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## The Corporation of the City of London Absence Management Review



## Table of Contents

1. Introduction
2. Overview of Absenteeism
3. Current State of the Corporation of the City of London
  - Categories of Absence
  - Processes and Practices
  - Prevalence of Absenteeism
  - Causes of Disability and Illness
  - Cost of Disability and Illness
4. Benchmarking: What are other Employers doing?
5. Strengths and Areas of Opportunity
6. Recommendations
7. Conclusion

# Introduction



## Introduction

- “The Corporation of the City of London (the Corporation) commissioned a study to review corporate policies, practices, procedures and systems with respect to managing absenteeism in the workplace and to recommend best practices in order to improve the Corporation’s attendance experience and to identify or develop and conduct a survey that tracks relevant comparator groups and utilizes reliable measurements that are appropriate for the Corporation’s experience for lost days at work.” (RFP 08-13 April 2008).
- Stakeholders at the Corporation were interviewed regarding processes and practices.
- External Benchmarking was conducted with other municipalities and private employers to obtain relevant comparative data.
- A data review and cost analysis was conducted.
- This report provides a summary of findings and recommendations.

# Overview of Absenteeism

## Overview of Absenteeism in General Work Absence<sup>1</sup>

- “There are many kinds of absence. Some, such as annual vacation, are generally considered beneficial for both the organization and the employee. Since they are usually scheduled, their effect on the organization can be fairly easily absorbed; the same can be said of statutory holidays. Other absences, such as those caused by illness and family-related demands, are generally unavoidable, as are those due to inclement weather.”
- “Absenteeism, a term used to refer to absences that are avoidable, habitual and unscheduled, is a source of irritation to employers and co-workers. Such absences are disruptive to proper work scheduling and output, and costly to an organization and the economy as a whole. Although absenteeism is widely acknowledged to be a problem, it is not easy to quantify. The dividing line between avoidable and unavoidable is difficult to draw, and absenteeism generally masquerades as legitimate absence.”

<sup>1</sup>Work Absence Rates 2007 – Statistics Canada

## How absenteeism is usually categorized outside the Corporation

### Categories of Absence

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#### Incidental Absence

Casual absences for personal reasons or illness. Number of days allowed per year may be determined and referred to as “banks” or in some instances may not be determined. Absences can be unavoidable or avoidable.

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Typical causes for incidental absences vary, such as:

- accidents and illnesses
- low morale
- poor working conditions
- boredom on the job or lack of job satisfaction
- inadequate leadership or poor supervision
- personal problems
- poor physical fitness and inadequate nutrition
- transportation problems
- availability of income protection plans
- stress, excessive workload and employee discontent

## How absenteeism is usually categorized outside the Corporation

### Categories of Absence

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#### Short Term Disability (STD)

Longer duration absences generally beginning after 3, 5 or 7 consecutive days of absence. These benefits can be provided in a form of salary continuance or through an insurance policy.

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#### Long Term Disability (LTD)

Begins after STD expires and continues to either recovery, death or age 65. These benefits are usually provided through an insurance policy.

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#### Worker's Compensation (WSIB)

Absences relating to occupational injuries or disease. This is a legislated plan provided by the provincial government.

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# Current State of the Corporation



## Current State of the Corporation Categories of Absence

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### Paid Sick Leave

Unionized Employees are eligible to a set number of days per year that varies according to respective collective agreements. There are currently many types of plans. Sick days can be accumulated but if unused, most are not paid out. All accumulated sick days must be used before STD starts.

Non Unionized employees do not receive a fixed number of days per year however, if they are ill their salary continues and once it exceeds 13 or 26 weeks, depending on their benefits plan, they are eligible for the LTD plan.

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### Sick Using Banks

Banked time consists of Vacation, Accumulated Overtime, Flex Time, Standby, Lieu Day, Surplus and Earned Leave. In the past, if an employee had exhausted his/her paid sick leave he/she can use banked time rather than unpaid time and it was calculated as lost days due to illness.

However, this practice has recently changed and reasons for using days banked are not tracked. This is in line with general practices.

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### Sick Without Pay

If an employee has exhausted his/her paid sick leave and does not have banked time or chooses not to use it, he/she may take sick time without pay.



