Johnson & Johnson’s Health and Wellness Program

This case was written by P. Mohan Chandran, under the direction of Vivek Gupta, IBS Center for Management Research. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
Johnson & Johnson’s Health and Wellness Program

“Top management is recognizing physical fitness as a prudent investment in the health, vigor, morale and longevity of the men and women who are any company’s most valuable asset.”

- Dr. Richard Keller, Ex-President of the Association for Fitness in Business

“We believe our Health & Wellness Program can continue to achieve long-term health improvements in our employee population.”

- Dr. Fikry Isaac, Director, Johnson & Johnson, Occupational Medicine, Health & Productivity

INTRODUCTION

In 1998, the American College of Occupational and Environmental Medicine conferred Johnson & Johnson (J&J) the Corporate Health Achievement Award (CHAA). J&J was one of the four national winners selected for having the healthiest employees and workplace environment in the US. The award was decided on the basis of four parameters – Healthy People, Healthy Environment, Healthy Company and Overall Management (Refer Exhibit I). These parameters were considered crucial for developing and deploying a comprehensive corporate health program. In 2000, the New Jersey Psychological Association presented J&J with the Psychologically Healthy Workplace Award for its commitment to workplace well-being and developing a psychologically healthy work environment for its employees.

According to analysts, these prestigious awards were given to J&J in recognition for its continuous efforts to create a healthy work environment. The company not only offered employee assistance programs and benefits packages but also introduced several family-friendly policies and offered excellent professional development opportunities to its employees. All this was done under the Health and Wellness Program (HWP) that the company introduced in 1995.

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1. In an article titled “A reduction in employee health care expense with an increase in productivity through the implementation of a fitness/wellness plan,” by Daniel Filipponi posted on www.stfrancis.edu.
3. J&J is located at New Brunswick, New Jersey, US and has employee strength of 40,000 in the US alone. The company operates in more than 51 countries all over the world and has more than 1,01,800 employees worldwide. J&J sells its products in over 175 countries.
4. CHAA was created to provide national recognition and honor to companies that have superior employee health, safety, and environmental management programs. It was intended to encourage corporate self-assessment and continuous improvement.
5. Other winners included Boeing, IBM and the First Chicago NBD Corporation.
6. Each parameter was evaluated by determining the appropriate level of “maturity” of a company’s health program. This was done by individually rating the parameters and adding the points. The objective was to evaluate each parameter for comprehensiveness and appropriateness (as mentioned in Exhibit I) and how well it was implemented across the company.
Johnson & Johnson’s Health and Wellness Program

The program benefited both J&J and its employees. The company saved $8.5 million per annum in the form of reduced employee medical claims and administrative savings. Moreover, within two years of implementing HWP, J&J witnessed a decline of 15% in employee absenteeism rate. Peter Soderberg, President, J&J explained the rationale behind implementing the program: “Our research time and time again confirms the benefits of healthier, fitter employees. They have fewer and lower long-term medical claims, they are absent less, their disability costs are lower and their perceived personal productivity and job/life satisfaction levels are higher.” Ron Z. Goetzel (Goetzel), Vice-President, Consulting and Applied Research, MEDSTAT Group added, “There’s a growing body of data indicating that corporate wellness programs lower medical costs for employees.”

BACKGROUND NOTE

The US industry spent approximately $200 bn per annum on employee health insurance claims, on-site accidents, burn-out and absenteeism, lower productivity and decreased employee morale due to health problems. Moreover, according to the estimates of Mercer, the US industry expenditure on the medical and disability bills of employees was rising significantly. In 1998, companies had paid an estimated $4000 per annum per employee as healthcare costs, and that rose to $5,162 in 2001 and around $5,700 in 2002. Apart from other health related problems (Refer Table I), stress at workplace was considered to be one of the main reasons for this high expenditure. Work stress led to problems like nervousness, tension, anxiety, loss of patience, inefficiency in work and even chronic diseases like cardiac arrest and hypertension. As a result of these health problems, absenteeism increased and productivity of employees declined.

