

Decades of nonsmoking laws pay off with increased corporate innovation

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A team of researchers led by Adam Olson, Ph.D., associate professor of accounting in the Carl H. Lindner College of Business, has discovered a correlation between local nonsmoking laws and greater corporate innovation after analyzing more than 50 years of data.

Using data from the American Nonsmokers' Rights Foundation and Google's patent database, the team of researchers, comprised of Olson, Christopher G. Yust, Ph.D., of Texas A&M University, and Brant Christensen, Ph.D., of Brigham Young University, identified a clear pattern over time.

"When 'stop smoking' laws were implemented, workplace innovations increased. And we can see that by the increasing number and quality of patents," said Olson. "Given that we know workplace tobacco restrictions lead to better [employee health](#), we argue that this is driven by healthier, more productive employees."

The research team's findings are recorded in the [article](#) "Are public health policies associated with corporate [innovation](#)? Evidence from U.S. nonsmoking laws" in the December issue of *Research Policy*.

Local laws proved to be the most effective at addressing smoking in the workplace, as they were more likely to be enforced compared to wider state laws.

Olson said with the prevalence of nonsmoking laws in the United States, these findings have greater implications for international locales, but policymakers may use this discovery to forward future public health laws. Business leaders in the U.S. also may gain valuable insights from

the research.

"The takeaway is that healthier employees will be more productive. A lot of companies have started implementing different programs trying to help employees be healthier. I think this (research) likely supports that those are useful," said Olson. "So, it might be worth spending that extra money up front to encourage healthier employees and reduce spending on [health insurance](#), but there might be some additional benefits to it beyond just those savings."

Beyond the direct implications for [business leaders](#) and policymakers, the work of Olson's research team furthers our understanding of what drives innovation and provides a basis for future innovation research.

"Innovation, in a way, drives the economy. The more innovation, the bigger the economy grows. And so, knowing that employee health can play a role in that process is good to know as we try to better understand what drives innovation."

More information: Adam J. Olson et al, Are public health policies associated with corporate innovation? Evidence from U.S. nonsmoking laws, *Research Policy* (2023). [DOI: 10.1016/j.respol.2023.104887](https://doi.org/10.1016/j.respol.2023.104887)

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