



FINAL REPORT:
2004 BUSINESS AND ORGANIZATION
HEALTHY WORKFORCE PRACTICES STUDY

MAY 2004

Study Conducted By:



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INTRODUCTION

A survey of businesses and organizations in Macomb, Oakland and Wayne counties was sponsored by St. John Health to better understand employer practices relating to employee wellness programs. The survey addresses issues regarding the incidence of formal program adoption, impact on health care costs and productivity, employee programs/events offered, and preventive care and other healthy lifestyle initiatives. This report summarizes the findings of the telephone surveys that were conducted May 3 to May 17, 2004. Respondents for the survey ranged from human resources managers to wellness coordinators to senior management, all of whom are involved with employee health care program decisions.

METHODOLOGY

The St. John Health Business and Organization Health Workforce Practices survey was conducted May 3 to May 17, 2004. More than 2,500 phone calls to a stratified sample (industry (SIC) code and employment size) of approximately 2,700 organizations were conducted to yield 200 completed interviews.

Respondent businesses were randomly selected from eight industry sectors in Macomb, Oakland and Wayne counties. The industries included in this study are: Education, Entertainment, Finance, Government, Health Care, Manufacturing, Non-Profit, Professional Services, Retail and Other.

Further, respondent organizations were defined as “small,” “medium” and “large” according to the following classifications:

- Small Fewer than 100 employees
- Medium 101 to 1,000 employees
- Large Greater than 1,000 employees

Again, potential respondents were screened to ensure they were involved in the decision making process regarding health care and wellness programs for their organization.

EXECUTIVE SUMMARY

Several questions in this study were designed to assess what current actions employers are taking to promote wellness and healthy living practices to their employees; a company's reception to forming a relationship with a local health care organization to provide such services; and identify the characteristics of employers that are more likely to embrace such a relationship. The findings in this study demonstrate an opportunity exists for a health care organization to help a company/organization provide positive influence and guidance regarding wellness and healthy living practices to its employees. A review of the findings show:

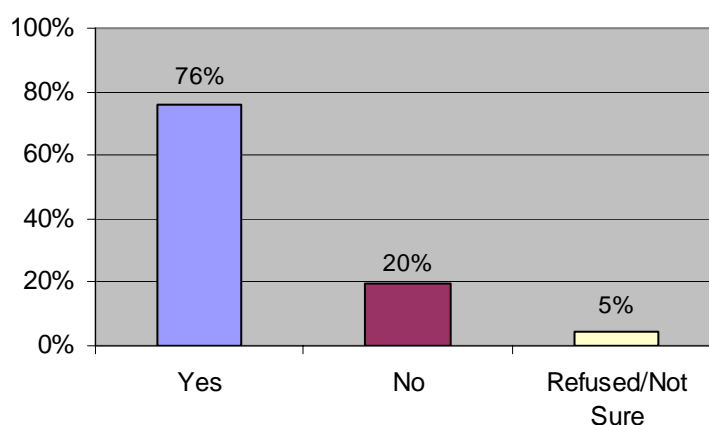
- Overall, 76 percent of respondents feel that it is the responsibility of the employer to promote wellness and healthy living practices to its employees
- While over three quarters of the respondents feel that it is the responsibility of the employer to promote wellness and healthy living practices to its employees, only 47 percent of the companies/organizations have adopted a formal employee wellness promotion strategy/program
- Overall, slightly more than 38 percent of the companies and organizations with a program in place feel that their wellness strategy has helped to reduce health care costs. It is interesting to note that as many as 47 percent of the large companies with a wellness program in place feel that their health care costs have been reduced while only 29 percent of small companies reported a reduction in health care costs
- Overall, 45 percent of the respondents indicate that they have observed an increase in employee productivity as a result of having a wellness program in place
- Additionally, 58 percent of respondents from organizations that do not have a formal strategy in place to promote wellness and healthy living practices feel that their company or organization should adopt one
- Interestingly, 76 percent of respondent organizations have not formed a relationship with a local health care organization to assist in coordinating a wellness strategy and its implementation to the company's employees
- Nearly 50 percent of respondent companies who do not have a relationship with a local health care organization would be interested in forming such an alliance
- Stress management, smoking cessation, and weight control are the leading seminars and workshops conducted by employers to promote healthy living practices and wellness to its employees

HIGHLIGHT OF FINDINGS

Whose responsibility is it to promote wellness?

When asked whether they thought it was a company/organization's responsibility to promote wellness and healthy living to its employees, overall, nearly three quarters of the respondents indicated that it is the company/organization's responsibility while one fifth thought that it was not.

Do you think it is a company/organization's responsibility to promote wellness/healthy living to its employees?



A closer examination of responses by business size indicates that there is very little difference between small, medium and large businesses in their belief that it is the responsibility of the company/organization to promote wellness and healthy living practices to employees. As illustrated in the table below, nearly 8 in 10 of the large and medium businesses and just over 7 in 10 small business respondents felt that it was a corporate responsibility to promote wellness and healthy living practices.

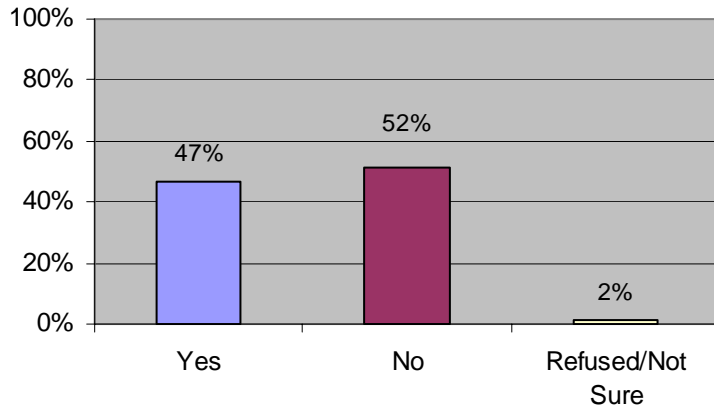
Company Responsibility to Promote Wellness

	Small	Medium	Large
Yes	71.4%	78.8%	79.2%
No	25.0%	17.6%	15.1%
Refused/Not Sure	3.6%	3.5%	5.7%

Who has a formal wellness strategy in place?