Table I

<table>
<thead>
<tr>
<th>Nature of Health Problem</th>
<th>Annual average cost per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart disease</td>
<td>$236</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>$179</td>
</tr>
<tr>
<td>High blood pressure</td>
<td>$160</td>
</tr>
<tr>
<td>Diabetes</td>
<td>$104</td>
</tr>
<tr>
<td>Low back pain</td>
<td>$90</td>
</tr>
<tr>
<td>Heart attacks/Acute myocardial blockages</td>
<td>$69</td>
</tr>
<tr>
<td>Bi-polar disorders/Maniac depression</td>
<td>$62</td>
</tr>
<tr>
<td>Depression</td>
<td>$24</td>
</tr>
</tbody>
</table>

Source: www.news.cornell.edu

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7 In an article titled “Fitness in the Workplace,” posted on the website www.2-fit.com.
8 A health care research firm based in Ann Arbor, Michigan, US. It specializes in providing knowledge-based systems, decision support systems, market intelligence, consulting and research information for enhancing the quality and value of healthcare.
9 In an article titled “Wellness programs help companies save on health costs” by Julie A. Jacob, dated March 11, 2002 in AM News.
10 Mercer is a human resources consulting company that provides consulting services in areas such as compensation, employee benefits, communication, HR, human capital strategy, investment and program administration. Its operations are spread across 40 countries and 140 cities, with over 13,000 employees.
In 1997, the Whirlpool Foundation\textsuperscript{11}, the Working Mother magazine\textsuperscript{12} and the Work and Family Newsbrief\textsuperscript{13} carried out a survey in the US, which involved about 150 executives. The survey discovered a close connection between employee wellness programs\textsuperscript{14} (which included flexi work options, employee care, employee assistance programs) with 16 key result areas including enhanced efficiency, low absenteeism, low turnover, high employee satisfaction, high morale and reduced health-care costs of employees. This signified that a company which had a good health and wellness program had to offer less in terms of monetary assistance to its employees. Elaborating the benefits of these programs, DW Edington,\textsuperscript{15} Professor at the University of Michigan said\textsuperscript{16}, “Wellness programs in general, and fitness programs in particular may be the only employee benefits which pay money back. When more people come to work, you don’t need to pay overtime or temporary help; when people stay at the job longer, training costs go down; lower health care claims cost you less if you’re self-insured and health care insurers as well as some companies are already beginning to create premiums based on fitness levels.”

In the late 1990s, with the rising awareness about the link between the employees’ health and an organizations’ productivity, more and more companies in the US started offering health and wellness programs for their employees. According to a study conducted by Hewitt Associates\textsuperscript{17} in 2001 (involving 945 major corporations), around 93\% of the corporations offered HWPs compared to 89% in 1996. Explaining the development, Camille Haltom (Haltom), a health care consultant with Hewitt Associates explained\textsuperscript{18}, “Because employers are under increased cost pressures, there is a renewed interest and excitement about health promotion and medical management programs that can provide cost savings, reduce absenteeism and increase productivity.”

Major companies in the US reaped substantial benefits by implementing WPs (Refer Exhibit II). PepsiCo\textsuperscript{19} invested $2 million in a fitness center and realized a return of three times the money it

