WELLNESS FACILITIES OF DOW CHEMICAL COMPANY:
Participation Rates Among Dow Employees, Retirees, and Dependents

MSA 698 Directed Administrative Portfolio

Paper #5 Final Report

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Submission Date:
July 20, 2017
Summary, Conclusions, & Recommendations for

Participation Rates Among Dow Employees, Retirees, and Dependents

Section 1: Summary

The major MSA 698 problem addressed in this paper and the four preceding papers is the participation rates of employees, retirees, and their dependents at Dow Chemical Company’s organization-owned wellness facilities. The wellness programs are designed to help employees make healthier decisions regarding exercise and nutrition and improve their overall health and decrease their health care expenditures. By providing wellness facilities which include fitness equipment and classes, the organization expects a return on investment on the amount they invested into the facilities and programs. The lack of participation in these facilities is a major organization issue because the participation of employees in these wellness facilities is a key factor in order to experience the health care savings in the organization. The four preceding papers focus on the four major areas of strategic, organizational dynamics, administrative, and financial factors which impact the organization’s major issue of participation in the wellness facilities. There are questions that were composed to address the major issue relating to the four major areas. Those questions are:

1. What is the intended purpose of Dow's workout facilities and other wellness programs and how do they link to the strategic priorities of the Dow Human Resources Department and Dow's long-term business direction?

2. How many employees are able to take advantage of Dow's workout facilities (because they are located in the same physical location) and how many are able to take advantage of Dow's wellness programs?

3. What percentage of employees use the facilities and programs and what are their
4. What motivates those who use the facilities and programs to do so?
5. What are the likely reasons for not using the facilities and programs?
6. For each reason, what strategy could be used to encourage greater utilization?
7. What is the likely cost to Dow of low usage of the facilities and programs?
8. What are the costs and anticipated benefits of implementing strategies to encourage greater use?
9. What recommendations can be made to Dow Human Resource leadership to encourage greater awareness and utilization of Dow's health and fitness facilities and programs.

There are several strategic factors that impact the participation rates of employees in corporate wellness programs. There are internal and external factors that influence the utilization of the wellness programs as well. A series of related literature found common strategic factors which influence the outcome of the wellness programs and health care savings. The length of the program, the variety of the programs offered, incentives provided, programs which target employee-specific health care concerns, and strategic communication have all been shown to increase utilization of the wellness facilities. Short-term wellness programs have not shown much success in savings or participation, whereas long-term wellness programs have had greater health care savings after the first couple of year of implementation (Ozminkowski, Ling, et. al., 2002, p. 21). Targeting employees’ health care needs by using biometric screenings to help indicate the health concerns which should be targeted (White, Hartley, & Ozminkowski, 2015, p. 1123). Using these techniques has helped other organizations increase the participation rates among their employees and their health care savings.
Organizational dynamics of Dow Chemical Company and other organizations which implemented wellness programs play a role in the utilization of the wellness facilities. The leaders of the organization can influence the participation rates with their perspectives on health and fitness and their communication with their employees. The nature of the employees’ jobs can influence their motivation to participate in the programs as well. Establishing an organizational culture of health has shown to be a positive factor in increasing utilization in wellness programs (Kent, Goetzel, et. al., 2016). Creating an overall healthy atmosphere in the workplace can help the employees make healthier food decisions and have a support system that can help them stay on track.

Having a diverse group of employees, ranging in age, gender, and ethnicity, can make communicating with them and motivating them to participate in the wellness programs more difficult for the leaders of the organization. There are different diversity-conscious skills that leaders can utilize in order to communicate more effectively with their employees the importance of participating in wellness programs. Employees of different generations respond differently to different leadership styles. Generation Y may be reached best through social media or internet-based communication regarding the wellness centers, while Generation X and the Baby Boomers may benefit more from face-to-face communication (Hillman, Wharff, & Dent, 2013). Even with a diverse group of employees, studies have shown that most employees have common fundamental motivating factors that influence them to be more productive and committed to the organization. Those factors are feeling as though they are performing well in their position, receiving feedback about their performance, having a specific role that they feel needed for, and feeling appreciated for the work that they do (Van Auken, 1993).
Finances also impact the development and maintenance of corporate wellness centers and programs. The financial requirements of a wellness program will depend on the variety and amenities offered within the programs. Some programs are simple walking groups and presentations on healthy habits. Other programs have more to offer, which may include: fitness facility access, nutrition seminars, one-on-one work with dietitians, biometric screenings, healthier cafeteria options, or fitness challenges. Organizations that implement wellness programs do so expecting a return on invested dollars via savings on health care expenditures. The programs that experienced the most savings and a return on investment were the programs which were implemented long-term, the programs that added web-based additions to their existing programs, the programs which provided incentives to employees for participating, the programs that targeted specific health risks of the employers, the programs which placed an emphasis on health education to help the employees understand the importance of participating, and the programs that included financial wellness services for the employees.