Ironically, when it comes to having a formal strategy to promote wellness and healthy living to employees, only 47% of the respondents indicated that their company/organization has a strategy in place. A “Formal Strategy” was defined as a wellness program that was endorsed by the organization or part of an employee manual.

Does your company/organization have a formal strategy in place to promote wellness/healthy living for its employees?



Verbatim Comments

- “I think it would benefit a lot of employees if we adopted a formal strategy to promote wellness to our employees.”
- “We probably need to do more than we are doing now to promote wellness to our employees. I’m not sure that it should actually be formal.”

A deeper examination of the numbers indicates that larger companies and organizations are more likely to have a formal strategy in place for employee wellness programs. Almost two-thirds (65%) of respondents from large companies indicate that their company/organization has a formal strategy in place while only one third or three in ten small businesses currently have a formal strategy in place. A review of commentary from small company respondents indicates that cost considerations are a driving factor for their lack of adopting a formal program.

Verbatim Comments:

- “We are not doing as much in our wellness program as we would like to do because of the economy. Our business is very tight at this time.”
- “Due to budget cuts from the state, we do not have as much in our formal strategy as we used to. I know we would be doing more if we had the funds.”

Have Formal Strategy in Place

	Small	Medium	Large
Yes	30.4%	48.2%	64.2%
No	67.9%	51.8%	32.1%
Refused/Not Sure	1.8%	0.0%	3.8%

Through their comments, respondents from those companies and organizations that have a wellness strategy in place were very optimistic about the program. Several respondents mentioned that as employees witnessed their co-workers participating in programs and events, they became more interested and became involved as well.

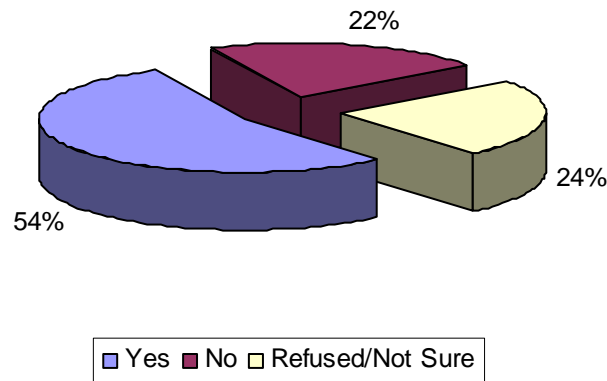
Verbatim Comments:

- “Our people have new energy and are excited that the company is willing to do this for them. We have very active participation in our plan.”
- “We think by promoting wellness and fitness in the workplace our employees are making better choices concerning their own health. This in time gives us better productivity.”

What about those who do not have a formal strategy?

Of the companies/organizations that do not currently have a formal strategy in place, 54% of the respondents feel that their company/organization should adopt a formal strategy to promote wellness and healthy living practices to employees.

Respondent From Companies Without A Formal Strategy To Promote Wellness Who Feel Their Company Should Adopt A Formal Strategy



Large company/organization respondents felt very strongly that their company or organization should adopt a formal strategy to promote wellness to employees with almost eight in ten saying yes. Small businesses were more divided on the issue. Forty-six percent of small business respondents thought that their company or organization should adopt a formal strategy to promote wellness while nearly one third said they should not adopt a formal strategy. Further, 16% of small company/organization respondents were not sure a formal strategy should be adopted.

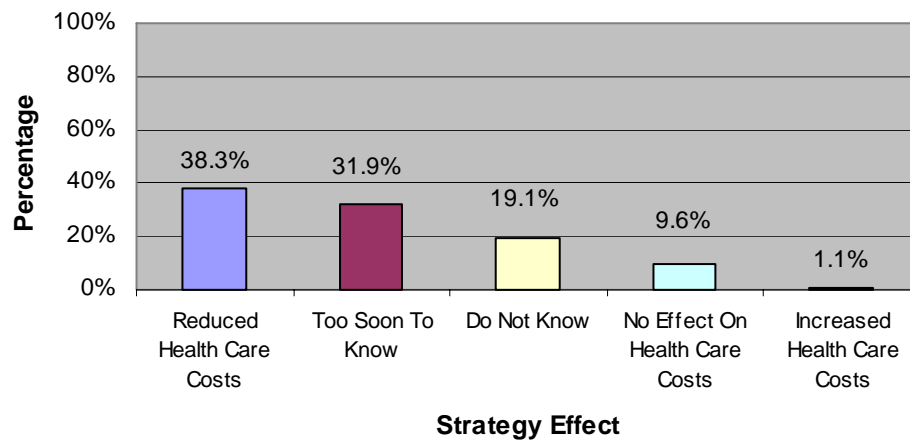
Feel Organization Should Adopt Formal Strategy

	Small	Medium	Large
Yes	45.9%	53.5%	77.8%
No	32.4%	14.0%	11.1%
Refused	5.4%	0.0%	0.0%
Not Sure	16.2%	32.6%	11.1%

What effect has a wellness strategy had on health care costs?

Overall, slightly more than 38% of the respondents from companies or organizations with a wellness strategy in place feel that their wellness strategy has reduced health care costs while 32% say it is too soon to know. Overall, the wellness strategy has had a positive effect on reducing health care costs in the organizations where they have been implemented. Fewer than 10% of the organizations feel that the wellness strategy has had no effect on health care costs.