\textsuperscript{11} Whirlpool Foundation (WF) involves itself in charitable activities like funding research studies and giving away charitable awards through its ‘Direct Philanthropic Operating Program.’
\textsuperscript{12} Working Mother Magazine has a reach of more than 3 million readers every month. The magazine assists women in integrating their professional and personal lives. It is a guide for present and next generation working mothers.
\textsuperscript{13} The Work & Family Newsbrief is an 8-page digest of the most important work life news, best practices, research, company experiences, legislation and partnerships in the US. It provides news about the latest workplace polls, workplace forecasts and academic research of top companies in hiring and retaining the best talent.
\textsuperscript{14} Employee Wellness Programs include Employee Assistance Programs, workplace ergonomics, interpersonal skills, workplace safety, prevention of violence, drugs, HIV/AIDS at workplace and diversity management.
\textsuperscript{15} Dee W. Edington is a professor of Kinesiology at the University of Michigan and has authored and co-authored several articles and books. His work on Health Risk Appraisal and Corporate Health Evaluation programs is regarded as a benchmark for developing business plans in wellness programs.
\textsuperscript{16} In an article titled “Experience of other companies with Wellness Programs,” posted on www.championhealthandfitness.com.
\textsuperscript{17} Hewitt Associates is a world-wide outsourcing and consulting firm, offering a gamut of services in Human Capital Management to various companies in 39 countries. These services include HR strategies and technologies, HR benefit outsourcing, health care, organizational change, retirement and financial management and, talent and reward strategies.
\textsuperscript{18} In an article titled “Health and Productivity Programs Continue to Grow in Popularity as Health Care Costs Rise,” by Suzanne Zagata-Mera and Kelly Zitlow dated July 15, 2002 posted on www.was.hewitt.com.
\textsuperscript{19} PepsiCo is a global leader in foods and beverages industry with a turnover of $27 billion in 2001. It has more than 1,47,000 employees. The company’s brands are sold in about 200 countries.
invested. Similarly, Dupont introduced a program, ‘Health Horizons’ and realized savings of five times the money it invested. Tenneco which invested a sum of $11 million to start a fitness centre, spreading over a total area of 25,000 square feet in Houston found that the annual medical claims of employees who participated in its fitness program, decreased by about half. General Electric was able to cut down its health care costs by 38% in one-and-a-half years by introducing a wellness program for its employees. The employees who did not participate in the program witnessed an average increase of 21% in health care costs.

A study conducted by the Mutual Benefit Life Insurance Company, New Jersey, revealed that the employees who participated in health programs had medical claims that were, on an average, 70% less than that of non-participants. Halton said, “We expect that organizations will not only continue to offer health promotion programs but look for ways to enhance and expand existing programs for employees.”

In order to protect and promote the health and well-being of its employees and their families, J&J also introduced its HWP in 1995. Though several organizations in the US had introduced HWPs earlier, the manner in which J&J implemented it was unique and resulted in significant benefits for the company.

**THE HEALTH AND WELLNESS PROGRAM**

Since its inception, J&J had laid special emphasis on providing proper care to its employees (Refer Exhibit III). The company had mentioned its responsibilities towards employees in its credo (Refer Exhibit IV). J&J hired medical professionals who provided health services to employees, their spouses and children. The company established medical clinics at their plants and offices, where experts performed medical evaluations and offered vaccination facilities. They also offered advice on subjects like nutrition, family planning, dysentery prevention and smoking cessation. J&J’s medical staff also maintained a cafeteria at some of the company’s plants to ensure safe and nutritious meals for its employees.

As a part of its HWP, J&J conducted a health-risk assessment of its employees. The assessment carried out by J&J revealed that its employees were prone to risks in three areas, namely, high cholesterol, hypertension and other problems related to a sedentary work life. As a first step in its HWP, the company started offering regular counseling and exercise programs for its employees. This helped the employees to keep their cholesterol levels and hypertension under check and also control their weight. The final data obtained from the health-risk assessment enabled the health care group to tailor the HWP according to the needs of its employees.

In the first year of its introduction, only 26% of J&J’s employees opted for health-risk assessment. Explaining the reason for the poor response, Patricia Flynn (Flynn), Vice-President, J&J’s Health Care System, said, “People think they are fit and might not want to bother with an assessment.”

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20 A health initiative program launched for the benefit of employees’ health, fitness and well-being, which yielded Dupont a return of $5 on every dollar invested in the program.

21 Tenneco is a $3.5 billion global automotive manufacturing company based in Lake Forest, Illinois. It is one of the largest designers, producers and distributors of automotive and emission control products and systems in the world.


