

*Becoming an Internal Champion for Health and Productivity Management –
Lessons Learned from the USA*

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According to experts, the productivity of the American workforce has never been higher. New technology explains many productivity gains. Better machines, streamlined work processes, and computerization have enhanced the corporate infrastructure. Yet, these important advances do not tell the full story. Another increasingly important factor is the improved output of workers. A consequence of the current labor shortage and of reengineered work environments is that we are all working longer and harder—thus, our output has increased substantially. Indeed, the U.S. now leads other industrialized nations in the total number of hours Americans spend at work.

But, can this strong economy be maintained by new technology and extra effort alone? What other factors influence productivity? What will it take to enhance growth in worker productivity? Does individual health play a role in productivity enhancement? And, what role should health promotion professionals play in all of this?

To begin, it is important to understand that an increasingly evident variable affecting American productivity is the health and vitality of the nation's workforce. From our personal experience, we know that how we feel (physically, mentally, socially, and spiritually) affects our overall well being and productivity. If health issues are addressed effectively and efficiently, then we can devote more time, attention, and energy to the task at hand. Further, if we are provided access to and take advantage of health promotion programs, it stands to reason that debilitating illness can be successfully averted and health may be enhanced. Instead of just avoiding disease, we can improve our health and well being, thus positively impacting our personal and professional lives.

To illustrate this point, consider an opposite scenario—one where our health is compromised, possibly from working longer and harder at our jobs. One common side effect is a feeling of greater stress in our lives. Stress is felt when work somehow manages to spill over into our private domain, often through the aid of “labor saving” devices such as cellular telephones, beepers, faxes, and the Internet. As a result of this spillover, we find it harder to balance work and family responsibilities. Vacations are shorter and sometimes interrupted by meetings and urgent calls. In our fast moving world, it is becoming increasingly more difficult to find time to relax, exercise, eat nutritiously, and enjoy the fruits of our labor.

The health consequences of such stressful lives can be significant. Heightened stress often manifests itself in physical health disorders such as cardiovascular disease, gastrointestinal problems, musculoskeletal pain, headaches, or other illnesses—both acute and chronic. Stress can also be found in various psychosocial and behavioral disorders such

as nervousness, anxiety, depression, irritability, insomnia, eating problems, smoking, and substance abuse. What's more, the organization can also suffer the effects of individual stress. Experienced in the forms of low morale, poor employee attitudes, increased absenteeism, rapid turnover, lack of innovation, and overall malaise, these conditions, if left unchecked, can create an unhealthy organizational climate. And, if that's not enough, the costs of increased stress are measurable, as illustrated by findings from the recent HERO study (see "Summary of HERO Research").

Ultimately the question becomes, "What does all this have to do with you, the health promotion professional?" Great question. Enlightened individuals are now beginning to recognize that they can play an integral role in improving organizational productivity. How? They can become the catalysts for change and advocates for a new and emerging business paradigm called Health and Productivity Management (HPM). Through collaboration with others in the organization engaged in health and productivity efforts, these change agents can educate senior managers on ways to avoid the inevitable "burn-out" that occurs from excessive work and high stress. They can be in the forefront of developing new and creative HPM solutions that improve the health and well being of workers, enhancing organizational productivity over time.

What is HPM and why should health promotion professionals pay attention? HPM is an emerging business strategy focused on improving the total value of human resource investments. It is based on recognition that individual health strongly influences the productivity of individuals and their organization. To succeed, health promotion professionals need to "reinvent" themselves into a new role—HPM champions. Below, we provide some suggestions on how to become an internal champion for HPM.

Show the connection between health and productivity. From an experiential perspective, you can usually convince senior managers that employee health will affect productivity—that enhancement or decline of one will result in a gain or loss in the other. But, managers need more than a "gut feeling" to institute business changes. They require evidence and hard data—the more scientific, the better.