Wellness Strategy Success



Larger companies/organizations with programs in place felt strongly that their wellness strategy helped reduce health care costs. Forty seven percent (47%) state health care costs have been reduced compared to 29% of small companies reporting a reduction in health care costs.

Effect of program on health care costs

	Small	Medium	Large
Reduced health care costs	29.4%	36.6%	47.1%
Increased health care costs	0.0%	2.4%	0.0%
No effect on health care costs	11.8%	9.8%	5.9%
Too soon to know	29.4%	34.1%	32.4%
Do not know	29.4%	17.1%	14.7%

How are the programs communicated to the employees?

When examining those companies/organizations surveyed having a wellness strategy in place, various communication media are used to inform employees about their wellness programs. The table below provides an overview of the communication channels utilized by the companies under study.

Communication Method	Percent*
Company Intranet/Website	67%
Newsletter	62%
Flyers In Common Areas	55%
Seminars	35%
During Health Fairs	26%
Other	12%

***Note: totals more than 100% due to multiple responses**

Larger and medium sized companies rely more on company Intranets and web sites to disseminate information to employees, while smaller organizations more frequently use newsletters and flyers in common areas. As well, the larger the organization the more likely it is to hold a health fair. As illustrated below, large organizations are three times more likely than small companies to have health fairs.

Communication Method	Small*	Medium*	Large*
Company Intranet/Website	41%	72%	74%
Newsletter	47%	63%	69%
Flyers In Common Areas	47%	54%	66%
Seminars	18%	35%	46%
During Health Fairs	12%	23%	37%
Other	24%	12%	6%

***Note: totals more than 100% due to multiple responses**

What effect has a wellness strategy had on employee productivity?

From an overall perspective, when analyzing the effects of the wellness strategy on employee productivity, 44% of the respondents indicated that they observed an increase in productivity while nearly 30% of respondents indicated that it was too soon to know the effects of the wellness strategy on employee productivity.

Company/Organization With Wellness Strategy Effect On Productivity	Percent
Increased Productivity	44.6%
Too Soon To Know	29.3%
Do Not Know	17.4%
No Effect On Productivity	7.6%
Reduced Productivity	1.1%

What is the effect based on organization size?

A closer observation of the respondents indicating a productivity increase shows that large and medium sized companies and organizations tend to experience the greatest productivity increases. Slightly over half (51%) of the large businesses surveyed report that they observed an increase in productivity, while 46% of the medium businesses observed a productivity increase. Conversely, only one quarter (25%) of the small businesses surveyed report a productivity increase.

However, it is worth noting that a quarter (25%) of the small businesses surveyed did not know the effect the wellness strategy had on employee productivity as it is not a metric they currently track.

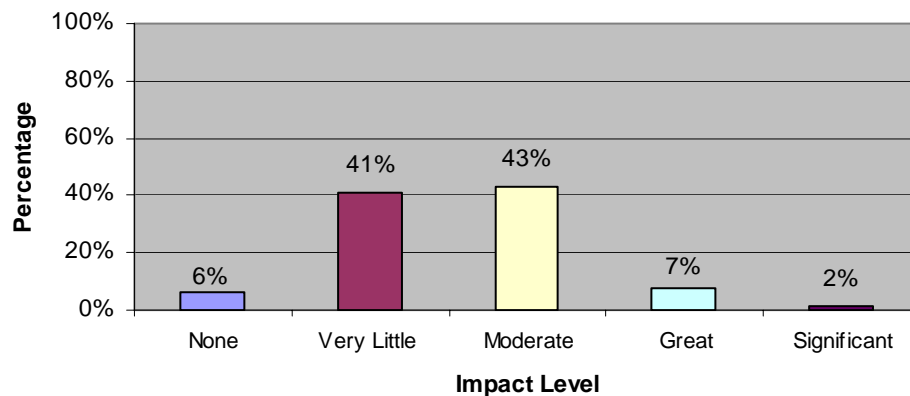
Formal Strategy Productivity Assessment

	Small	Medium	Large
Reduced Productivity	6.3%	0.0%	0.0%
Increased Productivity	25.0%	46.3%	51.5%
No Effect On Productivity	6.3%	9.8%	6.1%
Too Soon To Know	37.5%	26.8%	27.3%
Do Not Know	25.0%	17.1%	15.2%

What impact does the organization suffer due to employee illness?

When asked what the annual impact of employee illness on lost production time or cost, nearly 44% of the respondents indicated that there was a moderate impact to the organization. However, nearly 47% reported that there was very little to no impact on productivity caused by employee illness.

Impact Of Employee Illness On Lost Production Time and Cost



Interestingly, when segmenting the results based on organization size, smaller organizations report less of an impact on productivity than larger companies. Nearly 20% of the respondents at larger companies report employee illness has great to significant impact on productivity or costs while only four percent and six percent of small and medium companies/organizations suffer a great to significant impact, respectively.

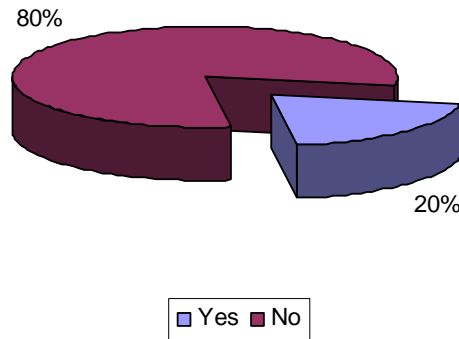
Impact of Employee Illness on Productivity

	Small	Medium	Large
No Impact	13.5%	3.7%	2.0%
Very Little Impact	51.9%	42.7%	30.0%
Moderate Impact	30.8%	47.6%	48.0%
Great Impact	1.9%	6.1%	16.0%
Significant Impact	1.9%	0.0%	4.0%

Do companies have facilities to support employee health needs?

