Employee Wellness in the Public Accounting Industry

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Abstract

Just like the majority of Americans, healthy living has become more important in my life over the last decade. Once 100-plus pounds overweight, I have made significant changes in my life in order to become the best self I can be. After interning in the public accounting industry for nearly four months in spring 2012, I took strong notice to the sedentary work ethics of myself and my co-workers and was largely displeased. Would my body return to its once extremely unhealthy state as a result of my chosen job field? This thesis takes a look into the idea of an employer-sponsored wellness program, with an emphasis on the success of the firm I interned at, DOZ, and its unique fitness facility. The facility has obvious social benefits, but I also analyze the effectiveness of the facility based on a variety of reasons.

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Introduction

The 21st century has seen an increased awareness of the importance of healthy living. Fitness clubs are being built everywhere, and many apartment complexes and other living communities are starting to include them as an amenity. Supermarkets are seeing an influx in organic and other healthy food items. Bike lanes are being installed in cities nationwide to encourage biking as a main form of transportation. And these are just a few examples of how healthy living is now becoming a way of life in the United States.

In the corporate world, employers are beginning to offer wellness programs as an employee benefit. Companies like the general contractor Cianbro are becoming members of the Wellness Council of America (WELCOA) and following the Council’s standards for implementing a successful employee wellness program. Many companies have seen great success with their wellness programs; however, some have failed due to multiple barriers that deter employee participation in such programs. In the public accounting industry, wellness programs are much less common due to the fact that most accountants practice sedentary lifestyles, as their jobs are quite sedentary in nature. However, one public accounting firm, Dauby, O'Connor & Zaleski, LLC (DOZ), has implemented a wellness program featuring an in-house fitness center offered free of charge to its employees and their friends and family members. DOZ has seen great success with its fitness center, setting the benchmark for other public accounting firms located in Central Indiana.

This thesis discusses both the benefits to and barriers barring participation in employee wellness programs and takes an in-depth look into the success stories of Cianbro and DOZ. Such wellness programs are important no matter what industry an
employee works in, but especially in a sedentary industry like public accounting. After discussing an example of a wellness program in the public accounting industry, this thesis will conclude with a cost-benefit analysis of the program, in which companies without a formal wellness program can gauge whether or not such a program would be worthwhile to their employees. Regardless of whether or not an employer offers a wellness program, the importance of healthy living is something that everyone should agree on.

**Importance of Healthy Living**

*Generally*

It is no secret that the importance of living a healthy lifestyle has increased dramatically over the recent decades. Living a healthy lifestyle can be achieved through two main areas: diet and exercise. Essentially, all an individual has to do to achieve a healthy lifestyle is to eat a little less and exercise a little more. Sounds easy, right? Obviously, “living a healthy lifestyle” is not this simple. Otherwise everyone would be healthy, and obesity would not still be an epidemic in the United States. According to “Dieting, Weight & Exercise: Finding a Healthy Balance,” an article written by sports dietician consultant Nancy Clark, two primary myths exist when it comes to weight loss. The first myth: “To lose 0.5 kg (about 1.1 lb.) body fat per week, a dieter needs to reduce food intake by 2 MJ (500 kcal, or what we refer to as ‘calories’) per day.” And the second: “The more you exercise, the more fat you will lose.” Clark busted both of these myths, and there is a significant amount of research available to support her findings.
Clark's first myth concerns the idea that a reduced calorie intake will lead to automatic weight loss. According to Clark, "dieters lose both muscle and fat; the weight lost by most non-exercising dieters reflects about 70% fat and 30% muscle." In addition, obese dieters lose a greater portion of fat than muscle while the opposite is true for lean dieters. Clark also states that "metabolic rate slows by about 18 kcal per kg body weight lost per day." This essentially states that a person's metabolism slows for every pound of weight loss unless his or her energy expenditure (level of physical activity) increases. Therefore, a person who decides to lose weight solely on the basis of eating less must continue to eat less and less in order to reach his or her target weight. This is why obese people are able to lose weight much more readily than someone who just needs to lose 10 or 15 pounds. Weight loss also varies by gender, as the mechanisms that maintain body fat are more effective in women than in men. This means that even with exercise, women tend to maintain their weight while men are more likely to lose weight. Therefore, eating less clearly isn't the answer to living a healthy lifestyle.

