

Lincoln Industries raises the bar on employee wellness with award-winning program

By Tonya Vyhlidal, M ED, CHPD, CPT
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Corporate Profile: Lincoln Industries, the nation's largest metal finishing firm, is headquartered in Lincoln, Neb., where 550 employees work around the clock in three nonunion facilities. The company has achieved double-digit growth in each of the past 10 years, reporting \$100 million in 2006 sales.

The Problem: Smoking and stress

In starting our award-winning wellness program 15 years ago upon the hiring of an on-site occupational nurse, we sought to step up our search for talented and qualified employees en route to becoming a world-class employer of choice. We also felt it was the right thing to do. Moreover, these efforts were in large part a response to people taking too much time off from work to care for family members or deal with their own health problems triggered by long work hours and little attention paid to healthy living.

I was hired at the end of 1999 to create educational awareness and help manage intervention strategies for our employee population, which numbered only 190 at the time. We identified in depth needs assessments and quarterly exams as the best way of determining what was causing employees the most frustration or anxiety. The strong and open communication between my staff and people on both the plant floor and in offices proved to be an essential driver of the program.

Our 24/7 operation features a melting pot of 15 cultures, which means there are not only key differences among various shift workers but also no shortage of cultural uniqueness. This presents a huge wellness education challenge. For example, we found that nearly all of our Asian and Hispanic workers used tobacco – a common occurrence among these cultures. In fact, 42% of our entire employee population either smoked or chewed tobacco in 2003.

Fortunately, we haven't faced any problems in terms of chronic conditions, which affect less than 10% of covered lives, other than some pockets of diabetes and obesity, as well as mental health claims among dependents.

But we've had to keep an eye on stress-induced ailments in our health insurance claims. Three years ago they registered among the top-seven concerns before climbing to the top-five slots in 2004 and top three in 2005. We're seeing mostly musculoskeletal conditions, headaches, neck tension and inflexibility.

While we've struggled to contain health care costs in recent years like so many others across Corporate America, Lincoln Industries has seen encouraging signs. In 2000, for instance, a promising 6% increase in our health insurance costs (\$3,233 per person) gave way to a 14% hike the next year (\$3,476 per person). Then in 2002, costs again rose only about 6% (\$4,027 per person) but then soared 18% the year after (\$4,607 per person).

But in '04 and we were once again far less than the average U.S. with a 6% decrease at \$4,303 per person. So we're making progress. Throughout this time, our health care tab is lower on average than the region, as well as employers of the same size.

The Solution: Incentives drive behavioral modification

Key components of our comprehensive wellness program include weight management and smoking cessation efforts, exercise classes and a fitness-reimbursement program. Various events such as a walk around the corporate campus take place on something we call Wellness Wednesday.

Employees earn up to \$40 worth of quarterly "Well Bucks" which is a cash incentive for participation in the program. Participants in the program, which adds an exciting new dimension to our performance management system, are able to earn bronze, silver, gold or platinum health status as part of a ratings system that's tied to multiple factors such as lower blood pressure. Those who've achieved platinum-level fitness and not have smoked for at least six months are eligible to take part in an annual mountain-climbing expedition. In 2006 Lincoln Industries had 78 people qualify for Platinum status of which 67 climbed Mount Greys and Torreys in Colorado. Additionally, people who earn Platinum, Gold, or Silver status can earn vacation days that are given out at the end of the fiscal year and can be used for the on coming year.

About 50% to 60% of our population always has an annual blood-work profile done with 100% of the population taking a health risk appraisal and medical information update that an occupational health nurse, wellness manager or wellness specialist evaluate and coach our people on.

We also do quarterly physicals for every person in the company that's followed up with a consultation and we home in on blood pressure, inactivity, sleeping problems, stress management, diabetes, family crises and other issues that can be managed and consulted. Adherence to behavioral-modifications goals influence merit-pay increases for all employees and overall compensation for supervisors and executives. We firmly believe it's important that individuals be rewarded for these accomplishments and found about 15% of our population improved their health status in 2004, 12% in 2005, and 18% in 2006.