Only 20% of the companies and organizations surveyed had an on-site athletic center or gym facility. However, anecdotally, a small percentage of respondents (approximately five percent), report they have access to a corporate facility within driving distance. This was observed more with education and large manufacturing respondents.

Companies/Organizations With On-site Athletic Center or Gym Facility



Large and medium organizations were more likely to have an on-site athletic center or gym facility than small organizations. Slightly more than one in three (36%) large companies and nearly one quarter (22%) of medium companies or organizations have a facility on site. Only 3.6% of small companies have an on-site facility.

On-site Athletic Center or Gym

	Small	Medium	Large
Yes	3.6%	22.4%	35.8%
No	96.4%	77.6%	64.2%

What about affiliates who are not employees?

Of those companies that do have an on-site facility, predominantly employees are the only ones who are eligible to use the facility. Of those companies that allow non-employees to use the athletic center, family members and retirees are the next groups most frequently mentioned. Of those stating “others”, these respondents were from educational institutions that allow students to use the same facilities as employees.

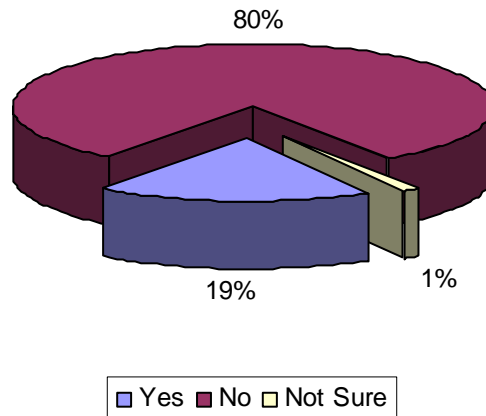
Eligibility For On-site Gym or Athletic Facility	Mentions
Employees Only	40
Family Members	12
Retirees	8
Contract Workers	5
Other	2

Seven in ten respondent companies or organizations surveyed indicated that the on-site facility was free of charge or subsidized for employees.

Do companies support external club/health facility memberships?

Overall, a majority (80%) of the companies and organizations surveyed do not contribute to or subsidize employee health club memberships in external clubs. Of the 20% of companies that do subsidize memberships (predominantly medium and large companies) in external fitness facilities, many have negotiated discount structures for their employees. These discounts have been arranged with the larger, national chain health clubs such as Bally’s Total Fitness, Lifetime Fitness and Gold’s Gym. This type of discount arrangement is consistent for small, medium and large businesses.

Subsidize Outside Health Club Memberships



What actions are companies taking in-house?

When asked whether their company/organization sponsored any sports teams for employees, medium and large businesses tended to be mixed on this issue. Nearly 57% of large and 54% of medium businesses indicated that they do not sponsor employee sports teams. A majority of small companies and organizations (82%) do not sponsor employee sports teams. Typical employee team sports may include bowling leagues, softball or basketball teams.

Employee Sports Team Sponsorship

	Small	Medium	Large
Yes	17.9%	45.9%	42.3%
No	82.1%	54.1%	57.7%

Larger companies tend to have on-site cafeterias more frequently than medium and smaller companies. More than half of the large companies surveyed have on-site cafeterias, whereas 40% of medium businesses and 20% of smaller businesses have on-site cafeterias.

On-site Cafeterias

	Small	Medium	Large
Yes	20.0%	40.0%	56.6%
No	80.0%	60.0%	43.4%

In a majority of the instances where there is an on-site cafeteria, nearly nine in ten large, eight in ten medium and seven in ten small businesses offer healthy food options. "Healthy food options" were described as offering grilled meats, low fat dishes, and healthy prepared vegetables (reduced saturated fats).

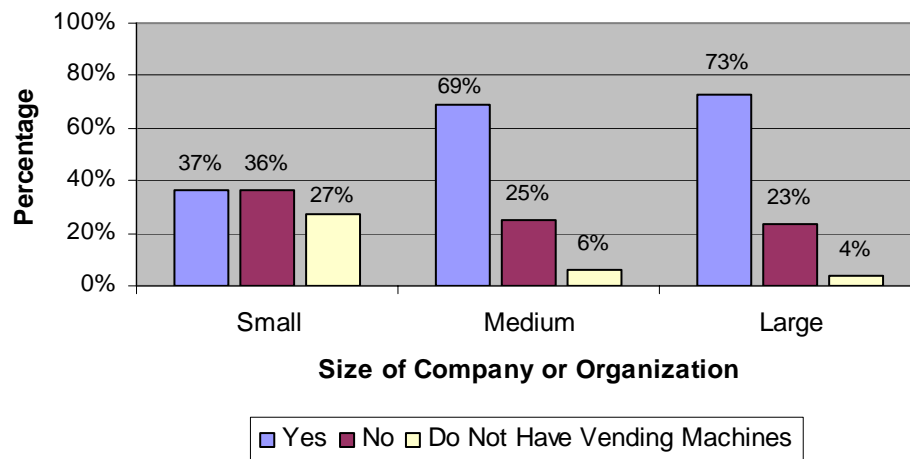
Cafeteria Healthy Food Options

	Small	Medium	Large
Yes	70.0%	88.2%	93.3%
No	30.0%	11.8%	6.7%

Large and medium companies and organizations are more likely to have healthy selections in the vending machines that they control. Sixty-nine percent of medium and nearly 73% of large companies and organizations offer healthy selections while only 36% of the small companies surveyed offer healthy selections in vending machines under their control.

It is interesting to note that many of the smaller companies indicated that they do not have control over their vending machines. Further, several respondents stated that they have made many requests for healthy items but have been unsuccessful in their efforts. This same effort has been made at medium and large businesses with no control over their vending machines to the same degree of frustration.

