



# Beingwell

BORAL AUSTRALIA HAS IMPLEMENTED A COMPREHENSIVE EMPLOYEE HEALTH PROGRAM. **ROD PEARSE** EXPLAINS WHY

**B**oral has been running BWell, a health program for its Australian employees, since 2003. We ask Boral CEO Rod Pearse to describe why the program was set up, what the major elements of the program have been, and what the outcomes have been for the company over that period.

**CEO FORUM: Why did you set up a corporate health program at Boral?**

**ROD PEARSE:** We came up with the concept a year or two after the Boral demerger in January 2000, when we were considering as senior managers what we wanted to do more of in our work. We decided that we wanted to get out of the office more, we wanted to spend more time with customers and employees, and we wanted to spend more time on health and fitness. We came up with those three priorities and we made up an 'honour roll' concept, where we would review each other's performance in those three areas on a monthly basis.

That in turn led to executive health checks and, a year or so later in about 2003, we extended that program to the Australian workforce as a whole. We were already focusing on achieving better health and safety outcomes and more sustainable work practices, so it was a logical thing to do.

**CEO:** That honour roll approach to reinforce the need to spend time on health and fitness is interesting. Did you consciously seek to harness the cooperative/competitive relationship ethic that many senior managers have to achieve your health and fitness goals?

**RP:** Not really. If anything, we downplayed the accountability aspect, as we wanted to make sure everyone was participating for their own reasons. If you start to bring pressure to bear on people who may be naturally uninterested in exercise, this can be counter-productive.

Basically, we wanted people to participate on a strictly voluntary

basis. The reasons had to make sense for them – we didn't want to compel them in any way. After all, there are limits to what you can ask people to do in the name of the company!

**CEO:** Did you have a strong personal interest in executive health?

**RP:** I did, mainly as a result of my previous experience before assuming the CEO position at Boral. I was running one of Boral's larger businesses then and we initiated a similar concept in our construction businesses on a strictly voluntary basis. The interesting thing is that, in the businesses where the program was not running, two executives suffered heart attacks, one of which was fatal. In the businesses that were running the program, there were no heart attacks.

That experience really did highlight to me that this was an important issue to address and that, rather than just being 'nice to have', it was important to make something happen.

**ROD PEARSE**  
CEO,  
BORAL



Boral Limited is Australia's largest building and construction materials supplier and has significant operations in the USA and Asia. Global annual revenues are around A\$5 billion, and the company employs almost 16,000 people worldwide.

**CEO:** Do you think there is a particular risk profile for executives, and thus an organisational risk that needs to be managed?

**RP:** I think that, like with many other companies, our people are very committed and they work very long hours. There is also a lot of ongoing pressure, so people need to be thinking of diet, relaxation and exercise. Anything we can do to educate people and provide them with resources in this area is appreciated by the individuals and their families and helps the company overall.

Family involvement is often quite important. Boral is the largest corporate fundraiser for juvenile diabetes in Australia. One of our key activities is 'Walk to Cure' for the Juvenile Diabetes Research Foundation (JDRF) where employees and their families participate in a

five-kilometre walk to raise money. That combines family involvement, a focus on fitness and a sense of doing something worthwhile for the community. Over the last seven years we have raised more than \$1.4 million for JDRF.

**CEO:** What were the major objectives when turning the whole company onto the program?

**RP:** Health and safety was a major focus, as it has been since our demerger in 2000. Our lost time injury rate has been in decline for the last decade and is now about a quarter of what it was in 2000. Over the same period, our lost hours have also reduced by a similar amount.

Those are lagging indicators, of course, but we have been focused on how to run a safe and healthy workplace for a number of years. We also realised that, if we could help our people to take a greater interest in their personal health and wellbeing, they would be more likely to be aware of occupational health and safety programs, policies and procedures. We didn't necessarily link them in a formal manner, but the two things did seem to go together naturally.

We also felt that, if we showed our people we were prepared to invest in their wellbeing, we would get greater engagement from them, and that has certainly been our experience.

**CEO:** What are the major elements of the employee program?

**RP:** The BWell program offers three major services: annual or biennial health assessments, health and wellbeing awareness seminars, and educational information on health and wellbeing issues that is easily accessible by employees and their families.

Since the program's inception in 2003/2004, almost 5000 employees have chosen to obtain health assessments. We also delivered more than 500 health and wellbeing seminars each year across 100 Boral work sites. That in itself has been a major logistical exercise.

We also publish *BWell*, a quarterly health and wellbeing magazine, as part of the program.

**CEO:** As well as the improvement in lost time through injury (which presumably was a result of other factors as well), what other results have you seen to date?

**RP:** We obviously don't see individual health reports of employees, as this would breach the confidentiality that applies to the doctor-patient relationship. While doctors do not deliver all the elements of the program, the same rules about confidentiality apply to all the information gathered.

What we do know is some aggregate results, and they have been very encouraging. The numbers of our employees, for instance, who are considered to have five or more lifestyle factors that puts them at high risk for heart attack – such as obesity, smoking, etc. – is down by 30 per cent in four years. This means that these employees have made substantial changes to their lifestyle, and I think the program has made a major contribution towards that change. That is good news for the individuals and their families and for the company.