WebMD offers more efficient advice on the true meaning of healthy eating. The medical database states that "healthy eating starts with learning new ways to eat, such as adding more fresh fruits, vegetables, and whole grains and cutting back on foods that have a lot of fat, salt, and sugar." Instead of eating less of the same unhealthy food, simply changing what foods you eat will make a big difference in your lifestyle. According to the article "In the Cafeteria and Beyond, Colleges Take on Obesity," the younger a person is, the more likely he or she will be open to a change in habit. "Kids in their late teens and early 20s are most open to change," says Phillip B. Sparling, whose research has explored the behavioral-health aspect of obesity. "Young people are natural experimenters," he says, "for the good and for the bad." For this
reason, many colleges across the US have undertaken measures to encourage healthy eating among their students and faculty members. Binghamton University, located in Binghamton, New York, built a new dining hall called NourishU, which features grilled vegetables, lean proteins, and whole grains. Ball State University, located in Muncie, Indiana, has also done its part in the battle for better nutrition. The University's NetNutrition online application, according to the University website, “allows users to see nutrition facts for Ball State Dining menu items, build meals around certain nutritional goals, such as the number of calories or fat grams [they] want to consume in a day, and do side-by-side nutrition fact comparisons of different menu items.”

Instilling healthy eating habits into the minds of college students will ideally cause them to continue their lifestyle change post-graduation. However, eating healthy is only half the battle to obtaining a successful healthy lifestyle. For this, Nancy Clark's second busted myth comes into play.

Clark's second myth concerns the idea that increased exercise will bring about increased fat loss. In her article, Clark identified a scientific study that featured three groups of overweight women that exercised for 72, 136, and 194 minutes per week, respectively, over a six-month period. The groups that exercised for either 72 or 136 minutes per week lost the predicted amount of weight. However, the group that completed 194 minutes of exercise per week lost only about half the predicted weight. The study attributed this disparity to the fact that the group exercising the most "compensated in some way to conserve energy," meaning that group members ended up doing less activity throughout the day because they were conserving their energy to complete the 194 minutes of required exercise per week. In this case, the theory "less is more" holds true. People should only exercise to the extent their schedule allows; if exercise is taking the place of other daily activities, or if excessive resting is performed
due to exercise exhaustion or energy conservation, then more hurt than help is being
done to the body. John Byrnes, president of X Shadyside and Butler Health & Fitness,
both located in the Pittsburgh Area, says that “January, February, and March are the
biggest months for [gyms] because of New Year’s resolutions.” However, because
people set their goals too high or exercise too frequently at the beginning of each New
Year, they get burnt out and revert back to their poor exercise habits.

Figure 1 displays the 2008 age-adjusted percentage of leisure-time physical
inactivity for each US County, as calculated by the Centers for Disease Control and
Prevention (CDC).

Figure 1

![Leisure-Time Physical Inactivity by U.S. County, 2008](image-url)
The figure shows that the southeast is home to the country’s most inactive people. Much of Kentucky, Tennessee, Alabama, Mississippi, Louisiana, and Oklahoma boast a physical inactivity rate of more than 29.2 percent. Meanwhile, much of the west coast’s physical inactivity rates are less than 23.2 percent. Some counties have achieved a physical inactivity rate as low as 10.1 percent, the CDC reports. The state of Indiana’s physical inactivity rate is all over the board, with Marion County (home to the city of Indianapolis) achieving the lowest rate. However, many counties in Indiana have reached the 29.2 percent physical inactivity rate threshold.