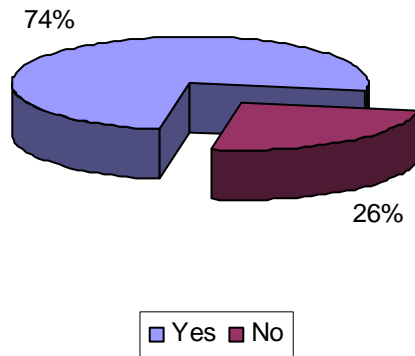
Healthy Options In Vending Machines



What other efforts are being taken to promote healthy living?

Roughly three-quarters of the companies/organizations surveyed either sanction or encourage employee participation in community-based health related activities such as the Race for the Cure and the Avon Breast Cancer Walk. The respondents were very proud of the work that they and their employees do to support health related issues that affect themselves and others.

Companies/Organizations Encourage Participation In Community-based Health Related Activities



Verbatim Comments

- “We are extremely supportive with the Walk for the March of Dimes. We also participate in the Race for the Cure and Breast Cancer walk. We strongly encourage employees to participate in any health related activities.”
- “We try to participate in as many community-based health related activities as we can.”

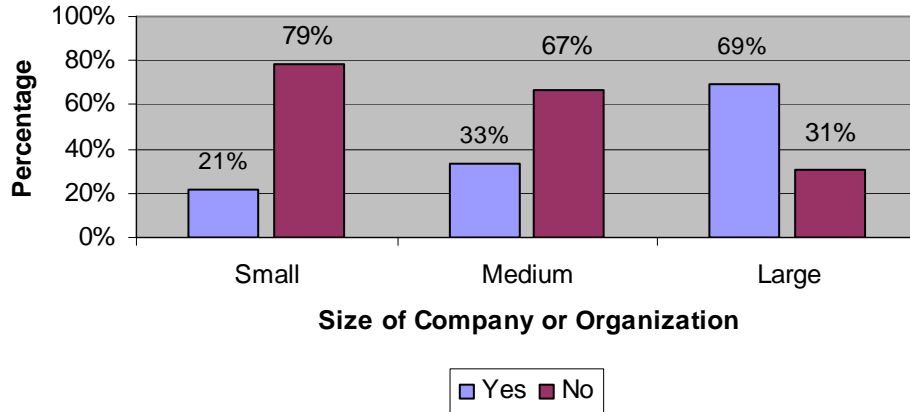
As illustrated below, larger companies and organizations are more likely to support community based health related activities than smaller companies.

Sanction or Encourage Participation

	Small	Medium	Large
Yes	58.9%	77.6%	88.7%
No	41.1%	22.4%	11.3%

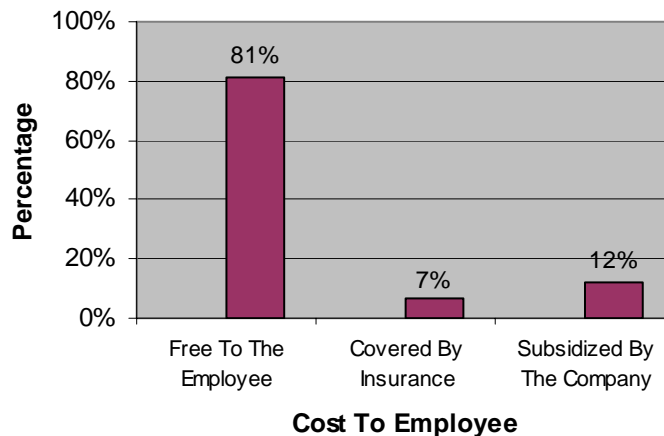
Overall, nearly 40% of respondents report offering on-site health screenings for their employees. On-site health screenings are more frequently found at large companies when compared with small and medium companies. A majority of large companies (70%) provide on-site health screenings whereas only 33% of medium businesses and 21% of small businesses offer these types of programs.

Businesses and Organizations That Offer On-site Health Screenings



Overwhelmingly, among all company and organization sizes, those that offer on-site health screenings offer them free to their employees. In a few instances, costs have been subsidized by the company or covered by insurance.

Cost Of On-Site Health Screenings



Overall, of those companies and organizations surveyed that provide health seminars/workshops/ programs to their employees, stress management is the most popular program offered to employees. Smoking cessation and weight control were also mentioned more frequently than other program offerings. The table below details the frequency of mention for the seminars/workshops/programs under study:

Seminar/Workshop/Program	Total Mentions
Stress Management	100
Smoking Cessation	78
Weight Control	77
Alcohol Abuse	59
Nutrition	51
Health Risk Assessments	53
Health Fairs (In General)	45
Disease Management	36
Prenatal Care	23
Alternative Mind/Body Programs	15
Other*	4

**Other mentions include grief counseling, cancer counseling, outreach programs, domestic and workplace violence as well as massage therapy.*

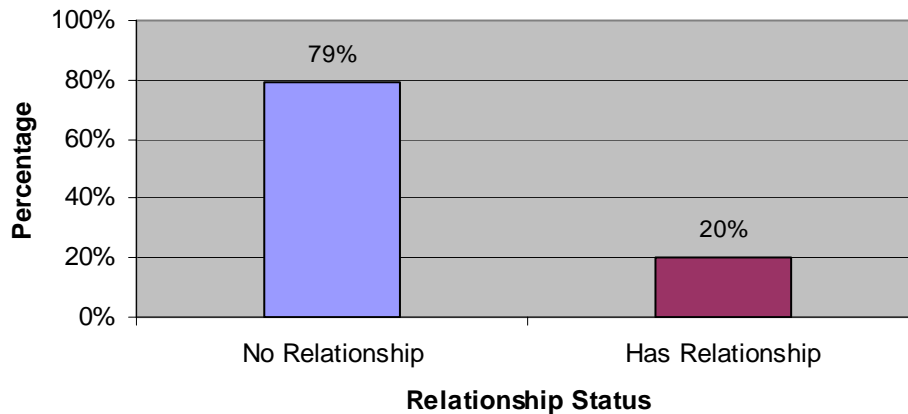
Through verbatim commentary, in several instances, respondents indicate that many of the seminars and workshops performed in their organizations are sponsored by the company or the organization's primary health insurance provider. Many of these seminars and workshops are conducted during lunch hours and, in a few instances, respondents indicate that the company pays for lunch.