Looking at the company as a whole (not just the high risk group) the incidence of lifestyle factors that put people at greater risk of heart attack is down by about 10 per cent. Again, that represents significant

lifestyle change by many people. We are making a difference across the whole company, and particularly in that high-risk group. That means there are a lot of people out there in our company who are glad they have participated in the program.

**CEO:** Given that high participation rates are so important to getting these types of outcomes, have you found anything particularly useful in getting people to participate?

**RP:** One of our key corporate values is respect, and associated with that is self-respect. The more people feel good about themselves, and the more they aim to realise their own potential, the more likely they are to participate.

**CEO:** Who in the organisation has been accountable for running the program?

**RP:** HR has had the major responsibility: they scoped out and designed the program with our partners, and were responsible for coordinating its delivery across our different business divisions.

**CEO:** What has been your own role in the program?

**RP:** I do believe there is a need to lead by example for these types of programs. I like to do well on the honour roll I mentioned earlier and I take my responsibilities on that as seriously as anyone else! I also have a number of outside involvements with a wellness theme: I chair the NSW fundraising committee for the Juvenile Diabetes Research Foundation (JDRF), I chair Outward Bound Australia, and I participate in some of the fitness activities, such as the Sydney City to Surf run in Boral's team.

I'm no athlete, but I have no doubt that the program has helped me enjoy life more and do my job better.

**CEO:** What are the main success factors for corporate health programs.

**RP:** Senior level support is crucial, as it is for most things in corporate life. I also believe the program has to fit with the company's culture and values. That way employees will see the company is making a genuine effort to support its people and to get better outcomes. Last but not least, you have to be prepared to spend a bit of money. Many of the benefits are quite intangible, so you need a bit of faith at the beginning of the program about what is possible and that the outcomes and the journey are an appropriate use of corporate energy and resources. ■



“ We wanted to make sure everyone was participating for their own reasons ”





# THE HEALTHY COMPANY

CORPORATE HEALTH PROGRAMS OFFER COMPANIES HARD AND SOFT BENEFITS, SAYS **JOHN LANG**

**C**orporate health programs can be implemented for a range of reasons. Some companies seek to attract and retain staff with a wider range of non-financial benefits, while others are looking for more tangible benefits such as higher productivity, less absenteeism and lower workers' compensation premiums. Dr John Lang, Managing Director of Good Health Solutions, describes why companies adopt the programs, what they involve, and what is needed to make the programs successful for both employees and the company.

## **CEO FORUM: What are the typical reasons that companies adopt a corporate health program?**

**JOHN LANG:** The reasons range across a broad spectrum of soft and hard benefits. On the soft side, you have the so-called 'warm and fuzzies' – for example, this is a good thing to do, it will show our people that we care, we have responsibility to help people manage stress, and so on.

The 'harder' benefits include a straight return on investment (ROI) analysis, where the cost of the program is offset against other savings, such as an increase in productivity, a reduction in absenteeism, and a lower incidence of workers' compensation claims. It's important to understand that productivity benefits often outweigh the savings on illness by a wide margin, so you do need a wide range of metrics.

We've been in the business around 20 years, and we have found that the most enduring commitment is from companies who look at the 'hard' benefits. Most of our larger programs do report regularly on these key metrics, and we do find that demonstrating a clear ROI makes for a stronger commitment to the program.

## **CEO: I would imagine that some of these benefits, such as saving on workers' compensation claims, would be particular to certain industries – e.g. where a lot of physical work is involved. Is that the case?**

**JL:** Right. Each industry has its own risk profile from a health point of view, so it is important to adapt the program to the needs of a particular client. If you take a profession like lawyers, for instance, they are rarely at any physical risk at work, but they do have a rate of depression twice that of the community average. One of our program elements in that

case would be to focus on the early identification of depression, so we could direct people to appropriate support options.

This really gets to the heart of what we offer clients, which is a health risk management service. If you look at your human capital risks, for instance, in many businesses a key part of that is the health of your employees, yet in many cases that health risk is completely unmanaged. We are offering companies a way of better managing that risk. In many cases the premium reduction you get from your insurer exceeds the cost of the program.



**DR JOHN LANG**  
MANAGING  
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Good Health Solutions is Australia's largest provider of corporate health programs.

## **CEO: How do you go about tailoring the program for a client?**

**JL:** Tailoring can occur at a number of levels. There is tailoring based on the risk profile for a particular industry or job function, and tailoring for the individual person being assessed. A standard part of our program, for instance, is an initial comprehensive health check, and out of that comes a set of recommendations based on the individual needs of the person being assessed. These recommendations need to reflect the readiness of the individual to make those changes. Advising a client to make lifestyle changes they have no intention of committing to is a waste of time and energy for both parties.

## **CEO: What are the typical elements of a program?**

**JL:** Initially you need some starting data, so that means you have to do some initial assessments of employees. That can come from a face-to-face assessment, the completion of online or paper-based questionnaires, or a combination of both. After that, people can be streamed into different options based on their risks and/or needs. These might be seminars and