## Current State of the Corporation Categories of Absence

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STD	<p>For unionized employees, if eligible, this benefit generally commences after a 5-day waiting period or after the expiration of paid sick leave accumulated days whichever is higher.</p> <p>Non unionized employees do not participate in an insured STD program.</p>
LTD	<p>All full-time employees participate in the LTD plans. LTD commences following the expiration of paid sick leave, salary continuance or STD.</p>
WSIB	<p>All employees are eligible for the WSIB program. Qualification for benefits is determined based on whether the injury or illness is occupational.</p>

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## Current State of the Corporation Processes and Practices – Roles and Responsibilities

- Management of absences due to illness is primarily the responsibility of each manager. Across various employee groups, processes can vary from formalized to non-formalized. Doctors' notes are being asked for in order to support absences, when appropriate.
- When an absence reaches the STD period it becomes the responsibility of Claims Administration who handles the employee's claim application to the insurer and ensures follow-up until the employee returns to work or transfers to LTD. Medical case management is handled by the insurer.
- When an absence reaches LTD, it remains the responsibility of Claims Administration who ensures follow-up until the employee returns to work, reaches the age of 65 or dies. Medical case management is handled by the insurer.
- Claims Administration fills out the forms for occupational injuries and diseases and prepares appeals when appropriate, follows the progress of each claim and liaises with WSIB.

## Current State of the Corporation Processes and Practices – STD/LTD/WSIB

- The STD/LTD/WSIB application process is well understood.
- Doctors' notes are requested and reviewed, claims notification operates well, there is good communications across the Corporation and with the employees.
- Claims are tracked and managed through a technological system (Livelink and Parklane). Files are well managed and documented. Days lost are tracked in Kronos Attendance Management Module
- Modified and alternate work is identified.
- Some disability claims and accommodation requirements arise following unresolved poor performance issues which, if dealt with, could have been prevented.
- Appropriate areas are engaged as required i.e. Occupational Health Services, Employee Relations, Legal and Union representation.



## Current State of the Corporation Processes and Practices – Attendance Management

- An Attendance Management Program was implemented in July 2008 and focuses on non-culpable absence due to illness.
- Culpable absences are managed on a case by case basis in accordance with the Collective Agreements or the Corporation's policies, as applicable.
- Managers are supported in the management of illness by a Specialist Attendance Management.
- Managers have been trained on the recently implemented Attendance Management Program. Training has also been offered on the Tracking System.



## Current State of the Corporation Processes and Practices – Return-to-Work

- A Return-to-Work Policy has been in effect since 1994. It focuses on abilities to work rather than on disabilities and provides for accommodation.
- It is supported by a Return-to-Work Committee that includes management and union, where applicable.
- Interviews with stakeholders revealed that the return-to-work process has been improved and is more proactive. Some stakeholders mentioned that budget constraints for additional resources could be a hindering factor to further improvements.
- While there is an overall willingness to accommodate and provide modified duties, in some areas, due to the nature of work, there may be few opportunities for accommodation.

## Current State of the Corporation Prevalence of Absenteeism

Average Lost Days due to Illness, Disability and Family and Personal Responsibilities

Absenteeism	2003	2004	2005	2006	2007
	17.4	17.6	18.2	18.4	19.4

Since 2003 there has been an 11% increase in average days lost mainly due to disability.

## Current State of the Corporation Prevalence of Absenteeism

Days Lost by absence category - 2007

Absenteeism	Average
Illness	
– Sick using banks	0.5*
– Sick without pay	0.5
– Paid sick	9.8
<b>Sub total (illness)</b>	<b>10.8</b>
Disability	
– LTD	5.6
– WSIB	1.5
– STD	1.4
<b>Sub total (Disability)</b>	<b>8.5</b>
<b>Total average lost days</b>	<b>19.4**</b>

\* Not usually counted in other organizations as illness days    \*\* Total may not add up due to rounding

## Current State of the Corporation Patterns of Absenteeism

- It is difficult to note a pattern regarding absenteeism by month of the year. However, during 2007 absenteeism was higher during the first months and last months of the year and the trend appears to be the same for 2008. *“In Canada incidental absenteeism tends to be higher during the winter months.”<sup>1</sup>*
  - Regarding absenteeism by day of the week, in general we notice a slightly higher prevalence of lost days on Fridays.<sup>2</sup>
  - Regarding absenteeism by day of the week for the Firefighter Suppression Group, we notice a much higher prevalence of lost days on Saturdays and Sundays compared to the other days of the week.
- <sup>1</sup> Trends and Seasonality in absenteeism, Statistics Canada 2007
- <sup>2</sup> Comment: Trends in specific days of the week are usually dealt with individually through Attendance Management Programs.