Despite this, people are still finding the time to exercise. In its article “The Shape of the Fitness Industry,” South University, located in Savannah, Georgia, states that US health club industry revenue topped $21.4 billion (an increase of 5 percent from 2010) with memberships totaling 51.4 million in 2011 (an increase of 2.4 percent). The number of health clubs in 2011 stood at 29,960, a slight increase from 2010. According to IBISWorld’s Gym, Health & Fitness Clubs market research report, “the demand for gyms and health and fitness clubs will continue to rise over the next five years, as the general public becomes more health-conscious and the aging population places a greater emphasis on staying fit.” Just like promoting healthy eating, gyms and other institutions are also attracting youth to promote weekly exercise. Health club members younger than 18 grew from 3.8 million in 2007 to 6.1 million in 2010, an increase of about 20 percent per year. The University of North Dakota has signed on to the national Exercise is Medicine campaign sponsored by the American College of Sports Medicine. Through this program, campus clinicians evaluate students, writing prescriptions for exercise for those they’ve determined need help. Students then “fill” the prescriptions at the university’s wellness center, where a
fitness coordinator gets them started on a workout routine. Ingraining the idea of exercise into the minds of college students is extremely important as they head into the workplace. Students are blessed with a significant amount of leisure time as compared to working adults. Some professions are notoriously sedentary in nature, posing a huge problem for exercise-savvy college students. One such profession is the public accounting sector.

**Wellness in Public Accounting**

Over the last decade, the public accounting industry has been growing more than probably any other major industry in the US. In 2002, the Sarbanes-Oxley Act was passed, requiring chief executives to sign off on the financial statements of their companies, guaranteeing that the statements contained no fraudulent reporting. This created massive growth in the public accounting sector, as nearly all firms hired accountants to ensure that their financial statements were in accordance with generally accepted accounting principles (GAAP). According to the US Department of Labor, over 1.21 million people worked as either an accountant or an auditor in 2010, and the industry is expected to grow 16 percent by 2020 (an average of about 19,000 additional jobs per year). Despite the attractiveness of this growing industry, there are significant setbacks with being a public accountant. The biggest setback, especially in the eyes of the typical active college graduate, is that a public accountant’s work is extremely sedentary in nature. Most public accountants spend nearly their entire work day performing tasks behind a computer, talking with clients, or doing other “housekeeping” work, all while sitting down. A typical public accountant stands only to go get some lunch or go to the bathroom. Even conversing with co-workers is normally done while sitting! Although sitting down makes certain tasks such as
working on a computer more comfortable, the act of excessive sitting can create significant negative health problems to working adults.

The authors of the article "Physiological and Health Implications of a Sedentary Lifestyle" summarized the observations between time spent in sedentary behaviors (e.g., TV viewing time, sitting in a car, overall sitting time) and all-cause and cardiovascular disease mortality. The findings in the study compare sedentary behavior with health concerns such as obesity, cardiovascular and metabolic health, cancer, and psychosocial health. For each increase of two hours in sitting at work, the study found a 5 percent increased risk of obesity and a 7 percent increase in type 2 diabetes. The article further states that the odds of substantial weight gain were significantly higher in those whose average sitting time per day was very high (at least 8 hours per day) compared with those for whom it was very low (less than 3 hours per day). Excessive sedentary behavior has also been linked to the risk of ovarian and endometrial cancer in women. In a prospective cohort study of Spanish university students, researchers found a clear graded relationship between a sedentary index (hours per week watching TV or using a computer) and the risk of developing a mental disorder, with those at the highest level of the sedentary index having a 31-percent higher risk of mental disorder when compared with less sedentary individuals. As seen in these studies, excessive sedentary behavior can lead to a score of negative health concerns. Since public accounting is notorious for being a sedentary profession, firms should consider providing some sort of wellness program for their employees. One such firm, DOZ, located in Carmel, Indiana, has installed a fitness center in its office, as will be discussed in a further section. Other accounting firms should follow DOZ's lead or consider following one of the established wellness programs of companies in other industries.
Wellness in Other Professions

