

Workplace health: Emerging discipline or (still) flavour of the month?

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Many employers and business leaders still don't accept the strong business case for workplace health promotion.

Many even question whether employers can — or should attempt to — play a proactive role in the health of employees. This at a time when most of these same employers are troubled by the costs of increasing demand for health services.

Mercer Human Resources Consulting recently projected Canadian benefit plan costs would roughly double from 2002 and 2007 to between eight per cent and 12 per cent of payroll.

The rising costs of benefits programs are moving front and centre for leaders and decision-makers.

As a result, more employers are finally looking at cost drivers: the upstream origins of plan costs. Why? First, all the easy cost-shift-

ing and plan design changes have been made.

Second, it is generally accepted that healthier employees are more motivated and productive and therefore a lower cost to the organization.

More organizations are talking the talk about investing in employee health, so why is it that so few are walking the talk?

The organization's role... and reward

Employee health still frequently resides well down the list of priorities for most senior managers, and is not perceived as vital to business success and long-term viability.

As such, even relatively inexpensive employee health initiatives are difficult to sell, and these programs are often among the first to be on the chopping block when times get tough.

Troubling health-related metrics like high absenteeism, escalating short- and long-term disability

and other health plan costs on their own ought to be enough to warrant changes in attitudes about wellness and health promotion. But it is possible to take it a step further and link employee health with key business drivers such as customer loyalty. Unfortunately, these connections are often ignored. Organizations often track employee health and satisfaction levels, and certainly track financial and other key business results; however they rarely attempt to correlate the two.

There is a growing body of research, still mostly from the United States, that shows health promotion programs result in a cost-benefit ratio of between \$3 and \$8 within five years of launch for each dollar invested in health promotion initiatives.

Canadian studies also point to a positive program ROI, albeit more modest than in the U.S. since some of the savings accrue to

provincial health budgets.

Organizations frequently implement employee health programs primarily to save money in the short term. Where the very best wellness programs have been implemented, U.S. research has shown savings of up to 20 per cent are possible in the first year. These are the exceptions. It usually takes two to three years for improved employee health to have an impact on health costs. Still, research clearly demonstrates employee costs and health status are linked, and both improve, or deteriorate, together.

Dismantling the barriers

If health-related costs are high and growing, and employers can significantly improve workforce health and therefore bring down those costs, what stands between good intentions and action to address these core workforce health issues?

•Workplace culture and the HR role: Organizations are beginning to understand the role of the workplace culture on employee health. Martin Shain, a doctor specializing in workplace health with the Centre for Addiction and Mental Health in Toronto, has documented that extreme lev-

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More than personal habits, workplace causes poor health

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els of high demand-low control, high effort-low reward situations in the workplace result in two to three times the rate of physical, mental and psycho-social illness and injury.

HR professionals need to understand and incorporate health issues into their strategy and tactics — not the first inclination for typical business people.

•Management self-examination: Healthy workplaces have two dimensions — organizational and personal. While it is easy to blame poor health on personal habits, organization leaders should know that if they point a finger of blame at employees, employees will be pointing right back at them. Research has shown workplace climate can be more of a factor in health than personal habits.

This is a major reason why comprehensive approaches to healthy workplaces have been lacking — organizations have to address their own management and leadership issues if they want to make a significant difference in the health and cost profile of their workplaces.

•Wellness must be part of strategy: A telling story comes from an individual who was responsible for im-

plementing a comprehensive employee health program in a large, well-known organization. Even as the program was at its peak of popularity (and budget), there was concern that senior management was not really committed to the program, did not seem interested in results, and would

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eventually roll back the budget. This prediction eventually came to pass, and the budget was dramatically cut. Programs not tied to organizational imperatives cannot be sustained in the long run.

•Privacy: A recent survey from Aventis Healthcare revealed employees overwhelmingly welcome employer involvement in providing worksite health programs that help detect disease and educate them on how to stay healthy. With this information, another perceived barrier to health comes down — well-managed health programs, especially those nested in positive organizational cultures, need not be sidelined by privacy and confidentiality concerns.

•ROI: It is ironic indeed that chasing perfection in the health business case has been a barrier to implementing comprehensive workplace health promotion. In contrast, company benefit plans routinely cover expensive health services without requiring the same unequivocal standard

of evidence, and in many cases, without requiring any return on investment or medical efficacy data at all.

Where to from here?

Workplace health has faced its fair share of barriers, despite evidence that organized, comprehensive approaches can address employer concerns about cost, and employee desires for better health and sustained peace-of-mind access.

Does this mean the concept is a failure? Perhaps, but only in terms of execution.

A number of leading Canadian organizations have shown a good health strategy can meet both organizational and personal objectives.

The case is indeed sound, and proven opportunities are available to organizations ready to graduate to more successful and sustainable HR-led health management strategies. (For resources to help employers create healthy workplace policies and programs, go to www.hrreporter.com, click on “Advanced Search” and enter article #3455.)

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