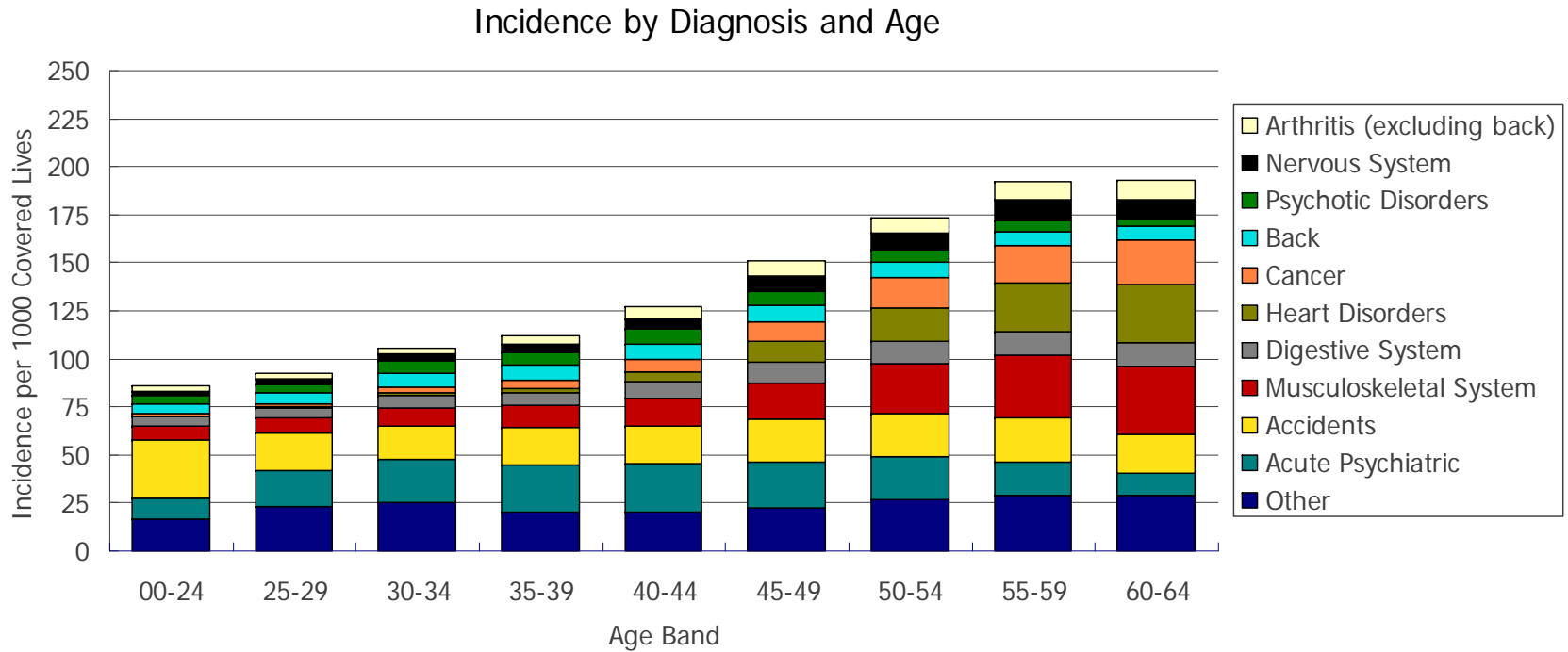
## Current State of the Corporation

### Why are employees absent? Causes of Disability and Illness

- Most prevalent causes for STD during the past three years were <sup>1</sup>:
  - # 1 cause: Mental Health
  - # 2 cause: Musculoskeletal
  - # 3 cause: Cancer
  - # 4 cause: Accidents & Injuries
  
- Most prevalent causes for LTD during the past three years were <sup>1</sup> :
  - # 1 cause: Mental Health
  - # 2 cause: Musculoskeletal
  - # 3 cause: Circulatory System
  - # 4 cause: Cancer
  
- Although, causes of absenteeism for STD and LTD are known, the reasons for the Corporation's incidental absenteeism are not compiled.

