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THE IMPACT OF EMPLOYEE WELLNESS ON "CORPORATE WELLNESS"

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ABSTRACT

Corporate policy makers throughout the United States are providing their employees with an employee benefit known as Corporate Recreation/Fitness Programs. While doing so, many policy makers are investing great sums of money to enhance the wellness of the employees. The questions raised are: What is the anticipated return on the investment for these corporations? Does the provision of Corporate Recreation/Fitness Programs enhance corporate profits ("corporate wellness")? Is there a relationship between employee participation in Corporate Recreation/Fitness Programs and work task performance, absenteeism, turnover, stress levels, job satisfaction, and morale? This article presents research results aimed at answering these vital questions.

THE IMPACT OF EMPLOYEE WELLNESS ON "CORPORATE WELLNESS"

In the past several years, there has risen a concern regarding the wellness of employees within the corporate setting in the United States. Wellness in this sense generally refers to the physiological and psychological fitness of employees, including blood pressure, weight control, stress level management, cardiovascular efficiency, as well as emotional stability.

In an effort to enhance the wellness of their employees, many corporate policy makers have provided recreation, fitness, health and education programs and services to their employees. Indeed, the growth in the number of corporate sponsored recreation, fitness, health, and education programs in the United States in the past ten years is impressive.

Corporations such as Lockheed, Rockwell, Jet Propulsion Laboratory

(JPL), TransAmerica, and Litton, among others, are constantly striving to enhance the quality and quantity of programs offered their employees. Such an effort requires financial support, for programs and activity subsidy, facility development and maintenance, and personnel payroll.

If corporations are willing to financially support the efforts of their employees in an effort to enhance their level of wellness, surely these corporations anticipate an equal or greater financial return on the investment. The question may be asked: Does the provision of Corporate Recreation/Fitness/Health programs (CRFH Programs) enhance "corporate wellness"? "Corporate wellness" refers to the ability to increase and maintain high levels of productivity resulting in increased profits.

To answer this question, we must first develop a clear relationship between employee productivity and financial prosperity. It seems reasonable to assert that the foundation of financial prosperity is employees and their level of productivity in relationship to costs. The higher the productivity while maintaining lower costs generally results in greater profits (corporate wellness).

If this relationship is true, then the key component of "corporate wellness" is employees and their ability to produce, while maintaining lower costs and expenditures. There are several variables which directly impact an employee's performance level and in turn affect profits, including: absenteeism, turnover rate, job satisfaction, morale, work-related accidents, and stress levels. A variety of studies (3, 7, 8, 9, 10, 12, 13, 14, 15, 16) indicate these variables directly impinge on performance levels of employees, which result in determining corporate profitability.

If corporations are willing to invest money to provide CRFH Programs, what is the expected outcome and what role can these programs play in reaching that outcome? Current research studies are indicating that CRFH Programs influence those variables which directly affect employee performance. Not only do these programs increase the level of wellness of the participants, but enhance the "wellness" of the corporation.

Specifically, the New York State Department of Education reports that after one year of participation in a Recreation/Fitness program, 99 employees requested and used fewer sick-leave hours than they did during the year prior to the time they started the CRFH program. Forty percent (40%) of the 99 employees reported using less sick leave. They used 66.5 hours prior to involvement in the program, 42.5 hours after involvement in the program (1).

The New York situation is not an isolated case. A comprehensive study by Canada Life Insurance found that regular participation by their

employees in their Recreation/Fitness Program resulted in a 22 percent decrease in absenteeism, representing a \$300,000 annual savings in a company of 1,400 employees. Additionally, Canada Life Insurance experienced a 13.5 percent decrement in the turnover rate among employees involved in the Recreation/Fitness Program (11). Furthermore, the Goodyear Company in Nonkoping, Sweden, experienced a 50 percent reduction in absenteeism after the initiation of a CRFH Program (11).

It is interesting to note that Americans are not alone in their interest to improve employee performance. At a pre-Olympic Scientific Congress in Quebec, it was reported that Russian workers taking part in physical activity missed fewer days due to respiratory and non-respiratory diseases than those not engaged in physical activity. It was also reported that the length of time needed for sick leave was found to be less. Furthermore, those who were not physically active were found to be ill from five to eight times more often than those who did exercise (4).

Though organization managers are concerned with absenteeism and turnover, they are additionally concerned with on-the-job performance. A number of studies indicate that participation in CRFH Programs has a positive effect on a worker's ability to perform a task, as well as the level of performance. A 1975 study reported in the *Journal of Gerontology* analyzed reaction time of active and inactive males as an indicator of the efficiency of the overall central nervous system, especially the brain. Based on the data collected, it was concluded that the reaction time of "active older men" (average age 56) was 20 percent faster than that of "non-active older men" (21).

