

# Importance of wellness programme in organization



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Unhealthy diet and lack of regular physical activity caused several bad health outcomes among employees, such as heart disease, stroke, cancer and other chronic disease (Harris & Fries, 2002). According to Conlin (2007) the insurance premium and absenteeism by sick workers cost businesses \$15 billion a year in United States (as cited in Scarborough, Wilson & Zimmerer, 2009). Besides that, about 70% of organization's health care costs were arising from preventable chronic diseases. According to Fries, Koop, Beadle, Cooper, England, Greaves, Sokolov, and Wright (1993) preventing employees chronic illness is the best solution for reducing organization's health care cost.

According to Quintiliani, Sattelmair, and Sorensen (2007) worksite has been recognizes globally as an appropriate setting to promote wellness programme. Stokols, Pelletier & Fielding (1996) also suggested that worksite's wellness programme could influence employee's healthy behaviour. Through direct effort health education and increasing the availability of healthy foods and opportunities for physical activity; or indirectly through social support and social norms promoting health behaviours (Sorensen, 2002).

Worksite's wellness programmes were also a useful way of promoting a healthy diet and frequently physical activities to employees (Engbaers, 2005). Wellness programme has commonly focused on promoting worker health in reduction of individual risk-related behavior. For instance, tobacco use, poor nutrition and other avoidable health behaviours (LaMontagne, 2004). Employee's performance increased more than 2.5 times once employee's health and wellness managed well (Grimard, 2009). In 2004, The

United States National Workplace Health Promotion found that many companies provide various type of worksite's wellness programmes (Linnan, 2004). They found that 26% provided health education, and 30% provided supportive social and physical environments, and 23.5% provided worksite screening.

However, the effectiveness of worksite's wellness programme is effect by various issues, such as employee's participation and the organization's implementation efforts (Kumar, McCalla & Lybeck, 2009). According to Tsui (2008), the implementation efforts of wellness programme in Asian companies is far from desirable although the awareness of this issue is increased.

## 2.0 Definition of worksite's wellness program

According to Gold (2009) "wellness programme was defined as a holistic approach that addresses the needs of individuals, whether it's mental or physical needs or anything related to their family or work." Wellness programme focus on prevention, behavioral change and also offer tools for people to know their health risks and numbers, such as their cholesterol, sugar and body mass index. Offering them ways to learn the health information and solutions, focusing on three keys areas: healthy eating, helping people quit smoking, and let employees to be more active and really address their health needs.

Wellness programme was being implemented by organization nowadays to create their worksite's wellness programme (Craft, 1994). According to Wolfe and Parker (1994) "Worksite's wellness programme are long-term

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organizational activities designed to promote the adoption of organizational practices and personal behaviour conducive to maintaining or improving employee physiological, mental, and social well-being." (as cited in Ho, 1997). Sullivan (2000) mentioned that worksite's wellness programme was a programme that intended to keep or develop employee's health before the health disease occurs. From the perspective of a manager in an organization, wellness programme have the potential to reduce medical claims costs, decrease absenteeism, improve employee productivity, recruitment, and retention (Chang, Koh, & Kang, 2005). For maximum impact on employee health, a comprehensive worksite's wellness programme should focus on increasing awareness of wellness issues by providing employees health information, supporting health management and promoting healthy work climates.

Worksite's wellness programmes included what consider being traditional efforts to maintain costs, including on-site fitness centers, healthy selections in company cafeterias, health assessments, employee assistance plans, and other programs that attempt to influence the organizational culture to ensure the workplace has a strong wellness culture (Kumar, et. al, 2009).

## 2. 1 Importance of wellness programme in organization

In recent years, there was a significant increasing trend for companies to introduce wellness programmes at the worksite (The Straits Times, 1994). According to Alsagoff (1993) in 1991, for example, the Singaporean employer had to pay S\$252 in medical costs on every worker, which was a growth of some 6. 8 per cent over the previous year. Worksite's wellness

programme is very important to a company as this can be proven by those companies which had made up their mind to adopt it, most of them mentioned that the primary reason in doing so was to increase employee productivity, to meliorate employees' welfare advantages and morale, and to heighten the corporate reputation of the company (Wong, 1993).