With regard to benefit plan design, enrollment in a consumer-driven health plan with a Health Reimbursement Account (HRA) has far exceeded expectations, reaching 70% and 78 % since being introduced two years ago.

Measuring Results: 7:1 ROI earns industry kudos

All of these efforts have paid off handsomely. Our wellness program, which earned a Platinum Award from the Wellness Councils of America, has generated a 7:1 return on investment stemming from a 2% reduction in absenteeism and turnover, as well as corresponding improvement in productivity. Stress-reduction efforts and case management generate annual savings of at least \$50,000 to \$70,000.

There has been a roughly 2% reduction in obesity based on body fat percentage, which typically ranges from 25 to 30 pounds over normal weight rather than the 30-plus pounds threshold of the more widely used body mass index or BMI. The trouble with BMI, which can be misleading and unrealistic, is that a muscular football player or wrestler will appear overweight.

Blood pressure has improved by about 15%, while musculoskeletal injuries, workers' compensation medical dollars and recorded injuries under OSHA were reduced by 50% in 2004, 2005 and 2006 workers compensation medical claims where well below \$100,000. We're also no longer struggling with total lost time claims.

A smoking ban that took effect in 2002, coupled with smoking-cessation programs and a 2005 decision to discount health insurance for employees who do not smoke, decreased the number of tobacco users to 38% and 31%, respectively, during the past two years.

We place quite a bit of stock in the use of accurate, reliable, appropriate and valid tools from respected resources such as the American Medical Association and American Heart Association whose credible measures are the industry standard. While a measurable return is highly desirable, we place greater value in the intangibles associated with improved employee health and productivity and want employees to appreciate the caring corporate culture that has been established.

Surveys show that 98% of our people are satisfied or mostly satisfied with the wellness program and their job at Lincoln Industries. So it should come as no surprise that the Great Places to Work Institute last year ranked Lincoln Plating one of the 25 best midsize companies to work for in America in 2004, 2005, and 2006. This year the Great Places to Work Institute Recognized Lincoln Industries Wellness program and the company won the Institutes Respect award.

One of the keys to unlocking success is senior management buy in. It helps that Chairman and CEO Marc LeBaron sees tremendous value in employee wellness, which is a strategic part of the overall business plan.

A smart rule of thumb is for the leadership of any organization to aggressively dig in its heels, understand how employees respond to their business and culture, and not be afraid to take risks. Another is to regularly meet with staffers who are in charge of occupational health and safety programs so that they have a clear understanding of their chief objectives. At the end of the day,

building a meaningful wellness program takes patience, but the significant dividends are well worth the wait.

Lincoln Industries is featured in the **Partnership for Prevention**, *Leading by Example: Leading Practices for Employee Health Management* along with 17 other U.S. Chamber of Commerce member companies and illustrates how CEOs have embraced the relationship between the health of their employees and the health of their organizations; and viewing employee health as a performance driver, rather than a cost driver.

Lincoln Industries is also an Award Winner of the Society of Human Resources Management's 2006 Small Employer Innovator of the Year Award — and Great Places To Work Respect Award 2007, Wellness Program.

Author Profile:

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As wellness manager for Lincoln Industries, Tonya is responsible for occupational health and health promotion programs for a workforce of nearly 500. Under Tonya's leadership, Lincoln Industries' wellness program received the WELCOA platinum award and was recently selected as one of nine companies by the Centers for Disease Control and Prevention for their SWAT project. The program has a 5 to 1 return on investment, resulted in a savings of more than \$2.5 million in 2005 alone and reduced the company's lifestyle-associated health insurance claims from 25% to 15% during the past four years.

Previously, Tonya was the chair of physical education/health and head volleyball coach at Gretna Public Schools. Her passion is fitness – she has nearly 15 years of group fitness and personal training experience, holds several professional fitness certifications and teaches fitness seminars on a regular basis. Tonya is on the Lincoln Lancaster County WorkWell board of directors, CDC Worksite Obesity Prevention and Control panel, WELCOA Medical Advisory Council, Activate America Board, and was recently recognized as one of Lincoln, Nebraska's "40 under 40" by the city's Business Journal. Tonya received her master's and bachelor's degrees from the University of Nebraska Nebraska (Lincoln, NE).

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