23 In an article titled “Risk assessment pays off at Johnson & Johnson,” in Workforce Magazine dated December 2002.
To encourage more employees to opt for health appraisal, J&J offered $500 discount on their medical insurance costs. This plan worked well and by 1999, employee participation increased to 93%. Elaborating on it, Jennifer Bruno (Bruno), Director, Health and Wellness Business Planning, J&J said\textsuperscript{24}, “A large part of how we’ve been able to achieve this success is by giving incentives to employees on the completion of a health risk profile. We offer employees a $500 discount on their medical insurance costs if they are willing to take the health profile, and it’s worked very well. We saw participation rates for completion of the health profile jump from less than 26% without incentive, to over 93% with it. We are confident that once employees know what their risks are, then we can make a positive impact on their health.”

Later, the health-risk assessment was conducted in a secretive manner by a third-party administrator to maintain the employees’ privacy, as it was considered to be one of the main reasons for the non-participation of employees. Employees also expressed fears that the assessment results might be used by the top management while making retrenchment decisions. Flynn explained\textsuperscript{25}, “The information gathered is only shown in aggregate to management, while the employees get individual reports on their risk status. Employees can also check an optional box on the assessment to be contacted with information regarding any disease they are at risk for. So many of them checked the box the first year that tells me their privacy fears were alleviated.”

J&J’s HWP included the employee assistance program, disability management program, the ergonomics injury prevention program and the Safe Fleet Program.

**Employee Assistance Programs (EAP)**

Employee assistance was an integral part of J&J’s HWP. It helped employees to maintain a balance between their personal and professional lives. The employees were offered flexibility in deciding their work timings and in few cases, they were also allowed to work from home. J&J hired professionals who assisted employees as well as their family members to solve issues related to work, family or interpersonal problems including anxiety, behavioral changes, disease prevention, divorce, death, education, health, parenting, financial and legal concerns, lifestyle management, marriage and so on.

The employees were asked to take an active part in health programs that enabled the company to gauge their health-risks. The main objective of this health program was to diagnose any early symptoms of diseases and provide regular therapy or treatment for its prevention and cure. The company also provided detailed information about such diseases (such as hypertension, cardiovascular diseases, increased cholesterol, obesity and stress) and offered exercise and behavioral change program for its employees. J&J established exercise and fitness centers and hired wellness experts to manage these.

Besides the various health programs, J&J also provided customized information, personal support and advice to employees in areas like finance, re-location or buying real estate, providing care for children (aged six weeks to six years), older people, sponsoring college education of employees’ children, designing the home budget, providing advice on effective time-utilization, preparing a will, purchasing consumer goods and home products, identifying a housekeeper and many more.

\textsuperscript{24} In an article titled “Understanding the value of health promotion for health plans,” posted on www.bcbs.com.

\textsuperscript{25} In an article titled “Risk assessment pays off at Johnson & Johnson,” in Workforce Magazine dated December 2002.
Johnson & Johnson’s Health and Wellness Program

Disability Management

As a part of its HWP, J&J offered its employees a disability management plan. Under this plan, an employee was entitled to disability insurance claim, if he/she was either partially or fully, temporarily or permanently disabled during the course of his/her work. In such cases, all financial expenditure was borne by the company.

The company also offered accident insurance coverage and paid money to the employee’s dependants in the event of his death, loss of limb or vision, complete or permanent disability due to an accident. Besides that, employees were entitled to free business accident insurance in case of death or injury while on some business work. J&J also offered an optional 24-hour accident insurance, which provided insurance coverage to employees, irrespective of the time and place of accident. However, in this the coverage was subject to the employee’s willingness to pay the insurance premium. J&J also offered an optional dependent accident insurance which was a 24-hour insurance cover, open to employees’ spouse and dependent children upto the age of 23 on payment of the insurance premium by employees.

