Making the healthy workplace business case and leading change

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Presentation at *The European Network of 'Enterprise for Health'*, Mondragón, Spain, 14 October 2003.

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Healthy workplaces and productivity

Healthy workplaces and 'results'

- Comprehensive workplace wellness programs deliver impressive cost savings and improve productivity
- Evidence suggests some causal links between working conditions, interventions designed to create healthier workplaces, employee health, and firm-level productivity
- High performance workplaces, while showing productivity dividends, usually do not examine worker health outcomes

Return on investments in workplace health promotion

- The economic case (ROI) for health promotion is compelling
  - *Comprehensive* workplace health promotion programs result in improved health outcomes for employees, reductions in employer health care costs, and improved productivity
- Cost-benefit ratios run between $3 and $8 (US) for every $1 invested in health promotion programs within 5 years
  - Most productivity gains are through reduced absenteeism
- Organizational barriers to ROI analysis
  - Volume and quality of data required, lack of research expertise, and the long-term commitment needed
- Not all employers need data
  - More important is the value management places on human resources

See: G. Lowe, *Healthy Workplaces and Productivity* (Health Canada, 2003)

Knowledge gaps

We know enough to act now, but future research needs to:

1. Explore the combined impacts of specific health promotion, HR and organizational redesign initiatives on firm performance
2. Examine the links between job design and productivity-related outcomes such as learning and development, absenteeism, turnover, and job performance
3. Use a wider range of process and outcome measures in evaluations of workplace health promotion initiatives
4. Focus on health and productivity issues in small workplaces, firms in rural or isolated locations, high-risk industries, and among non-standard workers
5. Assess the benefits, and costs, to society of creating healthy workplaces

Costs of presenteeism

Presenteeism and productivity

- Reduced absenteeism does not necessarily increase productivity
- Two kinds of presenteeism:
  - 1) **Pressure**: Putting in excessive work hours as an expression of commitment or a way of coping with heavy workloads and/or job insecurity.
  - 2) **Working sick**: Employees going to work sick or injured. In this sense, presenteeism is a new term for an old problem.
- Often the same causes:
  - workplace change, workloads, and job pressures have become basic health risks
  - however, working sick can result from pre-existing medical conditions

Medical conditions affecting work

- musculoskeletal disorders (arthritis)
- respiratory disorders (asthma)
- depression
- migraines
- hearing
- vision
- diabetes
- allergies

Source: Lerner DJ, Amick BC III, Malspeis S, and Rogers WH. "A national survey of health-related work limitations among employed persons in the US." *Disability and Rehabilitation*, 22(5): 225-232; 2000.

USA Disability & productivity statistics

- 45% of adults suffer from some sort of chronic health condition
  - productivity loss of 2.5 billion days annually
    - R. Kessler, Harvard Medical School
- 32% of employed adults have ongoing health problems that interfere with their jobs
  - productivity loss of $234 billion annually
    - D. Lerner et al, *Disability and Rehabilitation*, 2000

IHPM

Source: Sean Sullivan, CEO, Institute for Health & Productivity Management, USA   www.ihpm.org

Diagnosing presenteeism

- Diagnose absenteeism and presenteeism problems in your organization, using employee surveys
  - E.g.: "During the past 12 months, how many days did you work despite an illness or injury because you felt you had to?" Ask those reporting presenteeism to describe the main reasons
  - Lack national/industry benchmark data on presenteeism
- Re-examine your absenteeism management programs
  - Do not use absenteeism management systems that set 'trigger points' designed to clamp down on the use of sick days as 'unofficial' holidays
  - Any program that offers incentives for good attendance could encourage presenteeism

Change strategies

Examples of enabling conditions from 15 leading healthy workplaces in Canada and USA

- Healthy workplace goals are integrated into the business strategy
- Healthy workplace goals are integrated into corporate values and vision
- Healthy workplace goals are integrated into an "employer of choice" strategy
- Clear identification of workplace health problems and/or needs
- Building on earlier health promotion initiatives

