

Chronic conditions take toll on worker productivity

From front offices to out in the field, virtual piles of cash are accumulating at companies.

This money, which goes mostly unnoticed and often is accepted as the norm, is from lost productivity caused by employees on the job who are suffering from chronic health issues, yet are not sick enough to need rest at home.

Presenteeism has always been an accepted, common workplace reality; however, in a global economy, it is now a business threat. This condition doesn't appear on any financial statements and, consequently, too often hasn't received attention from management.

This is sure to change. A global marketplace demands this cash be returned to the balance sheet.

Studies are proving that eradication of this threat can deliver gains in quantity and quality of work, which translate into improved organizational effectiveness. Better yet, it also means greater profitability in this age of global competitiveness and inelastic pricing.

Presenteeism, which can be caused by chronic ailments such as asthma, allergies, migraines and arthritis, is distracting employees and limiting their potential.

Studies on presenteeism published in the *Journal of the American Medical As-*

sociation calculate that U.S. companies are suffering annual losses of \$150 billion in at-work productivity.

The same studies indicate these losses are more costly than health care, workers' compensation, disability or absenteeism — all of which receive more management attention.

A Bank One call center once measured its allergy-related presenteeism, according to a report in *Harvard Business Review*. Objective measures, such as time spent on each call, were used. During peak ragweed pollen season, the productivity of allergy sufferers dropped by 7% below those of co-workers without hay fever. When ragweed wasn't problematic, the two groups operated at the same levels.

Based on my experience of helping clients understand the prevalence and cost of presenteeism, solutions for these issues invariably share three basic tenets:

- Measurements on the prevalence and cost of the problem that prioritize the specific health issues by cost effect. This way program impact can be measured and its return on investment realized.
- Education for employees about the effects of poor health maintenance on health-related costs and productivity. Any economist knows that

better information improves market efficiency. Thus, health information and knowledge of cost implications can be a powerful tool in transforming a company culture.

- Tools and resources so employees can better manage health risks and chronic conditions with confidence, empowering them to become more assertive participants in their interactions with health care providers.

The American Institute for Preventive Medicine has shown that for every dollar invested in improving an employee's health care knowledge, the employer can anticipate an average return of \$16. These returns arrive on the bottom line, strengthening profitability and competitiveness.

The message for employers: Nurture the most important link in your organization's value chain — your people. Don't ignore the drain on profits caused by taking a "laissez faire" approach to health management. Address presenteeism head-on as an opportunity to increase your competitive advantage, improve employees' quality of life and strengthen bottom-line performance.

It's a true win-win proposition. ■

oswald
companies

Neil Quinn

Director, Strategic Health Management

216 367-1844

nquinn@oswaldcompanies.com

www.oswaldcompanies.com

Ohio | Florida | Michigan | Minnesota | North Carolina

an Assurex Global Partner

© 2008 Oswald Companies. All rights reserved.