Ergonomics Injury Prevention Program

J&J was among the very few companies to have taken adequate measures to minimize the occurrence of musculoskeletal problems among its employees, before the US Occupational Safety and Health Administration (OSHA)26 framed rules and regulations for ergonomics. The company introduced a voluntary program, ‘JOBFIT’ for its employees in the US and Puerto Rico to prevent musculoskeletal problems. The program focused on maintaining fitness levels of employees and provided them with an opportunity to participate in personalized conditioning27 and stress management sessions. JOBFIT was primarily aimed at new recruits, employees who transferred to the US and Puerto Rico, employees in high-risk jobs, and those who had joined the job back after temporary disability. Once the program was implemented, it was found that employees in six out of seven facilities were able to do their jobs better and the company reported fewer cases of insurance claims, injury, sickness, stress or absence in this area.

Safe Fleet Program

In a survey conducted by J&J in 1995, it was found that road accidents involving company’s drivers were one of the major reasons for increasing number of deaths and injuries. J&J incurred an additional average cost of $1500 on each such accident. Roger Seykens, Director, Safety and Industrial Hygiene for Europe, Africa and Middle East, said, “We were obviously aiming for a major reduction in costs. But the main thing was to institute an active policy for preserving the health of our employees.”28

To overcome this problem, in January 1997, J&J introduced the ‘Safe Fleet Program’ – a safety conscious driving program in countries where J&J owned its largest fleets that is Benelux, France, Germany, South Africa, Spain and the UK. The program consisted of 16 parameters segregated into four phases (Refer Exhibit V). Teams were formed to train new recruits consisting of 7 to 8 people from different departments including training, safety, and fleet coordination in all the

26 OSHA’s objective is to safeguard lives, prevent injuries and protect the health of workers in the US. Almost every employee working in the US comes under the purview of OSHA, with a few exceptions like miners, transportation workers, government employees and entrepreneurs.

27 Personalized conditioning involves both physical and mental conditioning as well as some dietary considerations. Physical conditioning is achieved by proper nutrition and physical exercises such as weightlifting, running, pylonometrics and speed enhancement methods. Mental conditioning is achieved by meditation, yoga and so on. A strict regimen for diet was required to be followed by the employees at the workplace.

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countries. Explaining the difficulty in forming teams during the initial phase of the program, Seykens said, “In fact, forming these teams was the first headache. Was one going to bring people together by company, activity, franchise or country? The combinations were multiple. We finally opted for setting up one team per country, without taking into account the activities of the various companies.”

Each team was entrusted with the responsibility of ensuring that safe driving became a part of the work culture in the organization. Elaborating on this thought, Seykens said, “Each team tried to ensure that safe driving becomes a genuine cultural value. It must also seek to make safe-driving an everyday element and part of the program of activities. It must also ensure permanent support for drivers. Finally, it is responsible for the application of a program as well as measuring its results.”

The Safe Fleet team was responsible for implementing several measures like training new drivers, reducing cases of high-risk driving and hiring field safety coordinators. Drivers were educated about the causes of the accidents, the preventive strategies to be undertaken and advantages of safe driving. The drivers were also trained to keep their vehicles in good running condition as per the vehicle maintenance plan, which was also a part of the Safe Fleet Program.

J&J also installed a high-risk driver detection system, which enabled it to identify the drivers who drove recklessly and faced a greater risk of accidents. Explaining the problems in implementing the program, Seykens said, “One of the first obstacles encountered was the different mentality of people at our different sites. Each region having its own philosophy and cultural values, it wasn’t immediately obvious how a common denominator could be found.”

After implementing the Safe Fleet Program, the number of accidents reduced significantly. According to Michael N. Ferrera, Manager, Safe Fleet, the crash rate in 2001 came down to 3.93 crashes per million miles, which depicted a 30% fall since the launch of the program.

THE BENEFITS REAPED

To find out the impact of its HWP, the MEDSTAT group was asked to carry out an independent evaluation. The group scrutinized the medical insurance claims of 18,331 employees of J&J, who participated in the HWP during the period 1995 to 1999. The study thoroughly analyzed the medical expenditure of employees five years before and four years after the introduction of HWP.