<sup>1</sup> Great-West Life

# Causes of Short Term Disability based on Great-West Life 2007 book of business data for all its clients



Source: Group Disability Trends 2007, Great-West Life

## Current State of the Corporation

### What is the cost of disability?

Type of absence	Source	Cost	Corporation's % of Payroll *
STD	Annual Premiums	\$0.45 M	0.3 %
LTD	Annual Premiums	\$1.10 M	0.8 %
WSIB	Corporation's Triannual Report (includes all costs except administration fees and firefighters occupational disease payments)	\$1.8 M	1.3 %

\* 2007 Payroll Amount Used \$145,000,000



## Current State of the Corporation

### What is the cost of illness?

- In 2007, employees missed on average 10.8 days due to illness. The number of average missed days has decreased significantly in 2008.
- Employees are eligible for a number of days off due to illness and as such the Corporation pays employees whether they are working or off work due to illness. Thus, a decrease in the number of illness days would not systematically represent a decrease in cost for the Corporation.
- The areas of negative impact of lost days include:
  - Lost productivity
  - Cost of replacement and/or overtime, if applicable
  - Overload for other employees
  - Decrease in service to the population
  - Work not rendered

**Benchmarking:  
What are other Employers doing?**

## What are other employers doing? Limitations of Benchmarking Lost Days

- Although, absenteeism is widely acknowledged as a problem, it is not easy to quantify. The dividing line between the avoidable and unavoidable is difficult to draw, and absenteeism generally masquerades as legitimate absence<sup>1</sup>.
- Benchmarking data is not always reliable because employers do not always capture data in a similar fashion for each type of absence, e.g.
  - How a day is counted based on the duration of a shift i.e. a 12-hour shift can be normalized to a standard 8 hour day or can be counted as one day.
  - Not counting absences of less than half a day.
  - The inclusion or exclusion of personal days.
- Duration of plans differ, e.g. a 26-week STD plan would have more significant impact on average lost days compared to a shorter duration of a 17-week plan.
- Most employers do not track the duration of LTD as it can continue until age 65 and employees are considered inactive. This would illustrate an unrealistic picture of current absenteeism.
- Statistics Canada's Work Absence Rates capture all absences regardless of the type and is done through a household survey.

<sup>1</sup> Work Absence Rates 2007 – Statistics Canada

## Work Absence Rates 2007 – Statistics Canada Data Source <sup>1</sup>

- This publication uses data from Statistics Canada's Labour Force Survey, a monthly household survey that collects data on the labour market activities of working-age Canadians, namely, those 15 years or over.
- The data are based on annual averages from the Labour Force Survey, not a special survey of absenteeism.
- The majority of the Labour Force Survey statistics refer to a particular week each month. The data are based on the average of the 12 reference weeks of the year in question.
- Most firms and institutions in Canada keep records on worker absences for administrative and accounting purposes. Again, differences in coverage, periodicity and definitions limit comparability or across-industry aggregation of the data into meaningful national rates by sex, age, industry, occupation, and so forth.

<sup>1</sup> Guide to the Labour Force Survey, 2007

## Work Absence Rates 2007 – Statistics Canada Data Source <sup>1</sup>

- The Labour Force Survey does not ask if an illness or disability is work-related. Thus, all such absences are included in the data in this publication.
- The data includes both paid and unpaid absences.
- The Labour Force Survey does not distinguish between long- and short-term disability absences. Those who are absent but consider themselves 'employed,' and who receive full or partial pay from their employer, are included in the illness or disability category, irrespective of length of absence.

