

Institute for Health and Productivity Studies

ABOUT IHPS

THE HEALTH PROJECT

PROJECTS

PUBLICATIONS

NEWS & EVENTS

BLOG

TEAM

CONTACT US

OUR PEOPLE



Ron Z. Goetzel, PhD
Senior Scientist and
Director at IHPS



CONNECT WITH US ON
LINKEDIN



FOLLOW US ON
TWITTER



Home > Research > Centers and Institutes > Institute for Health and Productivity Studies > Institute for Health and Productivity Studies Blog > Title: Yet Another Reason to Build a Culture of Health at Your Company



Yet Another Reason to Build a Culture of Health at Your Company

Jan 06, 2016 12:34:00 PM EST
Posted by: Ron Goetzel

For decades, proponents of workplace health promotion (wellness) programs have articulated the many factors justifying a business case for investment in these initiatives. Among the arguments made in favor of building and sustaining a culture of health at work is that effective programs first and foremost improve workers' health and well-being. Beyond that, the spillover effect of having healthy workers is they consume fewer healthcare resources, are absent less often, have fewer accidents, and perform at optimal levels. These outcomes are beneficial for the organization, for obvious reasons, but also good for the employees, especially when workplace wellness is embedded in a healthy company culture and valued by senior and middle management.

Along come three new studies suggesting that the benefits of workplace health promotion programs are even more far reaching. The studies, published in the January 2016 issue of the *Journal of Occupational and Environmental Medicine (JOEM)*, the official journal of the American College of Occupational and Environmental Medicine (ACOEM), trace the stock price of companies that have demonstrably excellent workplace health promotion and safety programs vs. the performance of average U.S. companies, operationally defined as the Standard & Poor's (S&P) 500 Index. In each of the studies, a hypothetical \$10,000 was invested in companies with award-winning (or high scoring)

Calendar

◀ Jan 2016							1	2
3	4	5	6	7	8	9		
10	11	12	13	14	15	16		
17	18	19	20	21	22	23		
24	25	26	27	28	29	30		
31								

Keywords

- [culture \(5\)](#)
- [graco \(3\)](#)
- [incentives \(3\)](#)
- [manufacturers \(3\)](#)
- [turck \(3\)](#)
- [communications \(2\)](#)
- [lincoln \(2\)](#)
- [citibank \(1\)](#)
- [convenience \(1\)](#)
- [culture of health \(1\)](#)

RSS Feed

[Click to subscribe](#)

wellness programs and their stock price was tracked over several years. Results show that each of the portfolios containing companies with exceptional health promotion and safety programs significantly out-performed the S&P 500. In one study that tracked the performance of C. Everett Koop Award winners, a portfolio made up of 26 publicly traded companies, the Koop winners achieved a 325% rate of return on their stock price from 2001-2014 compared to 105% for the S&P 500 Index companies.

Wall Street investors and chief financial officers do not typically subscribe to JOEM – why should they? Their interests are squarely focused on making profits, at times at the expense of their workers. Well, these studies should give them pause. Perhaps corporate executives and investors should pay attention to workers' health and well-being. This is especially true because businesses continue to compete for talent – the best and brightest workers who will support the company's mission and are willing to invest time and effort in their jobs. Perhaps publicizing a company's workplace health promotion programs is a way to attract and retain top talent. Employees, especially millennials, are drawn to companies that offer a sense of purpose, are respectful of individual differences, and imbue a culture where workers' health and well-being are highly valued. Creating this culture ensures that workers remain committed to the enterprise because they believe the business is committed to them.

What's the bottom line? The three studies of companies with established cultures of health and safety do not "prove" that a health promoting culture guarantees good stock performance. Certainly, the underlying principles of high-performing companies are still critical to positive financial performance – excellent leadership, innovation, high quality products and services, effective marketing, brand loyalty, reputation, and perceived value. But, as these studies suggest, there may be another factor driving business success -- employing happy, healthy, and productive workers who care deeply about the success of their company – because their company cares about them enough to provide a world-class health and safety program.

To read the study, *The Stock Performance of C. Everett Koop Award Winners Compared to the Standard & Poor's 500 Index*, [click here](#).

Access the abstracts for the studies, *Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard*, [here](#); and *Tracking the Market Performance of Companies That Integrate a Culture of Health and Safety: An Assessment of Corporate Health Achievement Award Applicants*, [here](#).

Keywords: [culture of health](#), [financial performance](#), [health and wellbeing](#), [workplace health promotion program](#)

Johns Hopkins Bloomberg School of Public Health

615 N. Wolfe Street, Baltimore, MD 21205

CONTACT US

DIRECTIONS & MAPS

CALENDARS

JHSPH ALUMNI

LIKE US ON FACEBOOK

OFFICES &
SERVICES

ONLINE LEARNING &
COURSES

CAREERS

MY JHSPH

FOLLOW US ON TWITTER

ACCREDITATION

WEB POLICIES

FEEDBACK

COURSEPLUS

WATCH VIDEOS ON YOUTUBE

STUDENT INFORMATION
SYSTEM (SIS)

FOLLOW US ON INSTAGRAM