The study revealed that J&J had enjoyed substantial financial benefits to the tune of $8.5 million in the form of annual savings in medical care costs of employees. Most of the savings were realized in the third and fourth year of the implementation of HWP. The company saved $225 per employee annually due to the decrease in the number of hospital admissions, cases of mental health problems and outpatient services. J&J also benefited due to increased employee productivity, lower benefit plan costs and reduced absenteeism.

J&J’s employees also lowered their health risks to a large extent in major risk categories. Some of these categories included ill effects of tobacco consumption and sedentary work life, high hypertension, high cholesterol, low consumption of fiber-rich food and insufficient motor vehicle safety measures.

Appreciating the benefits of HWP to J&J, Ronald J. Ozminkowski, Director, MEDSTAT said29, “These results highlight the significant impact that integrating large-scale corporate health and productivity management programs can have on company medical expenditures.”

29 In an article titled “Employees benefit and Johnson & Johnson company saves $8.5 Million annually,” posted on www.24hourfitness.com.
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OTHER EMPLOYEE HEALTH FRIENDLY INITIATIVES

In 2001, J&J introduced a health surveillance program for its employees in the US for certain hazardous jobs. The main objective of the program was to develop measures to control workplace hazards and prevent occurrence of illnesses and injuries. Employees were asked to work in collaboration with environmental, health, safety and industrial hygiene professionals to eliminate workplace hazards. In 2001, major surveillance programs undertaken by J&J (Refer Table II) employees included:

Table II
Surveillance Programs Delivered to J&J Employees

<table>
<thead>
<tr>
<th>Surveillance Program</th>
<th>Number of employees covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood borne pathogens</td>
<td>2770</td>
</tr>
<tr>
<td>Emergency response personnel</td>
<td>410</td>
</tr>
<tr>
<td>Ergonomics evaluations</td>
<td>2306</td>
</tr>
<tr>
<td>Hearing conservation</td>
<td>1933</td>
</tr>
<tr>
<td>Powered motorized equipment personnel</td>
<td>1346</td>
</tr>
<tr>
<td>Respiratory protection</td>
<td>1690</td>
</tr>
</tbody>
</table>

Source: www.jnj.com

In 2001, J&J launched a ‘Health and Benefits’ website that provided health and wellness information to its employees. By using an identification number and security code, employees were able to access the website from anywhere and at anytime. The site provided links to disease management programs, health and benefits information and also aggregated health information from various health content providers.

J&J also introduced an on-line Health Profile service that provided a confidential interactive health risk assessment with instant feedback. The service aimed at identifying critical health risks of employees by maintaining their health profile and encouraging them to take steps towards a healthier lifestyle using Action Planning Guides.

In 2002, in one of the most significant measures to improve the health of its employees in the US, J&J introduced an initiative – ‘Healthy People 2005’ (Refer Table III).

Table III
J&J Healthy People 2005 Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline*</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>High Blood Pressure</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>High Cholesterol</td>
<td>19%</td>
<td>15%</td>
</tr>
<tr>
<td>Inactivity</td>
<td>39%</td>
<td>25%</td>
</tr>
</tbody>
</table>

*Based on Health Profile results 1995-1999

Source: www.jnj.com

In this initiative, J&J quantified its health and wellness targets. It aimed to reduce four critical health risk factors of employees in the US including smoking, blood pressure, cholesterol and physical inactivity. All these efforts by J&J, contributed significantly in improving the health and well-being of its employees.
QUESTIONS FOR DISCUSSION:

1. There is growing evidence indicating that corporate wellness programs reduce medical costs of employees and improve the organization’s productivity. In the light of the above statement, enumerate the benefits of HWP to both employees as well as employers.

2. Explain how J&J went about implementing HWP in the organization. What problems did the company encounter and how it ensured wider participation? Briefly explain the important components of J&J’s HWP and how the company benefited after the implementation.

