



By the numbers

A study by the Canadian Council on Integrated Healthcare may not be the last word on workplace health, but provides key numbers in support of integrated initiatives.

BY CHRIS BONNETT AND JOHN YARDLEY

We've been talking about health in the workplace for decades. We've talked about the potential for higher productivity, employee retention, and lower stress in an increasingly complex work-world. In all these conversations, one question usually emerges: with a largely publicly funded health care system, why should we make workplace health a priority, either for employers, unions, employees, or governments?

A new Canadian Council on Integrated Healthcare (CCIH) discussion paper could provide some answers. It examines the research, the financial perspectives on workplace health, and identifies how employers, employees and governments can coordinate their efforts.

The Evidence

For years, questions about workplace health efforts have centred on evidence. There is now a quarter-century of evidence behind workplace health, but research is still challenging. For instance, only half of Canadians are in "standard" jobs – those who have been employed for more than six months in paid, permanent, full-time work. It is not easy to generalize study results among different organizations, and measurement problems abound too. What's more, even though certain programs have been proven to reduce costs, there is not much strong evidence of a direct effect on productivity.

Research does reveal that comprehensive and intensive workplace health approaches work better than simple, one-time, and special event initiatives over the long run. Many organizations have invested in basic health promotion programs, but such programs lose their efficacy and strength if they do not target the needs of those suffering from relatively high levels of a stressor or disease.

To maximize effectiveness, a workplace health strategy needs to be grounded in a clear commitment to a healthy workplace culture, sound human resources policies and practices, and move well beyond mere compliance with the minimum standards of health and safety legislation to include health promotion.

The Numbers Game

Support for any new health-related benefit or program at work now requires fairly intense economic analysis. Typically, analysis has tended to be on discrete programs, although it now seems more appropriate to group programs with similar objectives and complementary resource demands together for planning, delivery, and evaluation purposes. With all this added effort, can workplace health programs be financially justified?

The CCIH paper reports on a wide array of workplace health cost/expenditure studies that provide ample justification for investment. For example: Using 2000 fig-

ures, and excluding the not-for-profit providers like Blue Cross and Green Shield, the Canadian Life & Health Insurance Association (CLHIA) reported that its members made health-related benefits payments of \$12.5 billion in 2000. Benefits are no longer "fringe." The cost adds up in other ways, too. Statistics Canada estimated that absence increased to 8.5 days annually for each full-time worker in 2001, up from 7.4 days in 1996. About 75% of that time was lost for personal illness or disability. Using the average weekly wage in Canada, the cost for this portion alone was about \$8.5 billion.

The numbers continue to add up. Watson Wyatt's 2000/2001 "Staying at Work" survey of 281 Canadian employers representing 700,000 employees showed that the direct and indirect costs of absence and disability averaged 17% of payroll. Yet another study – this one by Mercer Human Resource Consulting – of 86 Canadian employers noted that short term disability (STD) costs were twice the sum of LTD and Workers' Compensation (WCB) claims, which typically receive far more attention. Further, significant cost variance among peer organizations suggested a competitive advantage could be created with careful management of these expenses. The costs don't stop there. Health-related, employment-based taxes and premiums levied by various provinces, plus C/QPP and EI claims

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and WCB premiums add several billion dollars to organizational (and individual) costs every year.

In all, the CCIH estimates the annual burden of workplace health in Canada at some \$32.5 billion. When aggregated, the cost of unmanaged health expenditure is very significant. Two conclusions arise: first, this figure is large enough, even when broken down to specific organizations, to catch the attention of even the biggest-picture CFOs, CEOs, bureaucrats, and politicians. Second, this makes it imperative for senior workplace representatives to create a strong and cohesive voice in the ongoing debate on health reform.

Governments need to:

- Consolidate and focus their workplace-related policy, programs, and research, and ensure senior bureaucrats and politicians are responsible for these efforts.
- Provide tax-based incentives to reward initiatives that improve health, and sanction practices that negatively affect employees and communities.
- Encourage both fundamental and applied research on the physical, mental, and psycho-social hazards of the workplace.
- Demonstrate commitment by instituting best practices in health management to benefit their own workforces.

Employers, employees, and union plan sponsors need to:

- Foster supportive and progressive organizational culture, by measuring current investments in health initiatives, investing in training and development for managers and workers, and making appropriate health-focused programs available.
- Help plan members manage workload, improve flexibility in work design and shift arrangements, and mitigate conflicts between work and family responsibilities.
- Improve the linkage and coordination of services provided by human resources and occupational health, and nest the health issue firmly in human resources strategy.
- Invest new money in research to determine how policies, programs, and practices affect the health of the workforce, while continuing to support today's proven safety and prevention initiatives.

Policy Directions

Employers, employees (as consumers and co-payers), and governments bear huge, multi-billion dollar costs, and the nation reaps the benefits of these investments. Permeable boundaries between the workplace and the community mean costs and benefits often transfer back and forth. Whether plans are privately or publicly funded, measurement often relies on sparse, weak, and fragmented data. Management suffers, accountability fails, and issues fester.

With a more strategic and integrated approach to health management, there is a role—and room—for everyone. It is high time for governments, employers, and others to lead a more integrated approach to health in general, and health issues in the workplace in particular.

Now, knowing all we do, from which direction will true, collaborative leadership come?

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