Worksite's wellness programmes in the Western countries have a much older history and have been proven in many cases to be associated in a beneficial way to such essential opportunity costs as employee satisfaction, job performance, health care costs, absenteeism, and employee turnover (Shephard, 1992). Some companies have also savored nonphysical advantages such as enhanced employee spirit, health and generative, employee attraction and retention, and improved image for the corporations (Connors, 1992) after their employees reduced the rate of smoking and some of them even successfully quit smoking.

Fielding (1994) studies conducted at Johnson & Johnson showed affirmative opportunity costs, business-unit-wide, of health promotion programmes. These studies proved that effective wellness programme effects on uniform exercise participation, fitness levels, employee satisfaction, employees' medical costs, smoker quit rates and on an indirect measure of productivity.

Worksite's wellness programme were also found to be very important in helping employees to having a better healthy lifestyle. A study of the Travellers' Insurance Company health promotion programs reported a symptom of decreasing in health claims, absenteeism and employee's insurance costs; an improvement in productivity; and a return on investment

of roughly US\$3.40 for every US\$1.00 spent (Golaszewski & Yen, 1992).

Besides that, a cost-benefit study reported in the literature attributed minimized health care costs to Blue Shield and Blue Cross of Indiana's health promotion programs, which resulted in a refund of US\$2.51 for every US\$1.00 of programs involves (Elias & Murphy, 1986).

According to Quick (1987), US organizations continue to lead almost European and Asian organizations in employee health promotion. This same goes to the issue in Singapore where the level of awareness or interest for corporate health promotion is low (Ministry of Health, Singapore, 1993). This is amazing in view of the high economic absenteeism rate arising from illness which is about seven days of medical leave per employee in 1991 and the huge amount of corporate medical expenses about \$316 of medical cost per employee and annual corporate health care cost of around \$416 million (Malik, 1993).

## 2.2 Effects of worksite's wellness programme

### 2.2.1 Reduced employee's absenteeism in organization

The figure of "sick hours and days" an employee uses during a calendar year is referring to absenteeism (Leong, 1993). It is an important measure for monitoring the outcome of the effect of worksite wellness programme because it involved cost savings that may useable for company to development in other area. The economic effect of employee absenteeism are mainly from the costs of decreased productivity because of absenteeism cause from employees during working days, substitution of less experienced workers and the extra expense of hiring temporary workers. Every employee

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took an average of seven days of medical leave which causing in 10. 4 million man days lost in 1991. Studies show that by implementing worksite wellness programme, absenteeism in the workplace can be deducted to at least 42 per cent (Gebhardt & Crump, 1990). The latest research by using control grouping has found relations between reduction in absenteeism, health care costs and turnover rate and implementation of examination health promotion programmes (Klein, 1986). It has been forecasted that poor health and injury contribute for almost 60 per cent of all lost hours from work (Conrad, 1987). The main reason for absenteeism appears to be social psychological ones, which include work stress. As so, strategies oriented towards improving employee physical and emotional well-being have the possibility for impacting a main source of employee absence. There is much more pre-experimental type literature holds up the arguments that strengthen employee fitness level through wellness programs lead to reduction in absenteeism. At Blue Cross/Blue Shield of Ohio, USA, for instant, research indicated that as number of frequently exercise increased, absenteeism in short term because of illness will be significantly decreased. This interpreted to about a day less of absenteeism a year for each frequent exerciser compared to non-exercisers (Lynch, 1990). An inversely proportional correlation between members' involved rates and the number of inattentive from work was also recorded at The Travellers' Insurance (Shillingford & Mackin, 1991).

## 2. 2. 2 Increased employee's job satisfaction in organization

Job satisfaction has become a critical issue in the workplace. Job satisfaction impacts the welfare of employees and exercises a significant effect on the

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organization. Because of its outcome for the organization, involvement in job satisfaction is particularly high, for instant absenteeism and turnover (Cherrington, 1989) and for the worker, such as physical and mental health (O'Donnell & Ainsworth, 1984). As so, it is very important to have a satisfied workforce to become a competitive advantage for organizations. Research has shown that satisfied employees with improved spirit are more likely to contribute and hardworking as a consequence of an increased signify of duty, responsibility and an obligation to the superior or employer (Shinew & Crossley, 1988).