Over the recent decades, many employers have begun to include wellness programs in their employee benefits packages. The Wellness Council of America (WELCOA), established in the mid-1980s, has become one of the most respected resources for workplace wellness in America. One of WELCOA's success stories lies in Cianbro, a general contracting company specializing in construction in several industries. Because of rising health care costs (11 percent of Cianbro's total expenditures), the company decided to implement a wellness program in order to improve the overall health of its employees. In 1997, with the help of medical director Dr. Larry Catlett, Cianbro started a six-month pilot wellness program. 77 participants were asked to complete a short Health Risk Appraisal (HRA), work on identified controllable at-risk behaviors, and periodically meet with a nurse health coach. Prior to the program, participants were classified as such: 8 with high health risk, 45 with medium risk, and 24 with low risk. Following the program, 0 people were found to have high health risk; 19 were classified as medium risk; and the remainder was classified as low risk. As this program was clearly successful, Cianbro made it companywide the following year and have twice revamped the program since.

Another case study on program participants was done in 2003 through what Cianbro calls its Healthy LifeStyle Program (HLP). In this program, participants were asked to identify at-risk health behaviors that they felt were important to change. Health educators then provided ongoing counseling at follow-up interviews and tracked progress over a 26-month period. 86 percent of Cianbro employees and spouses participated in the HLP, and the program resulted in significant behavior changes and cost reductions, as displayed in Figure 2. According to the figure,
Cianbro saw reductions in all at-risk behaviors, including a 19-percent reduction in high cholesterol, a 29-percent reduction in tobacco use, and a 28-percent reduction in inactivity. Cianbro is a major success story in the efficiency of employee wellness programs, and this success is largely due to the fact that such a large percentage of Cianbro's employees participated in the program. However, many companies that have implemented wellness programs have not seen such positive results due to the fact that their employees were not participating in these voluntary wellness programs.

**Figure 2**

Many barriers exist regarding participation in employee wellness programs. According to the article "Overcoming Barriers to Employee Participation in WHP Programs" written by Amy Olson and Dr. J. Don Chaney, only one-quarter to one-half of employees participate in health promotion programs offered in a given worksite, on
average, despite the fact that more than 81 percent of private worksites with at least 50 employees offer these types of programs. What is stopping people from participating in these obviously beneficial programs? Glasgow, McKaul, and Fisher, three researchers mentioned in the article, identified several factors that influence employee participation in wellness programs. The first of these factors is individual perception of risk. As previously stated, Cianbro had its employees complete an HRA to determine health behaviors that were of concern to its employees. Glasgow et al. found that “employees are more likely to participate in programs addressing multiple risk factors instead of a single risk factor.” If an HRA containing only a few risk factors is completed by an employee that is at low risk to the listed factors, then he or she would probably consider himself or herself as a low-risk employee. But what if this employee is extremely inactive and the HRA fails to mention physical inactivity as an at-risk behavior? This employee would obviously be at a higher risk for health problems, but because of the ineffectiveness of the HRA, he or she would likely choose not to participate in the available wellness program. Some other important factors discussed by Glasgow et al. include “managerial support, amount of time and resources required of the employee, and if any incentives are given.” Researchers Kruger, Yore, Bauer, & Kohl conducted a 2007 survey with over 4,000 respondents from various wellness programs and found the most commonly reported barrier to be lack of time. These respondents also suggested program incentives such as free enrollment, paid time off for participation during the workday, healthy vending and cafeteria food choices, on-site exercise classes, weight loss programs, and fitness centers. These incentives would likely increase participation in wellness programs, as long as the employer can afford to provide them to its employees.
In addition to these incentives, Olson and Dr. Chaney developed five practical guidelines to increase employee participation in wellness programs:

1. **Conduct regular theory-based needs assessments.** These assessments should discover employees’ needs, wants, levels of readiness to chance, and barriers to engaging in healthy behaviors. Because these opinions are likely to change often, the assessments should be conducted on a regular basis.

2. **Foster a corporate culture that supports positive health.** The more devoted the company is to improving the health of its employees, the more likely employees are to participate in the company’s wellness program.

3. **Have a menu of options available to employees.** Every employee has different needs regarding his or her own wellness. Employers should provide a variety of options that meet these various needs.