Fortunately, there is an emerging area of literature focused on the relationship between common physical and mental health conditions and their impact on productivity. Studies in peer-reviewed journals have shown that employee productivity is affected by such common health conditions as depression, migraine headaches, allergies, stress, anxiety, and back pain (see page eight sidebar, "Seven Studies for HPM"). Further, there is bountiful literature supporting the assertion that health promotion programs improve the health and productivity of workers (see page eight sidebar, reference #1).

So, to convince management that health and productivity are intimately connected, your task as a health and productivity advocate is to amass available resources and to effectively communicate the current "state of the art—state of the science" to senior management. The overriding message to management ought to be: "Health and productivity are interrelated—here is the evidence."

Expand the definition of productivity. A common concern expressed by managers is: “We do a poor job in measuring productivity—so, how do we know we can affect it?” This challenge requires exploration on the part of the HPM advocate. Simply put, they must discover how the organization captures and reports productivity.

Traditionally, productivity has been measured in terms of “widgets” produced per unit of time, but this is becoming harder to measure in an increasingly service-oriented economy. Thus, many companies measure productivity in terms of revenues or profits per employee. Related measures may include absence and disability rates or safety incidents.

Indeed, it is challenging but not impossible to operationalize productivity. To complicate matters, there is growing awareness that productivity is more than just showing up for work. Collectively, we have all worked with individuals who were physically present but mentally on vacation. Conversely, we also know co-workers who can never leave their jobs—even when on break. Additionally, individual productivity is hampered when illness or other factors (e.g., caring for a sick child, spouse, aging parent, etc.) encroach on our thought processes while we are at work. So being physically present does not necessarily equate to being mentally present, nor being at optimal productivity. Getting managers to verbalize what they mean when they say “productivity” is an important step in changing their mindset regarding a health promotion professional’s role in the organization.

Highlight current organizational expenditures directed at health and productivity management programs. To gain senior management commitment and necessary resources for an HPM initiative, you need to first highlight a problem. What is the problem here? One response might be: “We are all working independently in our silos with little communication and data sharing across functions. We’re trying to solve many of the same problems that are common to the organization as a whole—that is, how to improve the health and productivity of our workforce. Not only that, but we are also currently spending lots of money on multiple efforts that may, at best, be duplicative, and at worst, work at cross-purposes with one another.”

To document this, you may need to display the totality of dollars currently budgeted for the wide range of institutional health and productivity management programs. These dollars can be identified in the budgets of several departments and functions including: medical benefits, short and long term disability, workers’ compensation, disease management, demand management, absence management, human resources, employee relations, staff recruitment and training, employee assistance programs, work/life, organizational development, and yes, health promotion. When these dollars are aligned and totaled, the cost of combined health and productivity programs can be staggering and attention grabbing.

In an annual benchmarking study performed by The MEDSTAT Group, direct per employee company expenditures for medical, absence, disability, turnover, and workers’ compensation approached \$10,000 per year. When indirect costs were added to the pool, costs jumped to over \$13,000 per employee per year. The main point of this exercise is to

document current organizational spending on health and productivity activities. The inevitable follow-up questions often include: “How do we compare to others? What value am I getting for the dollars expended? Is there room for improvement?”

Compare yourself to norms and best practices. To respond to queries from management, you need to ask: “Across all of these programmatic areas, are we above, below, or where we ought to be, by program category, by industry, by region, etc?” If we are above the norm, what do the best organizations do to keep their costs down? What is the “delta” or difference between best practice organizations and us? Can that difference be translated into dollars and savings? These questions can be answered by participating in benchmarking studies such as those performed by The MEDSTAT Group, the American Productivity and Quality Center (APQC), and the Institute for Health and Productivity Management (IHPM).