The question mark then started to come into the scenario whether introduce to worksite wellness programme would be applicable to increase employees' spirit sufficiently to result in better job satisfaction. Affirmation to this question mark can be provided and shown by companies such as Johnson & Johnson General Electric. For instant, in 1987, General Electric Company in Cincinnati, Ohio, USA served and functioned as host for a research to examine and note the similarities or differences of employees' recreation participation with those of employees' fitness participation. Comparison of overall job satisfaction among different employees and absenteeism were chosen randomly from a total of 900 employees through computerized personnel file. Results showed that employees who involves at any stage showed high job satisfaction and lesser absenteeism rate than employees who never take part from the beginning until the end (Baun, 1986).

### 2. 2. 3 Reduced employee's stress in organization



Stress in organizations is a serious issue among management practitioners because of its nonadaptive phenomenon on organizational effectiveness. According to the 1993 World Labour Report from the International Labour Organization, in twentieth century stress has become one of the most concern health issues. In the USA, job stress has been approximated to cost industries around US\$200 billion every year, and stress is estimated to price up to 10 per cent of the gross national product in the United Kingdom (Tang & Harumontree, 1992). There is research prove that frequently links occupational stress with certain physical health symptoms and diseases. Different kind of cancer, heart disease, migraine, allergies, ulcers, depression and an increased tendency of minor ailments for instant flu and colds which have been associated with stress (Sethi & Schuler, 1990). Nowadays, there is a growing body of experimental and clinical research confirming the notion that physical fitness can direct to significant reductions in job stress. Uniform and exact physical activity has been shown to lessen the percentage of heart attacks, heart rate, mental disorders, muscle tension , blood pressure all and stress-interrelated indications. Research showed that frequently doing exercise can assist individuals by improving the level of resistance to any stimulus, so that a person is less expose to the effects of stress (Tarkan, 1991). Experts also stated that the best way that stress can be reduced were through joining fitness centre, yoga classes and educational seminars (Mobley, 1982).

## 2. 3 The challenges of wellness programme in organization

The United States 2004 National Worksite Health Promotion Survey reports that a successful worksite wellness programmes have facing five challenges

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(Linnan, Bowling, Childress, Lindsay, Blakey, Pronk, Wieker & Royall, 2008).

The survey found the following challenges; incompetence to prompt the support from upper management , 38% ; inadequate funds, 48. 2%; failure to engage high-risk employees, 48%; insufficient staff resources, 50. 1% , and lack of employee interest, 63. 5% . According to Birken and Linnan (2006) these challenges should be identifying and addressing them by employers during the planning process as following.

2. 3. 1 Incompetence to prompt the support from upper management- The different level of management in the organization has different perception for the challenges to implement the worksite's wellness programme (Orlandi, 1996). For example, the line supervisor or middle managers believe that the cost, space and production conflict were barriers while the senior manager had less focused and putting fewer efforts to overcome this challenge.

2. 3. 2 Inadequate funds- The lack of funds are the challenges often occurs when insufficient staff resources exists. When the worksite's wellness programme is lack of designated staff to monitor, some potential funding or sources of support will be passed over. In United States, The Centre's for Disease Control and Prevention provided organizations opportunities to funding for worksite wellness program ([www. cdc. gov](http://www.cdc.gov), 2010).

2. 3. 3 Failure to engage high-risk employees- High risk employees are those that have more health risk factors or those that have already tight with a chronic disease or illness (Haynes & Dunnagan, 2002). High-risk employees might face challenges to participating in worksite wellness program than low-risk employees such as they will feel ill when participate in physical

exercise programs (Emmons, Linnan, Abrams & Lovell, 1996). According to Loeppke (2009) employers should integrating more personalized approach to encourage high risk employees to participate in the programs. For example, the employers should conducting a health coaching by using motivational interviewing to help the high risk employees changing their lifestyle behaviour to obtain healthier lifestyle.