3. J&J continued with its efforts to make its organization a healthy workplace. In this regard, comment on the employee health-friendly initiatives undertaken by J&J in the new millennium.
## Chaa’s Criteria and Point Weighting Overview

<table>
<thead>
<tr>
<th>Categories</th>
<th>Point Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.0 Healthy People</strong></td>
<td>300</td>
</tr>
<tr>
<td>1.1 Health evaluation of employees</td>
<td>60</td>
</tr>
<tr>
<td>1.2 Diagnosis and treatment of occupational and environmental injuries or illnesses, including rehabilitation</td>
<td>60</td>
</tr>
<tr>
<td>1.3 Assistance in rehabilitation of alcohol and drug-dependent employees or those with emotional disorders</td>
<td>50</td>
</tr>
<tr>
<td>1.4 Emergency treatment of non-occupational injury or illness, and palliative treatment of disorders to allow completion of work shift or for conditions for which an employee may not ordinarily consult a physician</td>
<td>50</td>
</tr>
<tr>
<td>1.5 Immunization against possible occupational infections and other infectious diseases</td>
<td>40</td>
</tr>
<tr>
<td>1.6 Collaborative treatment of non-occupational conditions</td>
<td>40</td>
</tr>
<tr>
<td><strong>2.0 Healthy Environment</strong></td>
<td>300</td>
</tr>
<tr>
<td>2.1 Evaluation, inspection, and abatement of workplace hazards</td>
<td>70</td>
</tr>
<tr>
<td>2.2 Education of employees in jobs where potential occupational hazards exist which may be specific to the job; instruction on methods of prevention and on recognition of possible adverse health effects</td>
<td>70</td>
</tr>
<tr>
<td>2.3 Implementation of programs for the use of indicated personal protective devices</td>
<td>60</td>
</tr>
<tr>
<td>2.4 Toxicological assessments, including advice on chemical substances that have not had adequate toxicological testing</td>
<td>40</td>
</tr>
<tr>
<td>2.5 Environmental protection programs</td>
<td>30</td>
</tr>
<tr>
<td>2.6 Disaster preparedness planning for the workplace and the community</td>
<td>30</td>
</tr>
<tr>
<td><strong>3.0 Healthy Company</strong></td>
<td>300</td>
</tr>
<tr>
<td>3.1 Health education and counseling</td>
<td>80</td>
</tr>
<tr>
<td>3.2 Assistance in control of illness-related absence from job</td>
<td>50</td>
</tr>
<tr>
<td>3.3 Participation in planning, providing and assessing the quality of employee health benefits</td>
<td>50</td>
</tr>
<tr>
<td>3.4 Assistance in evaluation of personal health care</td>
<td>50</td>
</tr>
<tr>
<td>3.5 Medical interpretation/participation in development of government health and safety regulations</td>
<td>50</td>
</tr>
<tr>
<td>3.6 Termination and retirement administration</td>
<td>20</td>
</tr>
<tr>
<td><strong>4.0 Management and Leadership</strong></td>
<td>100</td>
</tr>
<tr>
<td>4.1 Administration, organization, innovation and values</td>
<td>30</td>
</tr>
<tr>
<td>4.2 Periodic evaluation of the occupational and environmental health program</td>
<td>20</td>
</tr>
</tbody>
</table>

Contd...
Contd…

| 4.3 Biostatistics and epidemiology assessments | 20 |
| 4.4 Participation in systematic research       | 20 |
| 4.5 Maintenance of occupational medical records | 10 |
| **Total Points**                              | **1000** |

*Source: www.chaa.org*

*Note: Items 2.3, 2.4, 3.5, 4.3, and 4.4 may be omitted if an applicant can prove non-applicability to the satisfaction of the Board of Examiners.*

### Exhibit II

**Benefits of HWP Reaped by Other Organizations**

- Union Pacific Railroad generated a savings of $1.26 million by implementing a medical care program for its employees.
- Lincoln Plating, which employs 210 people invested $85,000 in a WP and realized returns of more than $8,000,000. The WP also enabled the company to cut down the annual employee turnover rate by half from 70% to 35% in a span of less than two years.
- Highsmith Inc., a company based in Wisconsin, which employed 300 employees drastically reduced its health care costs through an intensive risk-rating program.
- Miami Valley Hospital cut down the risk-inducing factors of health for the employees-at-risk by more than 15%.
- Portage County Schools accomplished a Gold Well Workplace award and was acknowledged and appreciated as being among the ‘Healthiest Schools’ in the US.