Are companies and organizations seeking professional guidance?

On-Site Health Care services:

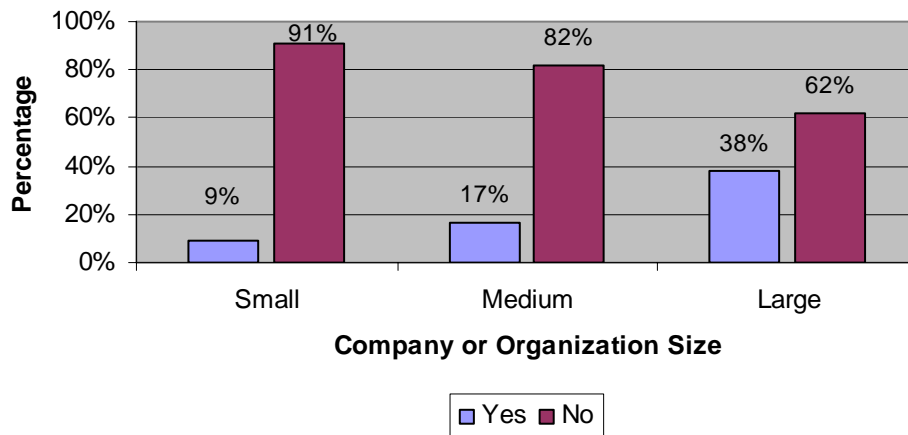
Overall, a majority of respondent companies or organizations do not currently have a relationship with a local health care organization to provide on-site health care services. The on-site health services may include physical therapy, physician services or chiropractic care.

Has A Relationship With Local Health Care Organization To Provide On-site Health Care Services



Of those companies that have formed a relationship for on-site health screenings, larger organizations are four times more likely than small organizations to enter into this type of arrangement. Thirty-eight percent (38%) of the large organizations surveyed had a relationship with a local health care organization to provide on-site health care services whereas 17% of medium businesses and 9.3% of small organizations have relationship, as illustrated in the chart below:

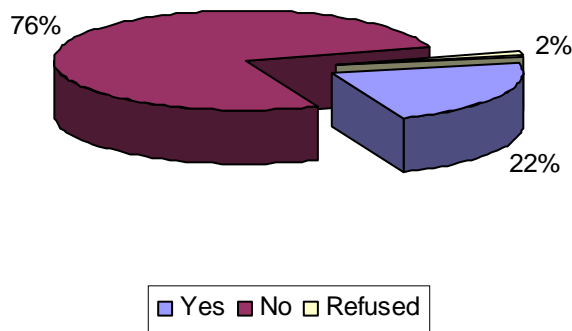
Has A Relationship With Local Health Care Organization To Provide On-site Health Care Services



Coordinated Approach to Promote Healthy Living Alternatives:

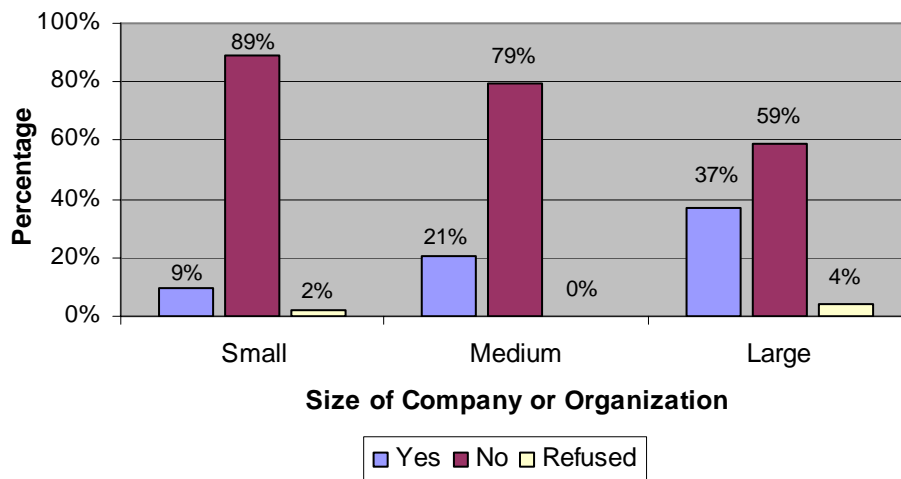
Overall, only two in ten of the companies or organizations surveyed have formed a relationship with a local health care organization to provide a coordinated approach to promoting healthy living alternatives to their employees.

Company or Organization Has A Relationship With Local Health Care Organization To Provide Coordinated Approach To Healthy Living Alternatives



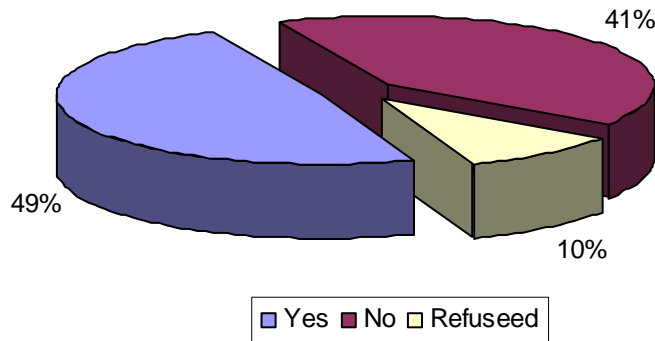
Again, large and medium sized companies or organizations were more likely than small companies to have a relationship with a health care organization to provide a coordinated approach to healthy living for its employees.

