

Shape up your company with a wellness program

By Philipp Harper

It was more than a decade ago, but it might as well have been last year, when many other small businesses were caught in the same painful pinch.

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The leaders at Highsmith, a Wisconsin-based marketer of supplies and equipment to schools and libraries, encountered the worst kind of sticker shock: a 53% rise in the company's health-insurance premiums.

Though the spike in 1990 was caused by some unusual claims by just a handful of employees, management saw it as a harbinger of future problems unless steps were taken to keep a lid on costs and claims. "We decided we would manage health care and not let it manage us," says Bill Herman, Highsmith's vice president for human resources.

So what did Herman and his colleagues do? They launched a workplace wellness program that eventually would address the physical and emotional health of about 200 employees and have a dramatic impact on the company's productivity and bottom line.

Wellness on the bottom line

Any business big or small that wants to supercharge its workplace would be well-advised to pay attention to the Highsmith experience. This is true even for small businesses where health insurance isn't an issue — because none is offered — but where absenteeism and productivity are.

"If a Fortune 500 company has 150 people a day out sick, there still are thousands of workers to cover for them," says David Hunnicutt, president of the Wellness Councils of America (WELCOA), a nonprofit organization that shows member companies how wellness programs can enhance profitability. "But if you're a small company with six employees, and two are out, you've just lost 33% of your work force."

The good news is that small businesses have an inherent advantage when it comes to instituting effective wellness programs: The smaller the employee count, the easier it is to change workplace culture. And there are plenty of cost-effective measures that are affordable for even the smallest company.

Like everything else, there's a right way and a wrong to institute a wellness program, and I'll get into that in a minute. First, though, if you're inclined to doubt the efficacy of such programs, consider the impact it has had at Highsmith.

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- The strategy has helped the company keep a tight lid on health-insurance costs, with its premium rising just 3.1% in 2003 and 2.9% in 2002.
- Turnover also has slowed dramatically. In 2001, while the average employer in Wisconsin's Madison-Milwaukee corridor was losing 22% of its workforce, turnover at Highsmith was just 8.7%.
- As for the company's workers' compensation costs, Herman says, "they haven't just slowed down, they've actually gone down. It's significantly less than what we were paying in the early '90s."

A comprehensive approach

The cornerstone of the Highsmith wellness program is a monitoring process where at-work health screening is done once a year. Blood pressure, cholesterol levels and pulmonary function are checked on the spot, and mental health also is assessed. Then follow-up exams with a physician are required based on the worker's age and gender. Participate, and Highsmith pays 75% of your health-insurance premium; refuse, and coverage drops to 60%.

This brings up a crucial point: While federal law prohibits discriminating against workers because of health status, it is entirely legal to "incentivize" participation in a health-screening program.

Highsmith also promotes physical health by offering aerobics classes at work and seeing to it that vending machines are stocked with plenty of low-fat items sold at a discount. The lower costs for healthy items are made possible by having higher-than-normal prices for the junk-food items in the machines.

Over time, Herman says, the company has broadened the program to address issues beyond physical health that can have a profound impact on a worker's sense of well-being. Highsmith offers nearly 70 classes on subjects as diverse as resolving workplace disputes, coping with teenage children and caring for elderly parents. An innovative flextime work schedule makes it easier for workers to deal with some of these issues in a timely way.

Herman says the human impact of the wellness program is tangible: "When you walk into this company and look around, you can tell something special is going on here."

Seven steps to workplace wellness

Whatever the size of your company, and whether or not you offer health benefits, it's possible to reap bottom-line benefits from a wellness plan without putting into place a multi-tiered program like the one that has evolved at Highsmith. It's probably easier and less expensive than you think.

WELCOA's Hunnicutt urges adopting a plan that focuses on results rather than activities. Employee participation in a "smoke out" or fun run may boost short-term awareness of good health, but generally does not have a long-term impact.

If you seek real improvement, you need to set goals and devise a reasonable strategy for achieving them. With that in mind, Hunnicutt offers the following seven-step program. Visit the WELCOA Web site (www.welcoa.org) to find the resources you need to carry out your own plan.

1. **Secure the support of top management.** Any meaningful change will be driven from the top. In this vein, Herman recalls that the first wellness effort at Highsmith involved him and the chief executive officer leading the mostly female staff in lunchroom aerobics.
2. **Appoint a wellness team to oversee the effort.** At a small company, this might be a single individual, perhaps even the boss.
3. **Collect some form of data.** "You can't change what you can't measure," Hunnicutt says. Data collection can run the gamut from having employees participate in health screenings (an online version can cost as little as \$8 an employee; a blood workup is about \$30 per head) to weighing the workforce on a grain elevator scale to establish a weight-loss benchmark.
4. **Create a simple plan and set simple goals.** If excess weight is identified as a primary concern, for instance, the wellness team might say, "In 12 weeks, we're going to lose 500 pounds as a company."
5. **Choose the appropriate intervention.** This could be anything from providing information on healthy eating to promoting exercise as part of an employee's daily schedule.
6. **Create a supportive environment.** If, for example, you want your employees to exercise more, make it easier for them to do it during the workday. Consider designating or building walking trails around your company grounds, or providing shower facilities so employees can clean up after bicycling to work.
7. **Carefully evaluate outcomes.** If the desired result isn't being achieved, it may be necessary to change the intervention or make the environment even more supportive.

Not into structure? Be informal

If you're not into structure, then try a less formal approach.

John Harris, principal of Harris HealthTrends, a Toledo, Ohio-based wellness consultant, tells of one overweight business executive who issued his employees what became known as "Jim's Challenge." He told them he was going to lose 50 pounds and invited them to join him in the effort, with anyone who lost more in a given week than he did winning a healthy lunch. He also made certain workers receive information about healthy dieting.

Or, Harris adds, employers can do something as simple and inexpensive as buying workers \$5 pedometers and urging them to take 10,000 steps a day, the level at which walking provides sufficient exercise. Making it easy -- and acceptable -- for employees to walk during working hours also should be part of such an effort.

Whatever you decide to do, it pays to remember this: The health and happiness of your employees has a direct impact on your company's financial health.

Philipp Harper is a veteran freelance writer who writes about the impact of government and the economy on small business.