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On-Site Corporate Fitness Facilities Give Companies Competitive Edge (/Fitness-Training/on-site-corporate-fitness-facilities-give-companies-competitive-edge.html)

by Elizabeth Huddleston
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In today's employee-driven market, on-site corporate fitness facilities give companies a competitive edge.



Corporate fitness programs have existed in one form or another for nearly three decades and for a multitude of reasons. Increasing productivity, improving employee morale and decreasing absenteeism are just a few of the vast array of justifications given over the years.

Today, however, recruitment and retention have become among the leading reasons for implementing workplace fitness programs. Employees typically no longer stay at one company for their entire adult lives-or even for 10 or 15 years. Companies not only compete for the best employees, but they also try to keep those employees for a longer time. To stay competitive, many companies are now building full-service, on-site fitness facilities for their employees.

"With the economy where it is today, companies are looking for added benefits to provide for their existing employees and to use as a recruitment tool for future employees," says Brenda Loube, president and co-owner of Corporate Fitness Works, which develops and manages on-site fitness facilities for about 30

corporate clients. "Companies are trying to get the best of the best in employees, and if several companies are offering basically the same job, one company having an on-site fitness or wellness center definitely gives that company a competitive advantage."

Although recruitment and retention have become important reasons for companies to build on-site facilities, these are by no means the only motivations. Many companies see decreasing health-care costs as another important goal of on-site centers. After all, inactive people are twice as likely to suffer from premature heart attacks than active people, and regular exercise greatly reduces the risk of premature death from preventable conditions such as heart disease, diabetes, hypertension and colon cancer.



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According to health-care statistics from the Wellness Councils of America, preventable illness makes up approximately 70 percent of all illness and associated health-care costs. Preventable illnesses account for eight of the nine leading categories of death and amount to roughly 980,000 deaths per year. If a company can get its employees into programs-whether the programs focus on fitness, behavior modification, weight management or nutrition - that company can increase its potential to save on health-care costs in the long run.

The makeup of corporate fitness and wellness programs depends upon each company's specific characteristics, such as employee population, company culture and employer motivations. No two programs are alike. One company might outsource management of an on-site facility while another company might staff and manage a facility on its own.

Honeywell, a \$24 billion diversified technology and manufacturing company based in Arizona, outsources the management of its on-site wellness centers (one at each of two locations) to Johnson & Johnson Health Care Systems, a management firm that serves about 70 corporate clients. Honeywell's 7,273-square-foot wellness center in Tempe and its 10,000-square-foot wellness center in Phoenix include free weights and weight-training equipment, cardiovascular machines, locker rooms, towel service and a studio for exercise classes. Employees and their spouses each pay \$15 dollars a month for wellness services, with billing performed through payroll deductions. About 30 percent of the company's corporate population, or 2,600 employees, are members of the facilities. A recent survey conducted by Johnson & Johnson found that 92 percent of the members were satisfied with the services.

Johnson & Johnson also delivers a variety of seminars and programs, including work conditioning, back safety, smoking cessation and weight-management classes, as well as

"heart smart" workshops and aerobics and kickboxing classes. In addition to its two facilities, Honeywell has four on-site clinics that offer medical assessments, treatment, health surveillance exams and case management. "We promote wellness because we know that 48 percent of illness and injury is preventable by controlling high-risk health factors, according to the U.S. Surgeon General and the Centers for Disease Control," says Pam Witting, manager of health services for the Engine and Systems Business Unit at Honeywell. "We want to reduce employees' preventable risk factors."

To measure whether the wellness programs and facilities are actually meeting their goals of improving employees' health, Johnson & Johnson keeps a log of outcome measurements after each program. For example, after the completion of a weight-management program, each participant is asked to record pounds lost, pounds maintained and the number of risk factors reduced as a result of the program.

In order to use the outcome measurements in future programming, Honeywell has partnered with the University of Michigan Health Management Research Center, which collects the medical claims information and health risk factors from the personal health assessments and performs data analysis to determine which programs are most cost-effective and whether participants spend more or less in medical care dollars than nonparticipants. From that data, the top five risk factors for Honeywell's corporate population are identified, and the wellness staff then designs its programming around those particular risk factors.

Although Honeywell has a very thorough wellness process, from implementation to data collection to revision of programming based on the data, there is still no standard method of evaluation that all companies use today. It seems, however, that regardless of whether the company asks for it, most programmers go to some length to record measurements as a way to both help their programming and demonstrate accountability.

"A lot of companies don't ask their wellness staff or management firm to justify the existence of the on-site facility," says Ralph Colao, president of the Association for Worksite Health Promotion. "But many staff members are trying to give that information anyway so that employers really do understand the value of the center, and to ensure that it will be around long-term."

A case in point: Motorola, a communications and electronic solutions provider with 15 on-site wellness centers at company locations across the country, usually only requests participation numbers from its wellness staff, but the staff tracks much more than that. "The company does not ask for a certain set of statistics in order for us to be here," says Betty-Jo Saenz, regional manager of North America Wellness Initiatives at Motorola. "Collecting data is more a part of our philosophy that says we have to add value to the organization and build a business case—just in case somewhere down the line management or employees ask, 'Why should Motorola invest in wellness?,' we can continue to present to them our business case. It's

always good to be prepared by demonstrating the benefits of wellness and what it is we're trying to do."