4. **Target your communication and interventions.** Each employee is likely to be at a different stage in his or her track to wellness. Program components should be geared to all of these various stages.

5. **Conduct process evaluation to measure the key aspects of participation.** Just like with any program, evaluations should be completed on a regular basis to ensure that the program is effectively reaching its objectives.

The success of Cianbro has already been illustrated, but companies closer to home are also doing their part, as is the case with DOZ.
DOZ’s Fitness Center

*Dauby O’Connor & Zaleski, LLC*

Dauby O’Connor & Zaleski, LLC (DOZ) is an accounting firm located in Carmel, Indiana, specializing in the services of accounting and auditing, tax, and consulting. DOZ was formed in 1987 as a two-person firm and has since grown to over 100 employees. Each December, DOZ employs an additional 25-30 college students as interns in order for the firm to keep up during the accounting “busy season,” which is a term coined for the months of January, February, and March, as well as the first half of April. This program has led many DOZ interns to receive full-time job offers, some even before their senior year. In 2010, the firm relocated to an office with 60,000 square feet, including an in-house fitness center for its employees to use at their leisure. Since implementation, the center has seen nothing but “excellent” feedback, according to Human Resources Director Nancy Polley, who is also the spearhead behind the company’s fitness center. As is the story with any employer-sponsored wellness program, there are several reasons as to why such a program is offered to employees. In the case of DOZ, there were several factors that caused the firm to offer an in-house fitness center to its employees.

*Reasons for Implementation*

Prior to 2010, DOZ was located in a building about half the size of its current location. In 2006, DOZ relocated to this old building, which came with a small fitness facility. The firm decided to keep the building and allow its employees to use the center for free. When designing its new building four years later, DOZ decided to include a fitness center, which was similar to but slightly larger than the one it was
using at the time. A main reason for this decision was the largely positive feedback it had received from the original fitness facility. As previously stated, DOZ's employees are extremely busy for 3 ½ months out of the year, and employees loved having a means to take a break from working 60-plus hours a week during the busy season. In addition, the fitness center is a significant way in which DOZ recruits its interns and new hires. Since these prospective hires are usually in their early 20s and thus fairly physically active, a free place to work out is desired and will likely cause them to choose DOZ as a place to work over one of the many similar accounting firms in the Indianapolis area. The final reason as to why DOZ decided to implement this facility was to further increase employee productivity. According to Olson and Dr. Chaney, "research shows that healthy employees are more productive employees." Therefore, if employees are working out as a means to increase their health, then it is likely that their productivity will also increase. This is especially true during busy season, as employees can become tired easily due to the long daily hours. If they are able to achieve a boost of energy from working out, then they are likely to be more productive than if this boost was never achieved.

Elements of Wellness Program

The fitness center is just one element of DOZ's current wellness program, which was created by the company's Motivation Committee. The Committee states that "employees are DOZ's most valuable assets," and "wellness is the basis on which the firm maintains its commitment to people." DOZ states that the wellness program "works to improve productivity, reduce absenteeism, lower health care costs and maintain positive attitudes and morale."
Currently, there are five main elements to DOZ’s wellness program:

1. *Fitness center*: The on-site center is exclusive to DOZ and is free to employees and their family members and friends. The center is always open, as DOZ employees have 24-hour access to the office.

2. *Wellness events*: Activities such as the company basketball team, charity walks and runs, and golf outings are available for employees to participate in throughout the year.

3. *Health insurance*: Preventive care is provided for all employees and family members enrolled in the firm’s health insurance.

4. *Life/work balance*: DOZ allows its employees to customize their work schedule in order to meet their individual needs.

5. *Wellness Council of America*: DOZ is a WELCOA member and participates in the WELCOA program “Well Workplace University,” which is designed to provide information to develop and manage a results-oriented wellness process.