Section 2: Conclusions

The major strategic factors which influence the participation rates are a combination of internal issues, external issues, and consistency of communication issues. Significant research questions to address these issues were: What factors are impacting utilization of corporate health facilities and wellness program? What goals does Dow’s human resources have related to employee health and wellness, if any, what strategies has it used to provide fitness facilities and wellness programs, and what weaknesses exist in encouraging and promoting use of those resources? What other internal factors, such as supervisor support for use of fitness and wellness resources, working conditions, availability and flexibility, awareness, and other factors impact resource utilization? The major internal issues are the competition of other local gyms in the
Midland area and external marketing of the facilities to dependents or retired employees. The major internal issues are the lack of promotion and communication with the current employees on the importance of participation, as well as the internal marketing of the wellness facilities and current wellness programs and events in which the employees can participate in.

The organizational dynamics of the company also impact the participation rates in the wellness facilities. Significant research questions were: What is leadership’s perspectives toward employee use of facilities and other wellness programs? Is communication about and awareness of facilities sufficient to ensure they are used by the largest possible population? The different departments within the organization have different physical and mental demands placed on the employees which can impact their views towards health and fitness related activities. Some of the physically demanding positions do not place a lot of emphasis on additional exercise. Other dynamics of the organization which impact the participation rates are the social barriers some feel while participating. Some of the blue-collar employees have communicated their social discomfort using the newest wellness center, which is in a high-end building and have many employees who come in and out of the facility in business attire. Other barriers employees face are a lack of time or interest to participate and a lack of support from their co-workers. Some employees do not participate because they have inconsistent schedules, which can impact their ability to sleep and therefore their motivation or energy to participate.

There are a diverse range of employees working at Dow which are diverse in age, gender, and ethnicity. A significant research question was: How can leaders use diversity-conscious skills to communicate to the diverse group of employees to motivate the majority of employees to participate in the wellness centers? The diverse range of employees have different views on health and fitness and different motivational factors. The communication skills and programs are
not targeted to the diverse range of employees. There are several diversity-conscious skills that can be used by the Dow employees to help communicate with their wide range of diverse employees which is reviewed in the subsequent section.

Financial factors play a major role in the implementation and maintenance of wellness programs, including the wellness centers at Dow Chemical Company. A significant research question was: How does operating a company-owned wellness center compared to the alternative of contracting for memberships at a local fitness center? The wellness centers at Dow are owned by the organization, which means there were more up-front costs associated with the development of the centers. Having company-owned wellness centers has a greater potential for a greater return on investment and profits from the wellness centers, versus having gym memberships contracted out through another fitness facility. Both types of wellness center programs have the potential to experience savings from reduced health care costs in the future, but contracting through another fitness facility will not bring any profits to the organization.

Section 3: Recommendations

Strategic Recommendations. Strategic implications of the MSA 698 major issue were addressed in the MSA 603 Strategic Planning for the Administrator Paper #1. Related studies, external and internal considerations, implications for business-level and corporate-level strategies, and implications for structure and control systems were examined. Based on this analysis, several specific recommendations were formulated and are discussed below.

The first recommendation is to create a company-wide promotion plan. This should be put in place in order to send a consistent message of the importance of employee participation throughout each of the departments at Dow. This will require the leaders of each department within the organization to have a positive attitude about the wellness programs and promote the
programs to their employees. The second recommendation is to use biometric screenings for employees to earn health care discounts or a reimbursement by meeting company-set health standards. Incentives can help motivate employees to participate so they themselves experience savings.