Company or Organization Has A Relationship With Local Health Care Organization To Provide Coordinated Approach To Healthy Living Alternatives



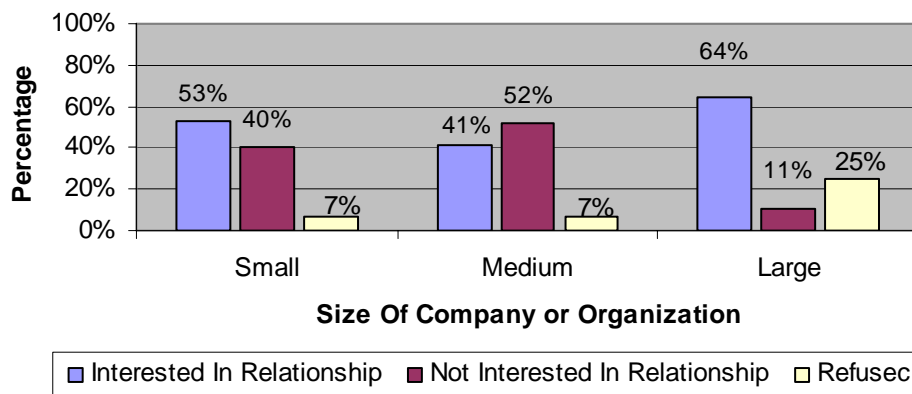
Of the 76% of the organizations that do not have a relationship to provide a coordinated approach to healthy living alternatives, approximately 48% of the respondents would be interested in forming a relationship with a local health care provider.

Companies or Organizations Interested In A Relationship With A Local Health Care Organization To Provide A Coordinated Healthy Living Approach To Its Employees



When examining the opportunities by size of the business, over 50% of the small and large businesses would be interested in such a relationship.

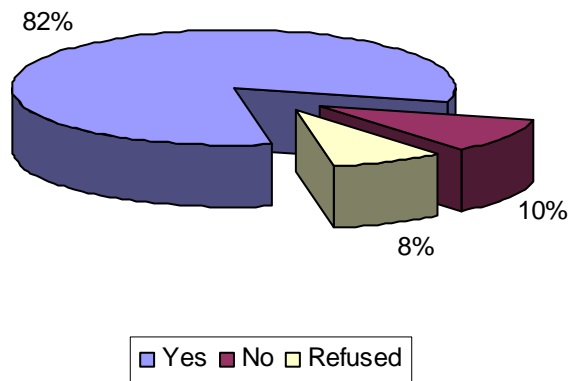
Companies or Organizations Interested In A Relationship With A Local Health Care Organization To Provide A Coordinated Healthy Living Approach To Its Employees



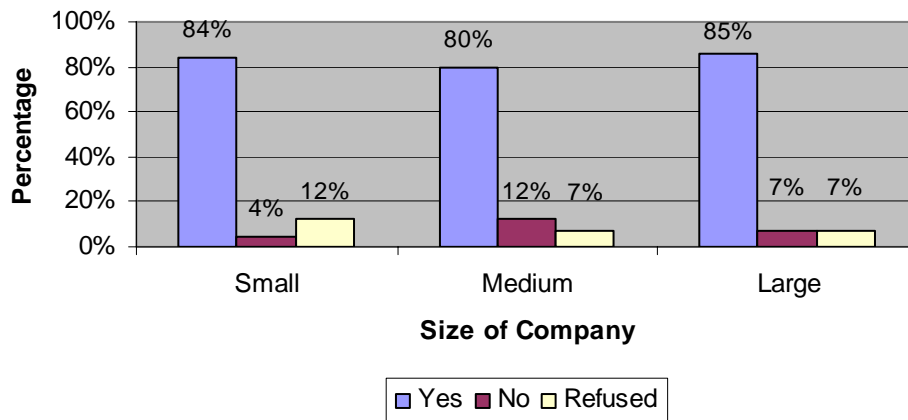
Could legislation promote a healthier workplace?

Overwhelmingly, over 80% of the respondents surveyed believe that tax credits would motivate them to do more to promote healthy lifestyle choices to their employees. This belief was consistent across small, medium and large company respondents (**Note: Non-profit organizations were excluded from this assessment**).

Believe Companies Would Do More To Promote Healthy Living If Tax Credits Were Available



Believe Companies Would Do More To Promote Health Living If Tax Credits Were Available

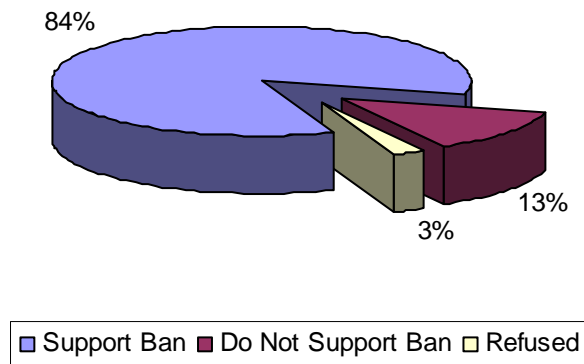


Finally, two questions on the survey were asked to assess the personal opinions of the respondents regarding bans on smoking; smoking in the workplace and all indoor smoking. Again, these individuals were not speaking for the company or organization he or she represented but only for personal beliefs.

