

COMPLIMENTARY  
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# REMARKS

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## Profits up in Smoke

Would you like to shave personnel costs by 20%, insurance premiums by 30%, maintenance charges by 50%, furniture replacement by 50% and disability payments by 75%?

If you think your firm is too small to afford such cost-saving computer technology, don't despair. The only hardware you need is around the corner: a "NO SMOKING" sign.

Before you dismiss this as just more anti-smoking nonsense, note these facts: 1) the cost savings suggested above are realistic; 2) it is legal; 3) you won't be the first.

Where is the money saved? Consider:

1) Absenteeism is higher for smokers than for nonsmokers: 57% higher among men and 45% higher among women.<sup>1</sup>

2) Mortality is substantially higher among smokers than among nonsmokers at all age intervals, but especially higher during the peak employment years. Men between the ages of 35 and 44, for example, who smoke more than 40 cigarettes a day, suffer a mortality rate 270% higher than nonsmokers.<sup>2</sup>

3) Interior cleaning costs can be slashed up to 50% or more if a smoking ban is in force.

4) Health and fire insurance premiums can be 25 to 35% lower for smoke-free businesses. Morbidity and fire statistics suggest that premium discounts should be as high as 70%. Large

employers who hire only non-smokers would do well to self-insure and save a bundle.

5) Disability and early retirement payments can be cut by as much as 75%. Look at your firm's disability record over the past 10 years. Up to three-fourths of the early retirements are probably coming from smokers, who comprise only one-third of the work force. The propensity for smokers to become disabled and retire early is almost six times greater than for nonsmokers.

6) The useful lives of your furniture, draperies and carpeting can be lengthened threefold if you ban smoking on the premises.

The 1979 Surgeon General's Report, a voluminous compendium of research results and implications, noted among other things, that:

1) More than 81 million days of work are lost each year in the United States due to smoking.

2) More than 145 million days of bed disability are suffered each year because of smoking.

3) The lung-cancer mortality ratio for individuals who smoke 25 or more cigarettes per day is 2500% higher than for non-smokers.

4) Mortality rates during the working-age intervals are as much as 300% higher for smokers.

5) Male employees who smoke more than 40 cigarettes a day are absent from work 84% more often than their peers who have never smoked.<sup>3</sup>

## Beyond the Data

In spite of the reams of studies catalogued by our government agencies, there are still many questions that have not been addressed by empirical inquiry. Even if the cost savings are substantial, can an employer really refuse to hire smokers and ban smoking at the work place?

Several features appearing in the *Wall Street Journal* and *Business Week* confirm both the reality and success of no-smoking policies for Johns-Manville, Merle Norman Cosmetics, the Alexandria Fire Department, and others,<sup>4</sup> but I wanted to see for myself that a smoke-free workplace was possible. I interviewed several Seattle, Washington business-owners with no-smoking policies.

Marilyn Roy, owner of a Seattle nightclub, Weinstube Bacchus, said, "Worker morale is tremendous. They appreciate clean working conditions and have become almost militant about preserving the policy. Over half of my 90 employees smoked before the ban, now they wouldn't tolerate smoking here even if I changed the policy."

"I employ 110 workers," reported Robin Woodward, owner of two restaurants, the Surrogate Hostess and 1904, "and probably 25 or 30 or those would leave if I allowed smoking. The rest wouldn't like it very well. I'm not a crusader by any means, people can smoke if they choose—but not in my restaurants."

# HIRING/PROMOTION NEEDS ANALYSIS

## How does your organization score?

Poor hiring and promotion decisions can be costly in more ways than one: lost time and money, low productivity, even legal action. Try this "needs analysis" to identify problem areas in your personnel system.

|   |  | Yes | No |   |  | Yes | No |
|---|--|-----|----|---|--|-----|----|
| 1 | Are you sure you're placing the right people in the right jobs?                  |     |    | 5 | Is your hiring/promotion procedure seen as fair by all candidates?           |     |    |
| 2 | Would you feel comfortable justifying why you didn't hire or promote someone?    |     |    | 6 | Are you certain that your hiring and promotion systems meet EEOC guidelines? |     |    |
| 3 | Do you have a procedure to define what it takes to be successful in a given job? |     |    | 7 | Is your turnover within acceptable limits?                                   |     |    |
| 4 | Are your hiring and promotion decisions supported by complete, accurate records? |     |    | 8 | Are your new employees learning their jobs quickly enough?                   |     |    |

How did you score? A "no" answer to any question calls for action!

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Has it saved money? "Definitely," reported Warren McPherson, president of Radar Electric, an electronic components wholesaler. "I do the same volume of work with six fewer employees due to less absenteeism, higher morale and productivity, and reduced maintenance demands."

"No question about it," concurred Woodward. "I would need at least 20 additional employees emptying ash trays, sweeping butts, washing windows, and filling in for absences. Also, I learned from being general contractor for both of my restaurants to never contract work out to smokers. I watched a dry-wall man lose 30 minutes of every hour to his smoking habit before I fired him. And painters were almost as bad—a minimum of 15 minutes wasted each hour standing around blowing smoke. Never again. Working and smoking don't mix."

Are there other cost savings to credit to a no-smoking policy? "The Safeco Insurance Company gave us a 25% reduction in fire insurance rates," reported Woodward.

"Cleaning costs were more than halved by the policy," claimed McPherson. "One man does what two and a half would be doing if we still allowed smoking. We now wash the interior windows and display cases once a year. It was once a month before. The floor needs sweeping once a week. It was three times a week before. And depreciation on carpets and furniture seems to have stopped altogether—no more cigarette burns."

"It saves a lot of cleanup time, and no more burns on my tables and benchwork," reported Roy. "I agonized over investing in an expensive air cleaning and filtering system before I decided no more. I should have taken this step long ago."

### Go Ahead

Look at the data for yourself, make cost computations based on your specific circumstances, and talk with several employers in your area who have cleared the

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air. I think you will be convinced that the dollar consequences of a no-smoking policy are both real and substantial.

If you've already examined the evidence and have thought about a smoking ban, but were concerned about the possible repercussions from irate employees and customers—you are in good company. Few employers have implemented a smoking ban without that same fear. But the fear only delayed actions that became not just acceptable, but appreciated, and not just healthy, but profitable.

Finally, a recent study showed adverse health effects on non-smokers who are exposed to smoke at the work place.<sup>5</sup> Particulate contamination in office buildings that permit smoking is from 10 to 100 times higher than allowable limits for outside air quality.<sup>6</sup>

You aren't required by law to hire from a pool of applicants who, by choice, belong to a minority distinguishable by high rates of absenteeism, disability, early mortality and low productivity, nor should you tolerate a work environment that we now know to be a major health hazard for nonsmokers. □

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