These findings parallel those included in a study by the Veteran's Administration Hospital in Buffalo. That study found that as a result of exercise, increased oxygenation of the brain significantly improved mental performance. A 25 percent improvement in a memory task was experienced by participants through increased oxygenation treatments (11).

Similar results were reported in the Canadian Journal of Public Health. Over 60 percent of the workers participating in the reported fitness program perceived that they were more alert after participation and that they experienced an increase in ability to concentrate on afternoon tasks. Additionally, it was reported that the participants experienced a significant increment in their afternoon work output, while feeling that they were more effective in coping with job tensions (18).

These findings coincide with those of this investigator. Data gathered during three studies suggest that workers who participated in CRFH programs performed tasks at a more consistent level than their counterparts who did not participate (6). Additionally, participants with high stress levels provoked by a stressful work task were able to

lower the stress level by engaging in a recreation/play activity in which they perceived control of their recreation/play environment. Performance on a post-work task was significantly higher. Those subjects who did not perceive control over their recreation/play involvement performed significantly lower on the post-work task (7).

These results were attained again in a study just completed. This study, funded in part by the National Employee Services and Recreation Association and the California State University, Northridge Research Foundations, utilized employees at Lockheed California in Burbank, California. It was determined that highly stressed workers (as a result of work tasks without perceived control) were able to lower their stress levels while increasing their post-work task performance significantly when permitted to engage in a recreation/play experience; however, only those workers with a high level of perceived control during play experienced a significant reduction in their stress levels and significant increase in post-task work performance (8).

This finding is of particular significance for it identifies a very critical component of the CRFH experience. It was determined that the play experience provided profound therapeutic value in reducing stress and increasing performance when the experience provided the participants with high degrees of control over their participation. This factor holds value for it suggests that mandatory programs will not provide the same therapeutic value in reducing stress while increasing performance as voluntary programs.

In addition to the benefit of stress reduction, participation in CRFH programs has been found to enhance job performance with respect to fatigue. Employees who are active are less susceptible to fatigue and less likely to commit errors which affect job performance. A study conducted at the University of Waterloo with Electrohome employees showed that the employees participating in recreation activities in which they exercised demonstrated better memory function and improved muscular control afterward, a situation attributed to an increased blood supply to the brain. Participants also reported a perceived improvement in work performance and decreased sense of anxiety (4).

These studies involving corporate employees, as well as research subjects, all indicate that regular participation in recreation, play and fitness activities significantly increases task performance while decreasing stress and anxiety levels. While stress and anxiety levels influence task performance (7, 8, 10, 16, 19), they also affect the general health of employees. The general health of employees directly affects absenteeism and has been shown to affect life span. There are reports that participation in regular activity/exercise results in a significant reduction of body fat, blood pressure, resting heart rate, and blood cholesterol levels (2, 5, 20).

Still other studies identify a relationship between leisure habits

and heart disease. The leisure habits of over 16,000 male executive-level civil servants between 40 and 64 years of age revealed that vigorous exercise apparently protected these employees against fatal heart attacks and other severe consequences of coronary heart disease (17).

The impact on an organization concerning the relationship between exercise and health problems is indeed significant. It has been estimated that of the nearly 700,000 Americans who die each year of heart attacks, 200,000 are men in their most productive years between the ages of 45-65 (22). The American Heart Association estimates a cost of \$700 million per year to replace these workers. Of course, these figures do not include women, who now play a significant role in organization effectiveness and who are also subject to the effects of coronary heart disease.

Further support for this cost factor comes from Xerox, where corporate officials have reported a cost of \$600,000 per year for each executive who must be replaced. In addition to this replacement cost, there is an estimated annual loss in the United States of over 132,000,000 work days due to heart attacks.

While the research linking the relationship between CRFH Programs participation and absenteeism, turnover, job satisfaction, stress levels, and heart disease is in its infancy, there are strong and significant indications of the benefits of CRFH Programs. Indeed, the studies reported here all link an increase in job performance and a decrease in costs. The end result of increased task performance and decreased costs is increased profit. Therefore, there would appear to be a clear link between CRFH Programs (employee wellness) and "corporate wellness".

With this research evidence in mind and the growth of CRFH programs in the past ten years, perhaps corporate America is coming of age in recognizing the significant value of CRFH Programs in attaining the goal of "corporate wellness".

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