lincoln Industries in Lincoln, Nebraska are living it day in and day out. The mid-sized manufacturing company has won national acclaim for its first-class wellness programming, including the C. Everett Koop National Health Award. In addition, it's been named one of the 25 Best Medium Companies to Work for in America numerous times.

But that wasn't in the plan when company executives decided to tackle the health and happiness of their employees to encourage higher productivity and improve employee morale.

"All these things started coming in, which we didn't even consider because that's not what we were after. What we were after was, we believed people who had a happy place, a safe haven to go, they'd perform better and they'd be better parents and make better communities and that's what we wanted to get to," recalls former president Hank Orme.

Orme – who is now part of wellness consulting firm Performance pH and has relocated to Noblesville to be near family – explains that there's usually no fast return on investment with wellness programming. He calls wellness a journey.

"Everybody wants a quick hit. They want to save money quick. But you ought to do it for other reasons and let the fallout be (financial savings). ... Leaders have a lot of financial pressure on them, and they tend to believe (wellness) is too esoteric or altruistic versus bottom-line oriented. It is the other two, but also the bottom line."

Keeping employees engaged

Another result for the bottom line is employee retention and recruitment.

"We know that a key driver of employee engagement for companies is when an employee feels that the company shows genuine



There is never a better time for a community to pursue wellness initiatives – such as bicycles to rent, or walking and biking trails.

care and concern. That is a key driver to that employee being loyal to the company,” explains Walker Information President Phil Bounsall.

Indianapolis-based Walker is a customer intelligence consulting firm that also collects information on employee engagement.

“Wellness programs are a very tangible way to demonstrate that care and concern and it clearly ties into employee loyalty,” he continues. “We also think it’s a major differentiator for companies. When you have good wellness programs that are attractive to employees, that’s going to differentiate you when you are competing for employee base.”

Orme knows just how true that piece is. It’s not always easy to recruit to Nebraska.

National media coverage, including a 2008 series on Lincoln Industries by CNN’s Dr. Sanjay Gupta, certainly doesn’t hurt those efforts. Gupta got wind of how the company rewards its top performers in the wellness program: a company-paid three-day vacation to climb a 14,000-foot mountain in Colorado. Seven people initially made the trek; this year there will be 140 employees taking part.

That’s the kind of thing employees are seeking, Bounsall says.

“They’re looking for jobs that they enjoy, looking for jobs that allow them a greater balance in work and life and they’re looking for the ability to spend more time on community activities. Things like a wellness program fit right in there.”

Treating the employer-employee relationship as more than just an exchange of money for work is key for Walker

Information and the main reason the company has a wellness program.

“It’s a relationship and one that needs to be treated like a relationship. We believe it’s the right way to build a relationship with associates,” Bounsall expresses.

Community impact

A healthy individual impacts families, communities and businesses. Michael J. Hicks, Ph.D., director of the Center for Business and Economic Research at Ball State University, explains that poor health typically leads to more spending to deal with health-related problems and that is where the financial strain comes in.

“There’s no doubt that lack of health or poor health leads to a lot of negative economic consequences. The big one is just going to be shorter lifespans, more morbidity, less enjoyable life. We don’t think about those a lot in the economy, but they’re real,” Hicks contends.

“The health care spending costs for employer-based health insurance is typically going to be very closely tied to the wellness of that population and/or the community.”

Hicks also notes that some preventable diseases tend to “cluster by community.”

“Nobody has an extraordinarily good explanation for this. There is a variation in communities in measures of health ... things like Type 2 diabetes, obesity and things like that tend to cluster by community,” he shares. “We’re beginning to see evidence that places with more access to recreational activities are going to be healthier and that is

completely rational. We’re very early in this wellness craze and 20 years from now it will be (so) ubiquitous in business considerations – it’s like our retirement plan is now.”

Hicks suggests businesses should partner with communities and use the amenities and infrastructure already in place, while also giving back to the area. He gives the example of a business choosing to locate its headquarters in a community with a walking trail.

“The reason is that it was much easier for (the owner) to institute a wellness program in that community because the infrastructure was in place. For businesses, one of the easiest things to do is to say, ‘We would like to partake in your park system. Where can we participate? What can we do?’ ”

‘Thinking like Carmel’

Here’s another scenario: A community with a walking, biking or foot trail increases the property value of the average home by \$10,000 (and typically with a return in less than five years).

Hicks led a 2004 study on trail systems in two West Virginia counties and discovered those results. A previous study out of Greensboro, N.C., he notes, identified nearly the exact same thing.

“There’s not a mayor in America that wouldn’t consider (this) – these are like six-mile, three-mile trails through a community using flood plains and other undeveloped property that would make these improvements,” he says.

There doesn’t have to be a lot of work or money put into this type of community infrastructure, Hicks asserts.

“The money isn’t the problem. Imagination is the problem. I heard somebody earlier today say a community is going to say they can’t be Carmel. But you’ve got to be thinking like Carmel,” he contends.

“There are a number of ways to integrate trails. Cities own a lot of the right of way around many of the facilities they have. The cost of that sort of public improvement is about the least cost improvement that most communities can make themselves.”

But, Hicks cautions, trails (for example) aren’t a cure-all for what ails a community.

“This is an environment where it’s very hard to have a bad idea. These are low-cost improvements; they tend to self-reinforce,” he emphasizes. “One of the things that commands this action is the relatively low-cost, low-risk nature of doing something, rather than waiting for the perfect opportunity to emerge.”