

Corporate Governance: The shared goal of corporate wellness

By Paul A Zaman MBA, MSC



Paul Zaman sees Corporate Wellness is about accelerating the speed at which the company's vision and strategy transforms into trust & value in the minds and hearts of employees and consumers.

The focus of good corporate governance is on creating long-term shareholder value. In the last ten years a new management tool called corporate sustainability reporting (CSR) is being increasingly used for growing long-term shareholder value. The corporate sustainability reports upon the triple bottom line of financial results, social and society impact, and the environment impact. Wherever management places its focus of attention is the place where resources will be deployed and the desired results achieved.

The big institutional investors, like your pension fund, focus upon creating long-term shareholder value, which means both profitable business growth and dividend payments. The world-renowned economist and business writer Peter Drucker suggested that a business only needs to do two things to succeed, everything else could be outsourced, that is a business must innovate and sell. Neither innovation or selling can be automated and so it means your employees must be creative, motivated and productive. Karl Marx, often called the father of socialism discussed at length the merits of private versus public control of the factors of production, which are essentially land, investment funds and people. The simply conclusion is that successful business is about managing people.

Increasingly company management and investors recognise that people are critical to the short-term operational performance and long-term creation of shareholder value in any business.

Just ask the owner of a small business about her most important issues. The issues will be getting more customers and getting good people. In large corporations there is an empire called the Human Resource Department existing just to manage employees.

How does any company attract the best people, motivate its people, and encourage innovation and creativity? An answer is to have a corporate wellness programme that creates a conducive work environment for the best physical, emotional, mental, spiritual and financial health of your employees. A driver for business success is therefore justifiably corporate wellness.

Corporate wellness was popularised in USA in 1990s when there was a major manpower shortage. Wellness perks were used in California and other hi-tech centres as a way of attracting the best employees. By 2000 the dot.com bubble had burst resulting in a drive for cost control and questioning expensive wellness perks.

The corporate wellness industry by then was well established. They fought back with research and justification of substantial returns on investment. Their argument was that for each dollar invested the return was several dollars. The financial justification would be based on one or more of the following factors: saving on medical health insurance payments; reduced absenteeism; reduced sick leave; reduced sickness at work; reduced employee turnover; and increased productivity and quality. William Shakespeare wrote, "To business that we love we eagerly arise and go to with delight". The modern phrase is "a happy worker is a productive worker" which sounds ok and yet the reverse resonates more strongly "a productive (successful and rewarded) worker is a happy worker".

The American Journal of Health Promotion, which specialises in corporate wellness, has interesting studies on the financial impact of wellness programmes. They found a financial return on each US\$1 invested of up to US\$5 over a five-year period. Major USA corporations have corporate wellness programmes like Sara Lee, Dupont, Union Pacific Railroad, Bank of America, and Canadian Life Assurance. In Asia, the Singapore Health Promotion Board has the HEALTH programme, Helping Employees Achieve Life-Time Health. This is a scheme to give awards and national recognition to organization with commendable workplace health promotion programmes. In Australia major corporate with wellness programmes include 3M, Carlton & United Breweries, News Corp Ltd and Panasonic. Corporate wellness is worldwide.



A corporate wellness programme is a potpourri of many different things and the best are customised to the corporation, their business vision, mission, culture and employee profile. Lets give some examples and an open challenge for owners of small companies and Directors of large corporations to be inspired to execute one or more of these themes. Lets get our XL Magazine readership of movers and shakers into action making the workplace

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happier and more successful. Plus a great financial bottom line result.

A corporate wellness programme focus is on wellness education and prevention. A good corporate wellness programme covers physical, emotional, mental, spiritual and financial health of your employees.

It could offer onsite and offsite facilities and services, such as:

- Medical screening for cancer, cholesterol and blood pressure
- Gym, Yoga & fitness memberships and facility access for cardiac, stamina, aerobic and flexibility
- Therapeutic services and classes for stress management, life coaching, hypnotherapy, chiropractors, shiatsu, stop smoking, addiction management, spinal back care, meditation, depressions and anxiety counselling, addiction counselling
- Education programmes for: nutrition, weight management, stress management, responsibility for self, personal finance and wealth management.
- Clean and safe working environment; humidity and temperature climate control; mineral water instead of caffeine rich tea and coffee; periodic breaks and comfortable rest areas; fruit, vegetable and vitamins available at concession prices
- Reach out programme to employee family members
... *in fact just about anything that is legal, moral and non-fattening!*

Community centred initiatives also have a major impact on both the employees and the company's reputation as a good corporate citizen. These could include volunteer work programmes with recognised charities and matching \$ for \$ in charitable giving.

The employment terms and conditions and discretionary perks also have scope to support the corporate wellness package. Morale and motivation will be increased by such initiatives as: offering flexible working hours; extended weekends; parking; education and tuition fees; transportation and commuting support like car pooling and staff coaches; employee share options; cinema, theatre and sports tickets; discount shopping cards; and sponsoring the staff social club.

Employees often benefit from: reduced cholesterol levels, reduced blood pressure, reduced obesity, stopping smoking, happier, healthier and lower stress. Anecdotal evidence links lower back pain with financial worry and fear.

The benefits to the employer are many. Healthy employees think more clearly, reducing mistakes, accidents, being more creative. They tend to work harder and longer with a lesser tendency to sickness and reduced visits to the doctor and usage of prescription drugs. This also can lower work cover insurance and health insurance premiums. Reduced employee turnover will reduce hiring and training costs and deepen the intellectual property and know-how in the business, which is always a key source of competitive advantage.

Finally, back to the financial bottom line. Research studies have shown that the single biggest source of stress for blue-collar employees is financial worry and fear. Blue-collar workers are less likely to participate in wellness workshops and programmes compared to white-collar workers. The bridge is to start with financial, money and wealth management workshops. Then move into physical, emotional and mental parts of the wellness programme.

If your employees become financially astute, money-wise and understand the topics of depreciating assets, investment, risk and un-earned income then they are more likely to understand and relate to the corporate financial issues and goals.

Watch that triple bottom-line grow!

Qualvin Advisory was founded in 2003. We provide advisory services to the Board, CEO and CFO of listed and unlisted companies in S.E.Asia. Qualvin facilitates the Board in areas such as formulating corporate goals & strategy and governance & CSR. Qualvin also formulates and executes the financial investor relations strategy to: increase shareholder value and institutional following; firm the share price and raise new capital. Contact Paul Zaman at email pzaman@qualvin.com.