2. 3. 4 Lack of Staff Resources- Staff resources are barriers for any program or activity that are not linked directly with company's business operation. Organization should provide staffs that interested and willing to organize the wellness programmes externally-sponsored training programs and wellness education workshop. For example, North Carolina State Division of Public Health has cooperated with the North Caronila State Health Plan to provide training workshop for state employees and teachers who interested in organizing employee wellness programme ([www. statehealthplan. state. nc. us](http://www.statehealthplan.state.nc.us), 2006).

2. 3. 5 Lack of Employee Interest-. Employee's interest in changing their behaviour and commitment to worksite wellness programme is the biggest challenges to a quality wellness program (Bonvissuto, 2010). According to Young (2006) some employees does not recognize the impact of worksite wellness programme which can enhance their personal health. Employees will lack of interest to participate for the worksite wellness programme due to this factor. A survey shows some reasons the employees not interesting in wellness program (Bates, 2009). The reasons shows as following:

Inconvenient times of the program offered

Lack of child care support

The company benefits through this program and how it will affect the employees not being explained

The program purpose is not clearly explained by organizer

The advantages of the program to the employees cannot convey by lower level management under their authority

Employees are annoyed and mistrustful with employer

The program cost money to participants

Hawks and Richins (1994) found that women were more probable to withdraw wellness programme than men (as cited in Erickson & Gillespie, 1999 ). Hochschild (1989) explained this is caused by the family responsibility of married women as they need caring their children and keeping house. This will affects working women interest in participate the worksite wellness programme as they need to spend more time to caring their children after working hours.

## 2. 4 The implementation process in worksite's wellness programme

The Wellness Council of America (WELCOA) was a United States not-for-profit organization which helped enhance the worksite's wellness in the U. S (Hunnicuttt & Leffelman, 2008). WELCOA has become one of the important resources for worksite wellness in America and it have more than 3, 200 organizations joined for its' membership. Throughout the study of worksite

wellness program for over 20 years, WELCOA Well Workplace model had defined seven critical steps for worksite's wellness programme as following.

2. 4. 1 Capturing CEO Support- Gaining support from CEO is important to the process of developing worksite wellness programme. They found that some wellness programme that involved cost and tend to improve employees health failed to get a strong level management support.

2. 4. 2 Creating Cohesive Wellness Teams- After captured the CEO support the next process is create a cohesive wellness team. Teams are important to building successful wellness programmes. They help to distribute the responsibility for wellness throughout the organization.

2. 4. 3 Collecting Data to Drive Health Efforts- For the wellness team, their primary responsibility is to gather important data before start offering appropriate programmes. The data will be collected by using health risk appraisals, knowledge and interest surveys, and corporate culture audit. Data will clarify the specific area of health needs and interests within the organization so it is very important.

2. 4. 4 Carefully Crafting an Operating Plan- When the essential data have being collected, the organization has to develop health and wellness operating plan for employees. This operating plan will function as a roadmap and guidance to the company in order to having essential efforts and investment in workplace wellness.

2. 4. 5 Choosing Appropriate Interventions- After completed the first four processes, organization should begin selecting and implementing suitable

wellness programme. These programmes include weight management, smoking cessation, physical management, stress management, and others. The selection of wellness programme is depends on what the company's data exposes.

2. 4. 6 Creating a Supportive Environment- Once choosing the appropriate interventions, organization should create a supportive environment for the programme. The employees will be supported and participated actively in the programme by having a supportive environment. The environmental interventions can be in the form of policies, physical modifications, incentives, and rewards.

2. 4. 7 Carefully Evaluating Outcomes- The final process for this model is carefully evaluating outcomes. The organizations should make the programme evaluation consistently. The evaluation targets include cost control, participant satisfaction, the participation rate, and behaviour modification.

## 2. 5 The implementation methods of worksite's wellness programme

A survey shows that more than 81% of American businesses with 50 or more employees have offering worksite's wellness programme (Homan, Nickelson, & Zhu, 2007). The most popular wellness programme offered by businesses are smoking cessation, financial incentives, and physical activities or exercises. The selected program should be aligned with the organization factors which including: individual employee demographics, the company occupation, the employee's health characteristic and company's objectives and goals.