**Organizational Dynamics & Human Behavior Recommendations.** Several organizational dynamics and human behavior issues related to the MSA 698 major issue were identified and analyzed in the MSA 601 Organizational Dynamics & Human Behavior Paper #2. Related studies on employee attitudes, employee motivation, and organizational cultures of health were examined. Based on the analysis of the literature and the associated issues, several specific recommendations were formulated and are discussed below.

The first recommendation is to make biometric screenings a yearly, mandatory requirement for all employees to motivate employees to make healthier decisions throughout the year. The second recommendation is to create specific workout plans for the different departments designed to help employees exercise in functional ways that will be beneficial to the nature of their work. The third recommendation is to try and delegate regular shift to employees instead of having them working different shifts throughout the week and therefore affecting their sleep health and overall motivation to participate. The last organizational dynamic recommendation is to create a culture of health within the organization by offering healthier meal options for lunch and leading by examples of health within the leaders and management.

**Administration, Globalization, & Multiculturalism Recommendations.** Several multiculturalism, diversity, and administrative issues related to the MSA 698 major issue were identified and analyzed in the MSA 604 Administration, Globalization, and Multiculturalism Paper #3. Related studies on diversity-consciousness, leadership of a diverse group of
employees, and employees of different generations were examined. Based on the analysis of the literature and the associated issues, several specific recommendations were formulated and are discussed below.

The first recommendation is to create a friendly work environment to retain their diverse group of employees and make them feel welcomed and appreciated. The second recommendation is for leaders to focus on employees’ basic human wants and needs to feel successful and productive. They can do this by placing importance on participating in the wellness centers and engaging in healthy behaviors in order to be more successful and productive at work. The third recommendation is to have the leaders develop diversity-conscious skills, including mentoring their employees, to help them better understand their employees’ individual motivating factors and barriers they face that keep them from participating in the wellness programs.

Financial Analysis, Planning & Control Recommendations. As with most administrative issues, resolving the MSA 698 major issue has associated financial consequences, which were addressed in detail in the MSA 602 Financial Analysis, Planning and Control Paper #4. Facts retrieved from literature and associated financial considerations regarding the benefits of having a company-owned wellness program and facilities versus contracting out to other fitness facilities. Based on this analysis, several specific recommendations were formulated and are discussed below.

The first recommendation is to spend more on advertisement of the wellness facilities by using low-cost advertisement techniques to promote the use of the facilities by all eligible employees, retirees, and their dependents. They can use social media promotions to appeal to the younger generations, and paper mail news letters to reach retirees. The second recommendation
is to add additional web-based learning tools to help the employees learn the importance of partaking in healthy behaviors and utilizing the amenities available to them through the organization’s wellness program. The third recommendation is to use biometric screenings in order to identify health risks and behaviors to target in the programs in order to invest time and money on the risk factors and behaviors that affect their employees’ health the most. The fourth recommendation is to implement financial wellness classes as a part of the program to help employees plan for their future, understand and improve their financial status and behaviors, and gain more motivation participate in the wellness programs. And the fifth recommendation is to

**Crosscutting Recommendations.** Creating a company-wide wellness promotion plan can be done by having monthly meetings with the leaders of the different departments within the company to discuss the key features of the wellness programs and ways to present the program and its importance to their teams. Requiring biometric screenings will help the strategic, organizational dynamic, diversity, and financial issues impacting the participation rates in the wellness centers. The biometric screening can be done once a year with health standards to meet in order to receive a discount on health care premiums as an incentive, as well as using the screenings to motivate employees to make healthier choices and target the wellness programs to focus on the main risk factors in the employees.

Creating a culture of health in the organization can help the different aspects of the major issues as well. Providing healthier cafeteria options, leading by example of healthy living, and initiating friendly workplace fitness challenges are all ways to create a culture of health within the organization. Additional tools and methods that can be used to add value to the wellness programs would be to add web-based learning programs and resources including financial wellness classes and tips. Providing these additional services can entice more employees to
participate. Using these recommendations should help improve the wellness programs at Dow Chemical Company increase their participation rates, and therefore get a return on their investment.
References


