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# HR West

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## MAXIMIZING PERFORMANCE

**ARTICLES INSIDE:**  
HOW A FEW BAD APPLES  
RUIN EVERYTHING

INCREASING  
EMPLOYEE  
PRODUCTIVITY





# GOOD HEALTH IS GOOD BUSINESS:

## Wellness as a performance maximizing strategy

By Dana Wenter

**T**he success of your business requires seamless coordination of many moving parts; and all of those parts need to be performing at their peak. Achieving peak performance for an engine is straight-forward; you conduct regular tune-ups and use quality oils and engine parts. However, ensuring that employees are at their peak requires programs, policies, and an organizational culture that fosters worker efficiency and enhances commitment to the organization and its mission. Health and wellness strategies are one of many employee management areas to maximize performance; yet it is often over-looked. Research and case studies from profitable companies demonstrate that healthy employees are more engaged in their work, more focused on their work tasks, and manage stress better than unhealthy employees.<sup>1</sup>

### EMPLOYEE HEALTH

Because of the strong connection between employee health and productivity, the progression of illness in the worksite is alarming. The Families and Work Institute (FWI) conducted a national study on the issues among employees that impact worker performance.<sup>2</sup> FWI found that overall employee health had declined from 2002 to 2008. Here are some of the health issues that FWI found impacted productivity in the workplace:

- 62% of employees were overweight; 26% of that population was obese
- 48% of employees had not engaged in physical activity in the last thirty days
- 33% of employees showed signs of clinical depression
- 28% of employees had experienced sleep problems that affected their job performance
- 43% of employees reported experiencing three or more indicators of stress
- 21% of employees smoked

Worksites have significant potential for addressing the health of their employees and their families, resulting in significantly greater physical and mental well-being. These health benefits translate into greater employee engagement, reduced absenteeism and presenteeism, and overall job satisfaction. These, in

turn, result in enhanced individual and corporate performance.

### HEALTHY EMPLOYEES ARE PRODUCTIVE EMPLOYEES

Most people think that medical insurance is the biggest health-related burden on an employer, but in fact, absenteeism and presenteeism cost more due to lower productivity. Researchers estimate that up to 60 percent of the total cost of worker illness comes from presenteeism, or “on-the-job-slowdowns” resulting from poor physical or mental health.<sup>3</sup> When employees work with chronic disease related to poor health, or deal with unmanaged stress, they are less effective and focused on their work.

Wellness programs impact both the top line and bottom line of organizations; top line revenue increases via reduced absenteeism and presenteeism, and bottom line cost savings through the containment of healthcare costs. Health Affairs published an article by a Harvard University multi-disciplinary team (Economics, Medical School and School of Public Health) that consisted of a meta-analysis of cost savings associated with worksite wellness and disease prevention programs. The study conclusions found that for every \$1 spent on wellness programs, companies save \$6—\$3.27 in medical costs and \$2.73 in absenteeism.<sup>4</sup> Including the cost of presenteeism would further increase the return on investment (ROI) of wellness. Where else can an investment deliver a return like this?

### WELLNESS STRATEGY AS A BUSINESS STRATEGY

The key to impacting the health of your entire workforce is to implement comprehensive, results-oriented programs and policies. Results-oriented programs include multiple components, including policies, benefits, on-site programming, and high-touch lifestyle change programs. Further, ROI can be enhanced by including dependents in the programming and incorporating dependents as they account for 60% of healthcare costs. To best meet the health issues that contribute to high rates of absenteeism and presenteeism, organizations should focus on four key program objectives:

- 1) promote physical activity for employees at work and at home

- 2) foster healthy eating at work and at home
- 3) reduce and manage stress
- 4) promote emotional well-being and reduce substance abuse.

Organizations will achieve the most success if their wellness programming is implemented in a sustainable and effective manner. Below is an outline of an organizational approach to enhance employee health and productivity:

1. **Strategy.** Plan an effective wellness strategy by assessing health status and organizational needs.
2. **Programs.** Implement a variety of wellness programs that include population-based and targeted strategies that fit with the culture of your organization and meet the needs of the workforce and their families.
3. **Policies.** Adopt and apply effective wellness policies that support healthy behavior. Policies guide eating and food practices, activity, and stress management across the organization. Examples include providing guidelines for catered or special events, frequency and quality of activity breaks, embedded technology that assists with computer breaks, and practices around work flow management—reducing stress and optimizing productivity.
4. **Environmental Changes.** Create an environment that fosters healthy choices. Changing the environment affects large groups of individuals simultaneously and facilitates adoption and maintenance of healthy behaviors. Envi-

ronmental changes automate wellness by promoting the healthy choice as the default choice.

5. **Culture.** Create a culture of health that contributes to containing healthcare costs and enhancing productivity. Work within the existing culture of an organization and integrate complementary wellness practices into the culture. When wellness practices are part of the overarching culture, they are sustainable and become part of the organization's corporate identity.
6. **Incentive Programs.** Design and realign wellness incentive structures that take into consideration the total health benefits of an organization to ensure positive health outcomes. Wellness programs with well-designed incentives build motivation and participation in health engagement.

Sustainable comprehensive wellness programs are one critical element of creating a well-oiled machine in your organization. Wellness programs and policies have significant impacts on health, productivity and employee satisfactions. All of these factors enhance individual performance which drives corporate performance.

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