Based on an analysis of cases from Canadian Labour and Business Centre and WELCOA: www.clbc.ca/Research_and_Reports/Case_Studies.asp; www.welcoa.org/wellworkplace/platinum/actual.php

Reducing risks

- To reduce *risk factors*, a healthy organization strategy must address <u>job</u> and <u>work environment</u> factors
  - JOB: physical working conditions, ergonomics, temporal aspects of the work day and tasks, work content, job autonomy, economic aspects, co-worker relations, quality of supervision
  - WORK ENVIRONMENT: organizational structures, climate and culture, communications, management practices, leadership, labour-management relations, existing workplace health promotion and occupational health and safety activities

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Reducing presenteeism

- Provide on-site medical support for individuals suffering from the most common chronic health problems
  - This requires targeting health conditions, such as allergies or asthma
- Change culture and management practices to reduce job stress and overwork
  - E.g.: British Telecom discourages overtime and checks employee timesheets to identify long hours. (see -- www.stressbusting.co.uk)
  - Public policy can encourage employees to take lunch breaks and vacations (not like USA!)
- Question the traditional face-time approach to management and the meaning of commitment
  - Why do organizations with flextime and telework policies usually have low rates of participation in these programs?
- Understand that working people harder is not a <u>sustainable</u> way to improve productivity

Three big steps to change

1. Create enabling conditions
2. Launch a change process based on learning and participation
3. Set goals and monitor results

Closing the 'knowing-doing gap'
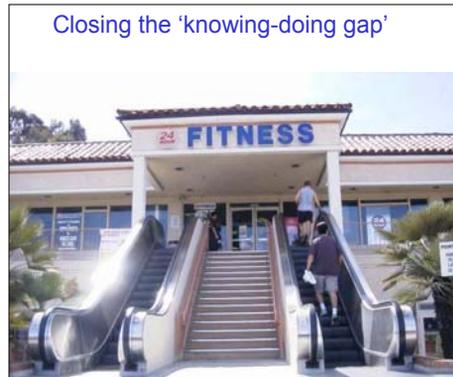
Change truths

- Change = continuous learning about how to do things better
- The approach needs to be both top-down and bottom-up
- The process determines the outcomes
- Organizational change is stressful
- No 'one best way'
- Look for guiding principles and lessons

Workplace practices change slowly

- This is a paradox, given our sense of rapid organizational change
- Potential barriers to change:
  - mind-set that employees are costs
  - lack of information about alternatives
  - no perceived problem or 'burning platform'
  - no time
  - resistance from front-line managers
  - top-down, centralized control
  - union resistance to work reorganization
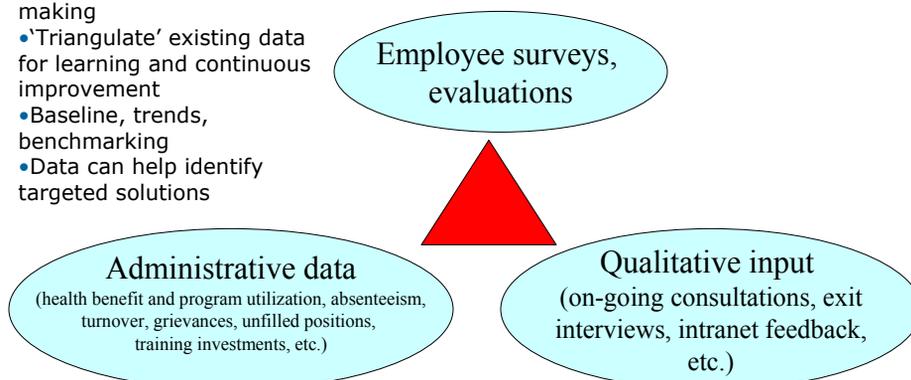 - inertia: the 'knowing-doing gap'

Measuring what matters

Measuring progress

- Improving the quality of work requires setting goals and measuring determinants, processes and outcomes
- Each firm needs a model of determinants, processes, outcomes
  - This is a basis for accountability, performance management
- 'What gets measured gets managed'
  - Need measures that are meaningful and actionable
  - Build into annual business planning cycle

Data triangulation

- Evidence-based decision making
- 'Triangulate' existing data for learning and continuous improvement
- Baseline, trends, benchmarking
- Data can help identify targeted solutions

Employee surveys, evaluations

Administrative data
(health benefit and program utilization, absenteeism, turnover, grievances, unfilled positions, training investments, etc.)