Ban on Smoking in the Workplace:

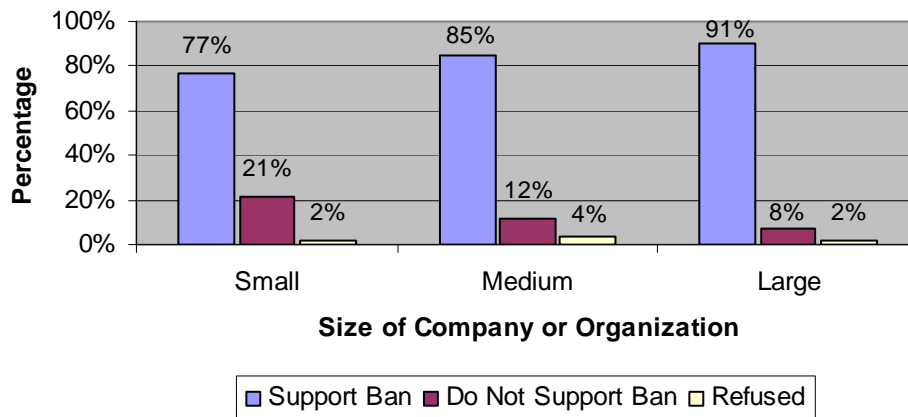
When asked whether they personally supported a ban on smoking in the workplace, a majority of the respondents (84.5%) indicated that they would be in favor with only less than three percent refusing to answer the question.

Personal View Of Respondents Regarding Ban On Smoking In The Workplace



In small, medium and large companies or organizations, greater than three-quarters of the respondents surveyed personally support a ban on smoking in the workplace.

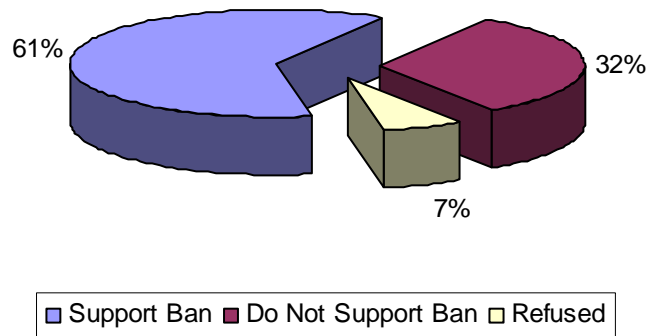
**Ban On Smoking In The Workplace
- Respondent's Personal Views -**



Ban on all Indoor Smoking:

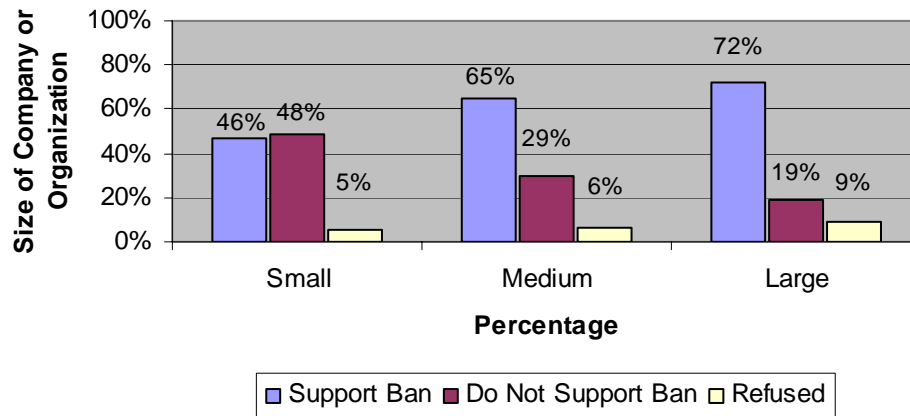
Sixty-two percent of the respondents surveyed support a ban on all indoor smoking in Michigan. Respondent support for a ban on all indoor smoking in Michigan is moderately less than their support for a ban on smoking in the workplace. A larger number of respondents refused to answer this question than the previous question concerning a ban on workplace smoking.

Personal View Of Respondents Regarding Ban On All Indoor Smoking



Fewer than half of the respondents from small companies or organizations personally support a ban on all indoor smoking in Michigan. Within the small company and organization segment, there is an almost equal split among those who support the ban and those who do not. Greater than six in ten respondents from both medium and large companies personally support a ban on all indoor smoking.

Ban On All Indoor Smoking In Michigan - Respondent's Personal Views -



Key Findings from Advanced Statistical Tests

Additional statistical tests were conducted to determine the most likely adopters of wellness programs, as well as the likely behaviors that would predict the most receptive candidates for alliance with a local health care provider.

- Larger companies and organizations have a greater propensity to have formal programs in place as well as relationships with entities to help promote healthy living and wellness. Larger companies and organizations are more receptive to the concept of forming this type of relationship with a local health care provider

Predictive testing suggests that the greatest opportunity for a health care organization's success in forming a partnership with a company is with those companies that assist their employees with memberships to outside health clubs or facilities. It is interesting to note, that while an organization must assist with external club membership, the organization's size does not change their likelihood of entering into a partnership with a health care provider. Thus, opportunity does exist at medium and even small organizations

*** * * This Concludes Our Report * * ***

Appendix

RESPONDENT CHARACTERISTICS

Industry Representation

Industry Sector	Count	Percentage
Education	21	10.5%
Entertainment	12	6.0%
Finance	19	9.5%
Government	14	7.0%
Health Care	23	11.5%
Manufacturing	41	20.5%
Non-Profit	5	2.5%
Professional Services	30	15.0%
Retail	23	11.5%
Other	12	6.0%
Total Respondents	200	100.0%

Employee Count

Number of Employees	Count	Percent
Less than 100	56	28%
101 to 1000	85	43%
Greater than 1000	53	27%
Refused	3	2%
Total	200	100%