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## **Johnson & Johnson Case Study**

*With more than 250 companies located in 57 countries, Johnson & Johnson is a leader in health care products, pharmaceuticals, medical devices, and diagnostics. Founded in 1886, it has become the world's largest health care company with more than 120,200 employees worldwide. Johnson & Johnson saw \$61 billion in revenue in 2007, making it the number-one pharmaceutical company according to Fortune magazine.*

Johnson & Johnson estimates about five percent of its U.S. employee population uses tobacco. Worldwide, however, that number is believed to be between 25 percent and 49 percent. That's why, in 2007, Johnson & Johnson workplaces implemented an aggressive tobacco-free workplace policy prohibiting the use of tobacco products at all company locations, including property, buildings, leased buildings, company vehicles, and company-sponsored meetings.

The company chose to implement its tobacco-free workplace policy worldwide even though some countries require employers to provide a smoking area for tobacco users. Johnson & Johnson worked with applicable local laws, rules and/or regulations on a case-by-case basis and in doing so successfully implemented an effective, multi-national tobacco-free workplace policy that both tobacco users and non-tobacco users have welcomed.

Johnson & Johnson provided a relatively long lead-time for policy implementation. Managers were notified 18 months in advance; employees were notified 15 months prior to the program's launch. Each business unit was asked to provide a plan for communicating and launching the program in 2006 in preparation for the 2007 policy implementation. Although the company's corporate headquarters issued this policy, each business unit was encouraged to "plan globally, act locally" by creating a strategy that would allow for local laws, company culture, and employee needs.

Individual locations were given the latitude to implement the program to meet the needs of their population as they saw fit. Some business units began by communicating the policy and then removing smoking huts and cigarette machines and posting signs and information about the new policy. At some locations, management held "practice" tobacco-free days, when employees were given the chance to experience a tobacco-free work day prior to the new policy's effective date. These "practice days" helped employees prepare both physically and mentally for the policy change. In Japan, local management took the policy one step further: employees were not allowed to smoke during working hours. They were only allowed to smoke while they were off the clock, such as during their unpaid lunch breaks. This helped curtail extra-long breaks and helped restore productivity levels. In several countries, a countdown to the tobacco-free policy was put in place — complete with banners and celebratory activities surrounding the event.

In most countries, tobacco cessation education was provided for employees and family members to help them make the transition to a tobacco-free workplace. In fact, Johnson & Johnson's tobacco-free policy actually includes an education requirement. Education initiatives varied from location to location but included brown-bag lunches, pamphlets, the company's intranet, and counseling provided through on-site medical clinics, Employee Assistance, and other third party programs. In the U.S., employees have access to 100 percent tobacco cessation medication coverage and nicotine replacement therapy, with a behavior modification/counseling option. Employees who use tobacco are not asked to pay a higher health or life insurance premium. Most cessation program services are provided at no cost to full- and part-time employees, their spouse/domestic partners, and children (unless plan design requirements in a given country led to a variance in the policy).

Johnson & Johnson implemented a tobacco-free policy as one of the many commitments the company makes toward creating a culture that supports and encourages employee health. In some countries such as Japan, however, the business case included the financial loss due to fires that could be prevented each year, as well as the increased productivity the business unit would enjoy. Management at Japanese locations conducted a study of how long it took an employee to smoke a cigarette, taking into consideration how far the employee had to walk to reach the designated smoking area, and used that information to provide productivity information for the business case.

On the whole, Johnson & Johnson's tobacco-free policy was applauded by tobacco users and non-users. Smokers indicated they needed to do something about their habit and were grateful for this "push" from their employer, while non-smokers were glad to be less susceptible to second-hand smoke and pleased they no longer had to seek out their colleagues who were away from their desks on cigarette breaks.

The company regularly communicates with employees about the policy and supporting programs. Generally, the Global Health department sends out communications to management, who then cascades the messages to the appropriate staff. The Global Health department also provides handouts and customizable PowerPoint presentations to be used at local meetings or "lunch and learn" sessions. In many cases, Johnson & Johnson uses the strong resources from local governments to promote country-specific programs, especially in the UK, India and China, where there are very visible governmental initiatives to help people stop using tobacco. In such cases, the government promotes tobacco-cessation efforts because they absorb more health care costs than do governments of other countries such as the U.S. Johnson & Johnson seeks to leverage these efforts to reach out to their employees about the benefits of tobacco cessation.

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## Measuring Success

As yet, there is no data available on financial return on investment, but Johnson & Johnson is planning to measure both quit rates and health care cost savings as a result of this program. They will continue to promote the policy and supporting programs to maintain the results already achieved. They will also continue to leverage global initiatives such as the World Health Organization's Framework Convention on Tobacco Control. The company also plans to make use of the resources locally available such as the World No Tobacco Day and the Great American Smokeout.

## The Next Generation

Because the policy is still fairly new, the focus thus far has been on informing employees and management about the program and the continued health effects of tobacco use. Going forward, Johnson & Johnson plans to measure productivity and health care cost savings. To gather quit rate information, the company will rely on its health risk assessment (HRA) and medical information obtained when employees seek treatment at on-site medical clinics. While most U.S. employees currently are able to take an HRA, the company is launching an assessment in 2008 in 36 languages with access for all employees worldwide by 2010.

## Lessons Learned

Johnson & Johnson believes planning and communication makes this program successful as well as engaging both employees and management in the goal of the policy. The practice days were key and went over well, especially in countries where smoking rates are extremely high and culturally acceptable. The full 15 months of prep time given to employees helped minimize resistance and enabled them to prepare for the change and, as far as she is aware, no employees left the company because of the new policy. Going forward, the biggest challenge is keeping employees aware of and interested in the program once the initial excitement has worn off. They've discovered keeping the program visible and communications efforts ever-present is vitally important.

*Source: Tobacco: the Business of Quitting, An Employer's Website for Tobacco Cessation, National Business Group on Health, 2010*