And what they're trying to do, above all else, Saenz says, is increase their number of healthy employees. Data collection falls on the business side of the job, which includes collecting fitness assessment data after programs and conducting impact evaluations to identify which employees are participating in programs, as well as those who aren't. This information is then used to target both groups.

"We try to create tailored programs that will get nonparticipants into the wellness center and keep participants coming back," says Saenz. The higher the participation numbers, the more justification for the centers. The staff is also in the process of conducting a Year 2000 impact evaluation study that will be completed in the first quarter of 2001.

With its overall goal of healthy employees in mind, Motorola gives all of its workers a choice: a free membership to its on-site facility or a \$240 reimbursement (minus applicable taxes) for a membership at an outside fitness or wellness center. Almost all of its on-site centers are staffed 24 hours a day, seven days a week, and all of them offer massage therapy, as well as aerobics, group cycling and yoga classes. Locker rooms are stocked with shampoos, conditioners and towels.

The wellness centers and their programs are managed in-house by a wellness department that falls under a larger bonus benefits umbrella. Each wellness staff employee is assigned to a certain number of fitness center members, and he or she makes sure to touch base with these members on at least a quarterly basis to see how they're doing, if they need a readjustment in their workout or if they need help planning a travel program. According to Saenz, all of this hands-on personal attention is well worth it. "We want people to work out and get healthy," she says. "We don't want people to sign up and never come in."

NCR Corporation, an information technology solutions company with four on-site facilities throughout the country, also sees the importance of drawing nonparticipants into its health programs. The wellness staff held a health fair, termed a "wellness extravaganza," in October, hoping to attract both the regular participants and nonparticipant employees. "We had 362 people come through in a five-hour period," says Carol Nahrwold, NCR's health and fitness center manager. "We don't have the final numbers yet, but we know that a lot of those people don't even use the fitness center, so we're reaching out not only to our regular users but also to the people who wouldn't normally participate in our programs."

Even without the health fair, NCR tries to make its programs hard to refuse. At its fitness center at the corporate headquarters in Dayton, Ohio, membership is free for all employees. The 10,000-square-foot facility includes a full line of strength-training equipment, cardiovascular equipment, free weights and an aerobics room, in which the staff holds fitness, strength and conditioning, cardio-kickboxing, tai chi and yoga

classes. Of NCR's four on-site fitness centers, the management of two (including the Dayton center) is outsourced to Johnson & Johnson, while in-house staff members run the two smallest facilities.

Mindy Tatham, head of work life programs at NCR, says that the company's primary motivations for building the onsite centers—recruitment, retention, employee morale and employee wellness—follow national trends.

To gauge whether these objectives are being met, the staff tracks the results of its wellness programs, although it does not track the programs' effect on employee recruitment and retention. For the wellness programs, the fitness staff sets up a business plan at the beginning of every year with its various goals and objectives, and staff members then provide updates on a monthly as well as quarterly basis regarding how well the programs are meeting the projected goals. Fitness center attendance is tracked, as is behavior change in employees over a certain period of time based on changes in risk factors.

NCR's programs include fitness classes, exercise incentive programs, nutrition-based incentive programs and health screenings for high cholesterol, diabetes, breast cancer and other conditions. "We get very consistent feedback from employees that they're appreciative that the center is here," says Nahrwold. "If it weren't located here, they wouldn't work out, because lunchtime is the only time they can work out, and there's no commercial center that they could make it to at lunch and get back to work on time."

A company's motivations to offer on-site fitness and wellness centers and the returns it seeks from them are unique to that company. Sometimes, a company may not even know exactly what it wants from its fitness programs. "Very rarely can the companies articulate why they want an on-site fitness facility," says the AWP's Colao. "They are not knowledgeable enough to say why they think they want it, or what results they want or how it will have an impact on the company."

Although many companies have difficulty determining their wants, others have made substantial efforts to quantify results of fitness programs. Numerous studies show corporate fitness programs to be effective. An 18-month study of General Electric fitness programs, for example, showed that the company spent 38 percent less in health-care costs for members of the programs and 21 percent more for nonmembers. Annual health-care costs were \$757 for participants and \$941 for nonparticipants, saving the company an estimated \$1 million in medical expenses.

Meanwhile, a two-year study at Mesa Petroleum evaluated the effect of an exercise-based program on absenteeism. The company saved an estimated \$156 per employee in the first year, and \$303.90 per employee in the second year.

Several companies were also able to report a clear return on investment as a result of their health promotion activities. Both Coors and the Bank of America claim to have received a return

of \$6 for every dollar spent on their programs. Citibank has reported a return of \$4.50, and DuPont a \$2 return.

While these studies quantify the financial benefits of workplace fitness and wellness programs, many companies may not need to see the numbers; they just intuitively believe that the programs are the right thing to do for their employees. Whatever the reasons, companies continue to view corporate fitness as a positive addition to their company culture.

"Companies want to make work and life balance as easily as possible, and I think fitness is a big part of taking care of your employees," says Corporate Fitness Works' Loube. "The greatest asset to a company is its employees. The health and productivity of the work force is really the key to a successful, competitive company. If a company takes care of its employee, the employee is going to take care of the company's bottom line."

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