

"Health and Productivity Management - a Future Model for Europe?"

*by Wolf Kirsten
International Health Consulting*

Health care systems worldwide are facing intense cost pressures, whether they are financed by public single-payer or employer-based systems. Coupled with growing demands for increased productivity in the global marketplace employers are coming to terms with the fact that existing health management schemes are insufficient. Sick leave has become a huge problem, for example, 600 million working days are lost due to work-related illness in Europe. The reasons are manifold: aging populations, increasing work-related stress and unhealthy behaviours. However, absenteeism just reflects the tip of the iceberg. A phenomenon called "presenteeism" is indicative of much greater health-related costs. Presenteeism refers to employees at work who are not performing at their maximum capacity and remains the biggest untapped, unexplored source of better economic performance. A recent survey of 35 large US employers asked what factors have the greatest impact on employee performance at work and what health issues have the greatest impact on absence and presenteeism. Organizational culture was ranked as the most important factor affecting employee performance, ahead of health. With regard to absences, musculoskeletal problems topped the ranking, ahead of mental health problems and pregnancy. However, when looking at health reasons affecting employee performance at work, mental health problems became the #1, ahead of musculoskeletal disorders, respiratory and gastrointestinal conditions. Combining the two rankings on health reasons, musculoskeletal disorders come in ahead of mental health problems.

"Well-being and functionality at work will be the biggest differentiator in the 21st economy. Investments in human capital will be the key in the coming age of labour shortages."

What is Health and Productivity Management (HPM)?

Directly responding to the presenteeism and performance challenge, a new human resource model called health and productivity management (HPM) was developed in the USA, which equates to a paradigm shift in health care and a concept for managing people to improve business performance. This will be achieved through integrated management of often fragmented pieces of health management, e.g., wellness, prevention, disease management, disability management, occupational health. This includes a supportive culture of an organization, corporate values, policies, and practices. While the non-profit Institute for Health & Productivity Management (IHPM) in Phoenix is driving research, development and education in the field, numerous companies are applying HPM tools and programs and are seeing results. In order to estimate the total cost of poor health companies are now adding the costs of presenteeism to the costs of absence and direct medical expenditures.

For example, Dow Chemical has been at the forefront of implementing HPM initiatives and shifting from a cost mindset to an investment mindset regarding human capital expenditures. Dow Chemical used self-report surveys to determine on-the-job productivity. Employees were convinced to participate without any incentives being used. The company spent a lot of time communicating the goals and benefits of the

intervention and recorded a stunning 63% participation rate. It was very important to clarify that employees were not assigned a numeric value of their personal productivity that could be used in a variety of corporate decisions. One of the major findings was the instruments measured productivity related to their personal health and not total productivity. Individual performance is also influenced by the employees' attitude, workplace culture, organizational design, relationship with the supervisor, communication, etc.

Wayne Burton of Bank One in Chicago actually documented the impact of health risk factors and disease on worker productivity. Bank One call center workers with health risks displayed lower productivity than healthy employees. Employee productivity decreased as the number of health risks increased. The nature of the health risk and the disease state affected the pattern of the decrease. These are the same health risk factors that are associated with health care costs. The magnitude of the productivity loss due to a number of diseases or specific lifestyles was startling, i.e., between 3-11 hours of lost time each week per employee. Other studies have shown that depression can reduce worker productivity as much as 25%. Likewise, osteoarthritis, migraine headaches and allergies have proven to impair productivity resulting in major costs for the company and the economy in general.

Methods & Instruments

The challenge and often the focal point of criticism of HPM is measuring performance of the knowledge worker. Nevertheless, companies use self-reported data all the time to devise corporate strategies, e.g., employee satisfaction and customer satisfaction data, and to make personnel decisions. In addition, the medical profession now recognizes that the perception of a patient of his or her health status is an extremely useful and accurate predictor of future health. With this in mind, numerous measurement tools have recently been developed, many of which have been utilized and validated in research studies. These psychometric tools collect and analyze information similar to health risk appraisals. One popular instrument is the Work Limitations Questionnaire (WLQ), developed by the Health Institute in Boston. The WLQ measures the impact of chronic health problems on job performance and work productivity. 25 items ask respondents to rate their level of difficulty or ability to perform specific job demands in the prior two weeks. The WLQ has been validated in several studies which compared survey responses to objectively measured work productivity for manual and sedentary occupations within large companies. Another instrument is the Health and Work Performance Questionnaire (HPQ), which was developed by Ron Kessler at Harvard Medical School. The HPQ was developed as an expansion of the work role module in the World Health Organization Disability Assessment Schedule (WHO-DAS) and estimates the workplace costs of health problems in terms of reduced job performance, sickness absence, and work-related accidents and injuries. The HPQ has demonstrated its validity in four calibration surveys with four different samples: airline reservation agents, customer service representatives, automobile company executives, and railroad engineers. Nationally representative general population HPQs are currently being carried out in 28 countries (approximately 200,000 respondents) around the world as part of a larger WHO initiative estimating the societal costs of mental and physical illness.

“Is health & productivity management (HPM) the latest business fad out of the US, which does not really apply to the European workplace? Far from it. Presenteeism and related mental health issues as well as the quest for increased productivity are a global phenomenon.”

State of Health & Performance in Europe

So how does it concern us in Europe? Is it the latest business fad out of the US, which does not really apply to the European workplace? Far from it. Presenteeism and related mental health issues as well as the quest for increased productivity are a global phenomenon. Many workplace health promotion (WHP) programs in Europe are targeting exactly these issues and are showing success. For example, the Swedish company Stora Enso Fors AB implemented a program aimed at increasing the amount of “long-term healthy” (=not absent from work due to illness for at least two years) workers. The company examined what health-promoting factors led to long-term health and accordingly developed a comprehensive WHP program including organizational development, environmental adaptations, manager training and fitness programs. This led to a 20% increase for blue-collar and 29% increase for white-collar workers of long-term healthy after six years, which resulted in a fivefold return-on-investment. The Work Ability Index (WAI) out of Finland looks at performance issues of workers. The index evaluates how well a worker is able to perform his or her work by examining the physical and mental demands of the work and the worker's health status and resources. Several companies in the United Kingdom, e.g., Unilever and Standard Life Healthcare, are now more specifically looking into health and productivity issues and applying some of the above mentioned concepts and tools. In addition, a study commissioned by Vielife is currently investigating individual changes in performance as a consequence of WHP and wellness programs.

The question is justified whether a US-born concept will succeed in Europe due to the different cultures and health care systems. However, due to common global trends and challenges a thoughtfully adapted and differentiated approach should prove HPM to be successful in Europe. For example, using different terminology when communicating the concept, e.g., the term “productivity” may not resonate as well in European companies, and effectively teaming up with key stakeholders, such as the works councils and trade unions, are strategies to consider.

Health Promotion is the Key

Whether in the US or Europe, workplace health promotion (WHP) programs are the key to any HPM initiative due to their proven impact and enormous potential. Disease management and other health management programs only really touch the tip of the iceberg whereas health promotion taps into a whole new area. There is abundant literature documenting the positive impact of health promotion programs on health status and financial parameters. The key challenge is to make the link to individual productivity. The first logical step is to examine the impact of a WHP program on absence. If an employee is absent he or she cannot be productive. However, as mentioned above, the potential for increasing productivity is much greater when looking at presenteeism, by applying one of the measurement tools and addressing the deficits with a tailored health promotion program.