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Investment in a Company's Internal Culture of Health is Good for Health and Good for Business

Key Findings

- Companies with high investment in internal culture of health experienced a 115 percent increase in their stock value, while companies with low investment grew by only 43 percent.
- Investing in internal culture of health had favorable outcomes for employees. At-risk employees experienced a decrease in several health risks, such as cholesterol, glucose levels and tobacco use.
- Companies with a high investment in community health underperformed the stock market, however. More research is needed to determine whether company investment in external culture of health improves can improve workers' health, medical spending and stock performance.

The Question:

What are the effects of company investments in workplace and community health?

The growth in health care costs has prompted businesses to look for ways to decrease health care spending by promoting healthy habits and establishing a culture of health in the workplace. Some employers have also invested in the health of their communities in an attempt to improve their reputation as socially responsible and directly address the social determinants of health. Despite much research on the positive impacts of Corporate Social Responsibility, research into the effects of company investment in community health on health outcomes and business performance is limited.

Ron Goetzel, Ph.D., and his colleagues at John Hopkins sought to address this research gap by investigating the relationship between companies' effort to build an internal "culture of health" in the workplace, and an external "culture of health" in the community by looking at employers with high scores on both scales and their workers' health risk profiles, health care utilization and cost trends, and stock performance. Two survey tools were developed to measure investments in internal and external cultures of health. The research team administered the two surveys to 38 employers in an attempt to gauge these businesses' programs, policies, and environmental supports for improving the health and well-being of their employees and communities. They then grouped the companies into high- and low-culture of health groups. In addition to examining trends in employee health and medical costs, they also compared the companies' stock performance to the Standard and Poor's (S&P) 500 Index from January 2013 through August 2017. Full study findings are available in [The American Journal of Health Promotion](#) and [Journal of Occupational and Environmental Medicine](#).

The Implications:

Employers' efforts to build an internal culture of health is a sound business strategy, but more research is needed to establish whether a link exists between supporting healthy community initiatives and company stock performance.

Employers who invest in health in their workplaces saw an increase in stock value, and their employees experienced a decrease in several health risks, such as cholesterol, glucose levels and tobacco use. However, companies highly engaged in improving employee health were not necessarily also focused on building healthy communities. The study of investment in community health produced mixed results. Companies with a higher investment in community health underperformed the average stock performance, achieving 44% growth compared to the benchmark index (69% growth). Additional research is needed to produce a standardized tool for measuring investment in community health, and longitudinal studies might be better suited to measure the impacts of improvements in community health that occur gradually over time.



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Contact Us

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