### 2. 5. 1 Smoking Cessation

Smoking is one of the most addictive habits, influencing behaviour of human beings and it is the biggest threats to world health (Yanbaeva, Dentener, Creutzberg, Wesseling & Wouters, 2007). Peoples which smoke for life long will have a higher occurrence of common diseases such as atherosclerosis and lung cancer. Smoking cessation to employees is one of the methods which use by organizations in its wellness programme (Willemsen, Meijer & Jannik, 1999). Smoking cessation in worksites is important as it will reduce non-smoker employee exposure of smoking and reducing worker's tobacco consumption during working hour.

### 2. 5. 2 Financial Incentives

Spaeder (2008) mentioned that worksite's wellness programme also includes financial incentives and it applies in many companies (as cited in Kumar, et al., 2009). More than 70% of employees agreed that incentives programme motivate them to achieving healthy lifestyle. According to Cohn (2008), these incentives include cash prize, gift cards, or health insurance premiums. However, worksite wellness programme's financial incentives are bound by law (Mello & Rosenthal, 2008). Under the provision of The United States Federal Law, The HIPAA Nondiscrimination Rules had determined the rules and regulations for employer which implementing incentives wellness programme in its organization (www. dol. gov, 2010).

### 2. 5. 3 Stress management

The United States industry has been paid for employee's stress-related absenteeism in high cost which affects more organization to develop stress management programme (Donovan & Kleiner, 1994). Employees stress derived from these sources; physical, mental, and situational. Over work and poor diet are some causes that employee's having physical stress. Mental stress can be found from employee's mental state in mind such as fears. Situational stress is derived from employee's interaction with outside world which including interaction with customers. The organization will determine the sources of stress facing by employees and implement appropriate methods to overcome their stress. Johnson & Johnson's 'Live for Live' programs which consist of stress management had significantly reduced employee's absenteeism and health care expenditure( Ozminkowski, Goetzl, Bruno, Rutter, Isaac & Wang, 2002).

#### 2. 5. 4 Fitness programme

Worksite's fitness programmes are important for organization as it can lower employee's absenteeism and job turnover (Wattles & Harris, 2003). In United States, the fitness program offered by organizations such as on-site fitness centers has increased from 22% in 1985 to 42% in 1992. Besides reduce absenteeism and job turnover, participation in fitness activities can reduce employee's risk of coronary heart disease (Cox & Griffiths, 1996). The majority of the regular exercisers reported they have less depression, stress and better sleep pattern.

#### 2. 5. 5 Online Wellness Coach



Some companies had also used online wellness coach to as their worksite's wellness programme (Kumar, et al., 2009). The world's biggest security company, American District Telegraph (ADT) had tackled employee's health condition through their parent company's website, [www. mytycohr. com](http://www.mytycohr.com). The major function of this website is enable the employee's to check the company's wellness policies and apply health benefits that the company offers. The employees use this website as a guidance to manage stress, evade smoking, improving diet and other activities that will improve employee's health.

#### 2. 5. 6 Wellness Mentors

Organization can also implementing wellness programme which conducting by the experts as worksite's wellness mentors (Pollitt, 2007). Cadbury UK had implemented Nuffield Proactive Health (NPH) which conducted by NPH physiologist as their wellness programme. The employees who participated in this program were be given presentation from experts which covering various health and have an opportunity to reform positive team spirit during workout activities such as short-distance walk. The employee's assessment for this wellness program was positive as 82 per cent employees increased awareness of their health and 52 per cent felt less stressed for works.

#### 2. 6 Case Summary

This case study is about high absenteeism and healthcare cost by sick workers had effects some organizations to implement wellness policies. Wellness programme being designed as they found that about 70% sick worker's healthcare cost was arise from preventable chronic diseases. As a <https://assignbuster.com/importance-of-wellness-programme-in-organization/>

result, one-third of small companies offer wellness programme such as onsite or offsite fitness centre, smoking cessation programmes, onsite health checks and others. Despite improving employee's health, they will obtain impressive return on investment: which more than three dollars for every dollar they invested. Crown Laboratories had implemented wellness programmes as the employee's absenteeism rate and healthcare cost was high. Its wellness programmes included onsite health assessments and smoking cessation even off hours to employees. Another company Weyco also implemented smoking cessation policy which the employees will be dismissing for failing stop smoking. Organization's smoking cessation policy may face employee's dissatisfaction. Scotts Miracle-Gro Inc. had sued by its employees for alleging discrimination by law but the case is pending.