*Source: www.wcofl.org*
Johnson & Johnon’s Commitment to Its Employees

<table>
<thead>
<tr>
<th>Valuing employees’ efforts:</th>
<th>J&amp;J acknowledged contribution of its employee to the company’s goals and created an environment that promoted mutual trust and harmony. Every employee had the liberty and right to offer suggestions for the betterment of work and raise objections against issues, which were unfavourable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuing Diversity:</td>
<td>Though employees came from diverse cultures, religions and nationalities, J&amp;J respected their individuality. J&amp;J believed that the uniqueness of every employee enhanced the intrinsic and extrinsic value of the organization. J&amp;J also acknowledged the differences in individuals and tried to integrate their efforts to allow them deliver their best.</td>
</tr>
<tr>
<td>Assisting employees in attaining harmony:</td>
<td>J&amp;J extended assistance to its employees in the form of counselling, financial help, moral support and so on, so as to enable them to maintain a healthy balance between their personal and professional lives.</td>
</tr>
<tr>
<td>Promotion of health &amp; safety at home and workplace:</td>
<td>J&amp;J took full responsibility of ensuring health and safety of their employees at workplace. The company offered various health and wellness services like fitness centers, gymnasiums, exercise centres, and so on, to promote good health.</td>
</tr>
<tr>
<td>Opportunity for fulfillment of career ambition:</td>
<td>J&amp;J extended full support to employees to choose their own career paths within the organization, matching their personal goals. The company organized regular training and development programs and management programs to sharpen the skill sets of employees in achieving their personal and professional goals. Every employee was rewarded according to his/her performance, and his/her contributions were duly acknowledged.</td>
</tr>
</tbody>
</table>

Compiled from www.jnj.com
Johnson & Johnson’s Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs, everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers’ orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Source: www.jnj.com
There were sixteen points in the Safe Fleet Program divided into four phases:

**Phase I: Organization**
- **Involvement of Senior Management**: At Johnson and Johnson, one of the most important group decision makers (Executive Committee member), put a lot personally into implementation of the program.
- **Organization of Meetings**: Few people high up in the hierarchy take charge of organizing meetings.
- **Communication**: Development of a common communication strategy directed at all drivers.
- **Plan of Action**: The teams have the mission of defining an implementation plan where priorities are established.

**Phase II: Data Analysis**
- **Annual Evaluation**: Scrutinizing accident statistics.
- **Checking Licensees**: Having found out who is responsible for accidents, it is sometimes beneficial to check all vehicle users have the paperwork required to drive.
- **Accident Analysis**: Going further than the simple fact of knowing the number of accidents and who was responsible for them. Clear up the following questions: what types of accident? In what circumstances? When? Where? What injuries were caused?
- **Post Accident Meeting**: After an accident, an interview between the driver involved and the team can help provide useful pointers.

**Phase III: Training**
- **Preliminary Training**: An employee’s first day is unthinkable without at least a half hour discussion pertaining to safety and the “Safe Fleet” philosophy advocated at J&J.
- **Work at Home**: Each employee receives material (magazines, video cassettes) to do some training at home.
- **Advised Meetings**: Each business meeting will include at least one section dealing with “Safe Fleet.”
- **Practice Sessions**: Each driver receives practical driving instruction accompanied by a follow up.

**Phase IV: Various**
- **Coaching**: After identification, drivers “at risk” are taken in hand in a personalized way.
- **Comments on Driving**: From time to time, a team member may accompany a driver and give him feedback about his driving.
- **Motivation**: Good drivers may be “rewarded.”
- **Family**: Give drivers’ families (spouse and children) the possibility of being associated with this safe-driving philosophy.

Source: [www.fleetlogistics.com](http://www.fleetlogistics.com)
Additional Readings & References:

26. www.was.hewitt.com
Johnson & Johnson’s Health and Wellness Program