As shown in the above list, the fitness center is the main wellness option available to DOZ employees. However, a full-blown wellness program is desired for the future of the company. Polley is currently waiting on the new Health Care Reform Act, which will give a tax credit to employers that offer wellness programs to its employees. These credits could be offered as early as 2014, but Polley does not want DOZ to incur the expenses associated with a formal wellness program until this legislature has passed. Until then, DOZ plans on providing smaller wellness “tools,” such as bike racks for employees to bike to and from work. These racks will be installed later this spring. Other future wellness program considerations include confidential on-site
health screening, online flu and pneumonia shots, and healthier vending machines, to name a few.

**Effectiveness of Fitness Center**

As previously stated, DOZ had three main reasons for implementing its fitness center: employee enthusiasm, recruitment, and a means to increase employee productivity. Employee enthusiasm has only increased with the addition of the fitness center. Because the fitness center is larger than the facility at DOZ’s previous building, there is room for more employees to work out at the same time. Therefore, not only does the center provide health benefits for employees, but they can also use the center as a social tool. Small groups of employees collectively work out together, since the center is able to hold as many as 20 people at one time. Because DOZ has two separate departments (tax and audit), it is sometimes difficult for people from one department to meet their co-workers in the other department. The fitness center provides a tool for doing so, thus increasing employee morale. With regards to recruitment, DOZ has been recruiting more and more interns and new hires each year. According to the DOZ website, 20 interns were hired for the 2011 busy season and 25 were hired in 2012 (a 25 percent increase). Although there are many reasons as to why DOZ saw this growth, the fitness center certainly attracts interns and new hires, as no other firm of similar size in the Indianapolis area has such a facility in its office. The final reason DOZ gives for the implementation of its fitness center was to increase employee productivity. Because DOZ's financial information is private and unavailable to external users, it is hard to gauge whether or not employee productivity has increased in terms of applicable financial ratios. However, 19 professionals were promoted in 2011 and 26 were promoted in 2012. These 45 promotions signify the
strong productivity of DOZ’s employees, and the fitness center has at least some
significance to this increase in productivity. Prior to 2011, the last promotions
occurred in 2008, and DOZ has never seen back-to-back years with such numerous
promotions as the ones that occurred in 2011 and 2012. In summary, DOZ’s fitness
center has been extremely effective in meeting its objectives. However, every
investment comes with its costs, and do these costs outweigh the benefits for DOZ?

Cost-Benefit Analysis

When DOZ constructed its fitness center in 2010, the center’s cost was
included with the total building cost, making it difficult to gauge just exactly how
much the center’s installation truly cost. Nancy Polley did state that maintenance for
the fitness center costs between $600 and $700 annually, but that was the only
measurable cost available pertaining to the facility. Considering that DOZ’s annual
expenses easily total more than $1 million, a few hundred dollars is largely
immaterial. Therefore, the benefits clearly outweigh the costs. In addition to all of the
benefits mentioned in the previous section, DOZ plans on building on its current
wellness program as early as next year. Polley and the rest of the firm recognizes the
importance of wellness as an employee benefit, and Polley stated multiple times that
the firm is willing to spend well over a few hundred dollars a year to provide the best
wellness care it can to its employees. The fitness center is only a start. Polley’s
affirmation clearly illustrates how beneficial the fitness center has been to the overall
wellness program of DOZ.
Conclusion

Over the recent decades, people have begun to make substantial changes in their personal lives to promote the importance of healthy living. But why should this importance stop at the self? Employers should also take steps to improve the wellness of their employees, as many companies across the US have done. The public accounting industry, at least in Central Indiana, has not seen such an increase in the prevalence of wellness programs. The exception is DOZ, as the firm has taken great strides in its wellness program, beginning with its unique fitness facility that was constructed in 2010. The center's objectives as established by the firm have been surpassed, and more goals for the firm's wellness program have been further set. The public accounting industry can only hope that more firms will begin to offer wellness benefits like DOZ offers to its employees free of charge. Wellness and healthy living is only going to increase in importance as the world heads into the future, and the more companies can be aware of this increased significance, the better off we will be in terms of one of our most valuable personal assets—our health.
References