Qualitative input
(on-going consultations, exit interviews, intranet feedback, etc.)

Mining existing data

Example from a large school board in Canada
- Led by union-management Healthy Workplace Initiative Committee
- Merged 5 files containing good quality data on:
  - Demographic and employee information
  - Absenteeism
  - Injury
  - Disability
  - Practitioner and drug claims
  - Possible to add employee satisfaction survey data
- Anonymity protected by using randomized linkage IDs
- Report used for workshops and to target interventions
- Annual reporting template created so easy to track trends

Limits of evidence-based change

- The best data won't convince skeptics:

  "It is ironic that the need for well-documented ROI data has been a barrier to the growth of worksite health promotion, given its popularity with employees and modest cost … Employer health plans routinely pay for extremely costly surgeries, medical procedures, and pharmaceutical agents based on no ROI data at all."

  - Source: D. R. Anderson, S. A. Serxner, and D. B. Gold. 2001. "Conceptual Framework, Critical Questions, and Practical Challenges in Conducting Research on the Financial Impact of Worksite Health Promotion." *American Journal of Health Promotion* 15(5):281.

Avoiding metric-mania

- Assess the pros and cons of customized vs. off-the-shelf, internal vs. external project
- Assess the usefulness and quality of other internal data
  - Using 'best available' measures vs. creating what you really need
- A model helps you measure concepts that can guide behaviour
  - Be careful with causality – only time will tell!
- Need clarity on levels of analysis
  - Individuals, teams, relationships, units, the organization
- Measure 'up-stream' factors (processes, behaviours, determinants)
  - Don't just focus on 'down-stream' outcomes
- Measures must be actionable
- To impact behaviour, desired processes and outcomes must be rewarded by the performance management system and reinforced by values

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Benchmarking

	Internal	**External**
Employee	*EG: Commitment, job satisfaction, influence*	*EG: Absenteeism, turnover, job quality deficits*
Organization	*EG: Effectiveness of supervision, assessment of training, perceptions of fairness*	*EG: Training, use of teams, benefits coverage*

TIME ⟶

Lessons from implementing HR Scorecards

- Implementing a Scorecard requires significant changes in people practices
- Executives grasp the Scorecard's technical aspects
- However, "high quality *thinking* about the Scorecard as a change program never occurs."
- Firms fail to apply basic change management principles
- Example: GE adopted the metaphor of a 'pilot's checklist' for creating successful change
- The checklist turns what managers know into what they do
- All factors must be acted on and the process must be iterative, requiring a cycling back through some earlier steps to sustain the change
- The list also helps to assess current organizational capacity for change

Source: B Becker, M Huselid, D Ulrich. The *HR Scorecard* (Harvard Business School Press, 2001).

Raising awareness, recognizing success

- Do you participate in 'Best Employer' lists?
- Create a new list of 'healthy organizations' or add health to existing lists
- Think about regional/national awards, recognition, standards that promote corporate and public policy goals.
- Examples:
  - UK's *Investors in People* www.iipuk.co.uk
  - European Union's *Best in Europe* www.eu100best.org
  - WELCOA and NQI www.nqi.ca awards in North America

Assessing your change-readiness

1. Are employees central to your values and mission statement?
2. Does your long-range business plan include healthy work environment goals?
3. Is OHS, HR, OD clear about their role in creating and sustaining a healthy work environment?
4. What incentives do managers have for doing this?
5. Have you discussed work environment issues with unions, identifying areas for mutual gains?