MEMORANDUM

To: Jay Crosson, Senior Vice President, Human Resources
From: Kelly Ratajczak, Intern, Purchasing Department
Subject: Proposal to Add a Wellness Program
Date: April 24, XXXX

Health care costs are rising. In the long run, implementing a wellness program in our corporate culture will decrease the company’s health care costs.

Research indicates that nearly 70% of health care costs are from common illnesses related to high blood pressure, overweight, lack of exercise, high cholesterol, stress, poor nutrition, and other preventable health issues (Hall, 2006). Health care costs are a major expense for most businesses, and they do not reflect costs due to the loss of productivity or absenteeism. A wellness program would address most, if not all, of these health care issues and related costs.

Benefits of Healthier Employees
A wellness program would substantially reduce costs associated with employee health care, and in addition our company would prosper through many other benefits. Businesses that have wellness programs show a lower cost in production, fewer sick days, and healthier employees (“Workplace Health,” 2006). Our healthier employees will help to cut not only our production and absenteeism costs but also potential costs such as higher turnover because of low employee morale.
Implementing the Program

Implementing a good wellness program means making small changes to the work environment, starting with a series of information sessions. Simple changes to our work environment should include healthier food selections in vending machines and in the employee cafeteria. A smoke-free environment, inside and outside the building, could be a new company policy. An important step is to educate our employees through information seminars and provide health care guides and pamphlets for work and home. In addition, the human resources department could expand the current employee assistance program by developing online materials that help employees and their families to assess their individual health goals.

Each health program is different in its own way, and there are a number of programs that can be designed to meet the needs of our individual employees. Some programs that are becoming increasingly popular in the workplace are the following (“Workplace Health,” 2006):

- health promotion programs
- subsidized health club membership
- return-to-work programs
- health-risk appraisals and screenings

Obstacles: Individual and Financial

The largest barrier in a wellness program is changing the habits and behaviors of our employees. Various incentives such
Wellness Program Proposal 3

as monetary bonuses, vacation days, merchandise rewards, recognition, and appreciation help to instill new habits and attitudes. Providing a healthy environment and including family in certain programs also help to encourage healthier choices and behaviors (Hall, 2006).

In the long run, the costs of incorporating a wellness program will be far less than rising costs associated with health care. An employee’s sense of recognition, appreciation, or accomplishment is an incentive that has relatively low or no costs. The owner of Natural Ovens Bakery, Paul Sitt, has stated that his company gained financially after providing programs including free healthy lunches for employees (Springer, 2005). Sitt said he believes that higher morale and keeping valuable employees have helped his business tremendously.

It is important that our company be healthy in every way possible. Research shows that 41% of businesses already have some type of wellness program in progress and that 32% will incorporate programs within the next year (“Workplace Health,” 2006). Our company should always be ahead of our competitors. I want to thank you for your time, and I look forward to discussing this proposal with you further next week.

Wellness Program Proposal 4

References

