

Healthier Employees Boost Bottom Line

Investing in employees' well-being cuts insurance costs, reduces absenteeism and increases productivity

By **Helen Jones**

Despite the global economic downturn, employers in the U.S. and Europe have never been more interested in work force health and well-being as something that can be turned to competitive advantage, says a recent report from global consulting firm Towers Watson. Its "2010 Healthcare Cost Survey" reveals that companies that invest in staff health are more productive, attract the best staff and pay less in health-care insurance costs.

It's a view shared by Dr. Ron Loeppke, a specialist in preventive and occupational medicine and vice chairman of the board of Florida-based health-care company, U.S. Preventive Medicine who says, "Employers are increasingly recognizing the business value of the health of their employees. Good health is good for business."

Dr. Loeppke argues that investing in employee health and well-being reduces medical insurance costs, cuts absenteeism, increases productivity and reduces staff turnover.

Aiding the Economy

"Ultimately, a healthier, more productive work force can help drive greater profitability for employers as well as a healthier economy," he says.

In the U.S. a growing number of companies are investing in employee well-being plans driven partly by the fact that more than 60% of Americans get their health insurance coverage through an employment-based plan.

The banking firm, Citibank, estimates that for every dollar it has invested in healthcare for its employees, it has saved \$4.50 in medical costs.

A study carried out in 2008 by the National Business Group on Health — a U.S. organization made up of some of the country's largest employers — found that companies with effective health programs in place yield 20% more revenue per employee, deliver 57% higher shareholder returns and face sick leave costs five times lower than companies without health programs.

Mental Health, Too

These health and wellness programs address not only physical health but also psychological health and include everything from sessions to help people give up smoking, to health screening for chronic conditions such as diabetes to stress management courses.

Consumer-products company Kimberly-Clark Corp. has rolled out its Livewell program globally. Livewell includes health screening, physical exercise classes and coaching in stress management. "We recognize the importance of health and the impact it has on productivity and performance — you can't have one without the other," says Linda Mabb, senior manager of Kimberly-Clark Health Services for Europe, the Middle East and Africa.

Royal Philips Electronics a global leader in health care, lighting and consumer lifestyle recently launched DirectLife, a personal activity program that combines technology with coaching. DirectLife registers people's activity



Christopher Serra

during the day and helps companies encourage their staff to become more physically active. Greg Söderberg, Philips director for North American sales and business development, says, "DirectLife has been launched in the U.S. and the Netherlands and we are seeing a lot of interest. The recession has driven companies to look at ways of promoting health because there is link between fitter employees and productivity."

U.S. Preventive Medicine's Dr. Loeppke says that the global financial crisis hasn't curtailed wellness programs.

"As financial capital freezes up, human capital heats up. It's the work force that will help companies weather the storm — companies might not be able to afford a new IT system so they now depend on the creativity, innovation and resilience of their people and they recognize that their health is important."

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