### 3. 0 Question 1

What are the advantages and disadvantages of wellness policies such as the one that Crown Lab has implemented?

#### 3. 0. 1 The Advantages of Wellness Programme

The advantages of wellness programme is for organizations which offer wellness programmes to their employees are perceived more confidently by their employees in terms of their attitudes towards the organizations, job fulfillment stages and satisfaction with fringe benefits. One viewpoint is that employers who offer wellness programmes are deemed to be indicating care and concern for the welfare of their employees (Shinew & Crossley, 1988) and the consequence is, improving employees' attitudes and behaviour towards the organization.

In terms of job satisfaction, employees in organizations with wellness programmes showing higher levels of job satisfaction than those with no wellness programmes, thus implying that wellness programmes may well have a positive impact on employees' job satisfaction. This can be proven by the study by General Motor Company which shows that employees who involved in the fitness activities showed higher levels of job satisfaction than employees who did not take part (Baun, 1986). The reason is that frequently exercise improves employees' state of feeling, self-image and self-esteem which in other land may direct to a larger amount of satisfaction with the work he or she does (Pritchard, 1990).

Employees also uttered that they value wellness programmes as a vital and valuable fringe benefit, and the absence of such a gain may lead to better employee satisfaction. This can be viewed in the outcome whereby workforce in organizations with wellness programmes were notably more fulfilled with their fringe benefits than their counterparts in organizations with no wellness programmes (Schauffler & Rodriguez, 1994). On the one hand, the Government has been promoting " healthy living" for example " The great Singapore workout" as a result causing people to be further health-conscious, and on the other hand, sarcastically, only a small number of organizations provide corporate wellness programmes for their workers and take it critically sufficient to allow it to be advantageous for their workers.

### 3. 0. 2 The Disadvantages of wellness programme.

The first disadvantage of wellness programme is about privacy issues.

Employees have true concerns regarding how their personal information will be handled. Many wellness programs have need of some sort of early assessment, and this evaluation can expose many wellbeing issues that the employee may hope to keep private (Lindsey, 1992). If an employee has an embarrassing illness or one that possibly will make him up to discrimination, he may not take part for fear of revelation.

The second disadvantage is about the start-up cost incur in wellness programme. Many wide-ranging programs cost a good bit of capital to begin, which gets recouped after a while (Jackie, 1998). Although it may be an excellent proposal for an organization, starting an employee wellness program could not be a wise suggestion given your company's financial position at the time.

The third disadvantage is the time constraint. According to American Heart Association (AHA) many single parents, employees with huge families and small children or those with an intense workload might not have the time to vigorously involvement in employee wellness programmes. If employee wellness is a true company main concern, then changes may possibly have to be made in work flow and procedures sequentially to let for involvement by employees.

Lastly, the disadvantage of the wellness programme is the employee habits. Those employees who are health aware are by now exercising and watching what they consume. Companies aren't going to alter their way of life with a wellness program. Those who need to adjust their lifestyle may keep away

from joining as they are not actually motivated to make the changes crucially to be fit (Laura, 1999). In this situation, unless companies are doing a good job with promoting and recruiting for the program then companies will have an ideal wellness program that it should be.

### 3. 1 Question 2

What are the ethical implications of policies such as this? How much control should companies have over employees' lifestyles away from the workplace?

Crown lab and Scotts Miracle-Gro companies throws up several ethical concerns linked with the position of organizations in the lives of their employees. One of the concerns is that commercial motives may break ethical norms in the use of information resulting since the monitoring of employee programmes. Fielding (1990) notes the significance of employee reliance that confidentiality will be maintained and relates this to concerns over employee observation and broader arguments over the right of privacy. This relates back to Conrad and Walsh's (1992) concern over the ethics of screening for health and fitness. Ethical issues take place when employers have to make decisions among economic and humanistic alternatives for instance, possible sick time, lower output, or whether the human caring position is prioritized. Employees might be positioned in a difficult condition, whereby implicit pressure is applied to fulfill with an exacting healthy lifestyle communication. Next, Grant and Brisbin (1992) also stated that consideration have to be given to the expected objections which will be raised by the non-health a