Dig deeper—identify health and productivity conditions that most affect your bottom line. Beyond a global assessment of program costs, your management may be interested in knowing where, specifically, the organization is most hurt. This requires more intensive data analysis—a thorough examination of existing databases (medical claims, absence records, disability experience, health risk appraisals, employee attitude survey data, etc.) to uncover where your organizational problems are most pronounced. You can probe for specific health conditions that are most costly or most deviant from norms. You can underscore these problems by combining costs across programs. Effective diagnosis allows you to focus attention on the highest priority concerns—those most costly and also most amenable to a collaborative HPM intervention.

Short, directional surveys that ask about the occurrence of particular health conditions, absences related to those conditions, and perceptions of reduced productivity at work due to those conditions can be developed fairly economically. Combined with information on the wages and benefits paid to employees, these data can generate informed estimates on the potential productivity losses associated with specific diseases or other health risks.

Commit to collaborate. You can accomplish much more if you “break down the silos” between organizational departments, functions, and fiefdoms. As a health promotion professional, you can recast yourself as the HPM champion and a catalyst for change. Once you have convinced management that money is already being spent on HPM and that opportunities to save dollars exist, you need to gain support and commitment for collaboration. If you have done your job effectively, department heads will realize that more can be accomplished through partnerships than through practices that preserve independence, uphold barriers, and protect territories. Efficiencies can be realized, and creative solutions harnessed, when several players, each with a unique perspective, are brought together to solve common organizational problems.

Implement solutions. This is where your experience and creativity pay off. You already have ideas for how to enhance the health and well being of employees using a variety of health promotion programs and practices that are known to be effective. Think beyond your world. Learn about programs in other departments that can be enhanced by your

expertise and vice versa. Your value to the organization is evident not only in providing input and expertise, but also in facilitating collaboration among programs resident in other departments that in concert should prove most effective. Implement strategically, tactically, and wisely so that every player has a stake in the outcome.

Measure, measure, and measure some more. Your program may be the most effective ever created, but unless you collect valid data on impact, your efforts may be wasted. Establish effective measurement and monitoring systems that document program results. These can take the form of standard “dashboards” and “report cards” for individual programs and combined HPM initiatives. Periodically, set up rigorous evaluation studies to more fully document program accomplishments. The data will support your efforts to date, and will also help you fine-tune future initiatives. Most importantly, measurement systems will provide the metrics that justify ongoing investment in your programs.

Summing Up

The above guidelines are a start. They provide broad recommendations on how to convince your management that HPM efforts are worthwhile and how to set up an implementation strategy that will ultimately result in sustained productivity growth. You can become the internal champion for HPM. In the long run, this repositioning will make you and health promotion more relevant to the organization. We are fortunate to live at a time when organizational innovation is possible and welcome. The time to build a better roof is when the sun is shining. Our economic weather forecast is predicting a lot of sunshine—build a Health and Productivity Management mindset within your organization now. Your health and the organization’s health will benefit from your efforts.

Summary of HERO Research

A series of groundbreaking studies performed by the Health Enhancement Research Organization (HERO) have investigated the link between health risks and medical costs. HERO, which sponsored the studies, is a non-profit organization of private and public sector entities with a common desire to collaborate on research and related projects to further the integration of health promotion into mainstream health care. The MEDSTAT Group and The StayWell Company conducted the studies, with oversight by the HERO Research Committee. The HERO database was developed by merging health risk and medical claims data from six large private and public employers. The database is by far the largest constructed for this type of research, totaling over 46,000 employees and over 100,000 life-years of data spanning a six-year period.

The first study conducted examined links between health risks and individual medical expenditures, finding that psychosocial risks had the greatest impact on costs and reconfirming the importance of traditional risk factors (e.g., exercise, obesity, smoking, etc.). A second study found that ten lifestyle risks accounted for 25% of organizational health care expenditures, with stress being the most costly. A third study highlighted gender differences in the impact of health risks on heart disease costs. A fourth study used statistical models from the earlier work to show the ten year cost impact of varying risk employees’ profiles for Union Pacific Railroad, with results suggesting a potential

return on investment of \$2.51 per dollar invested. Together, these studies provide strong support for investments in worksite health promotion.

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