<sup>1</sup> Guide to the Labour Force Survey, 2007

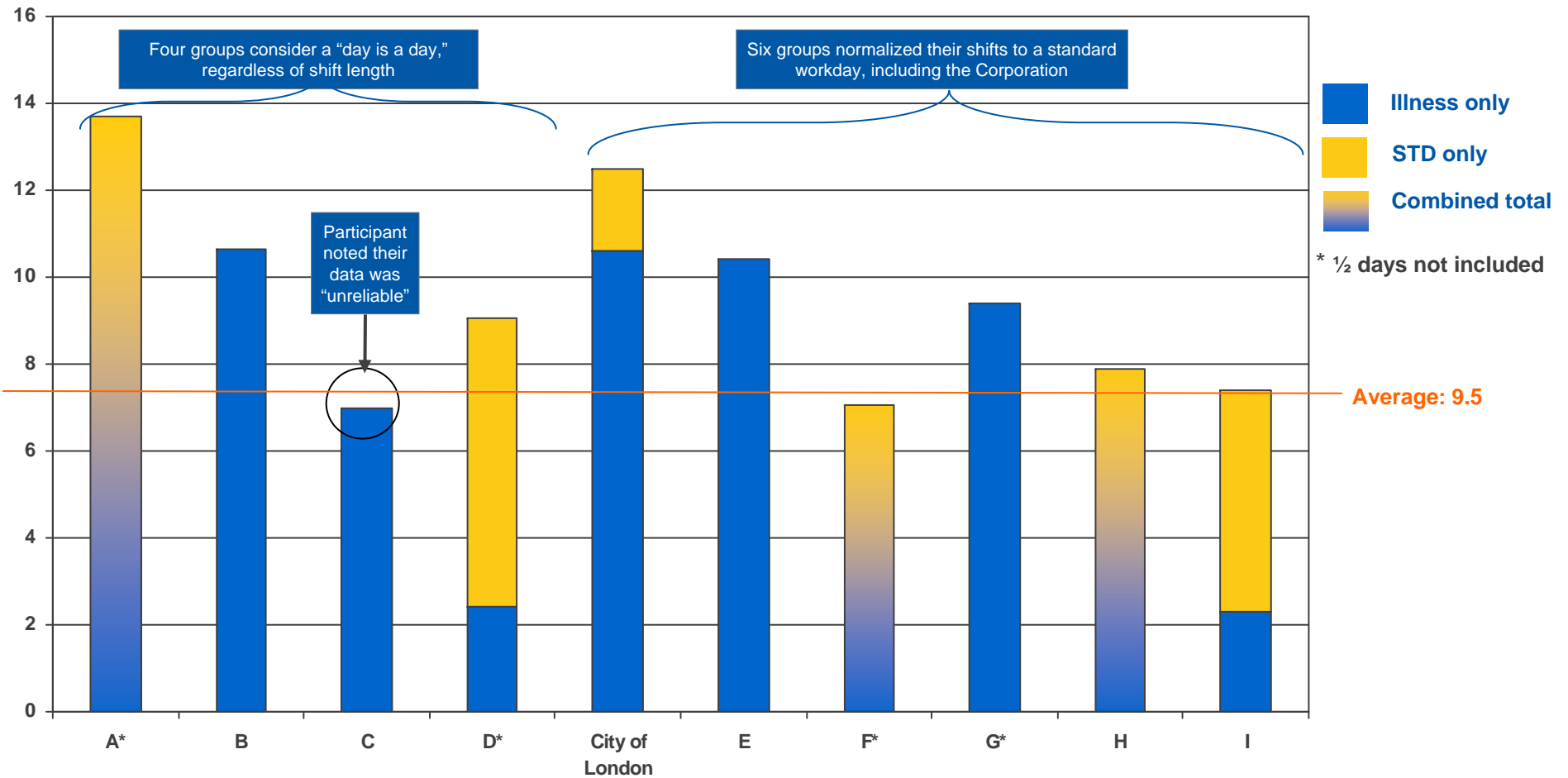


## What are other employers doing? Benchmark Survey - Lost days

- Mercer conducted a benchmark survey on behalf of the Corporation. The purpose of the survey was to find relevant and reliable comparators.
- LTD and WSIB data was available from only a few participants and was therefore excluded from the comparison.
- 9 out of 14 participants provided illness and STD data based on lost days per employee. The manner in which “days” are recorded varies across the groups.
- The next page illustrates the **difficulties in benchmarking**. We conclude that there is no comparative groups to which the Corporation can benchmark itself in terms of days lost.

# What are other employers doing?

## Lost Days Comparison - Days lost/employee/year (Illness and STD only)





## What are other employers doing? Useful Benchmarking

- As long as an organization captures data in a similar fashion throughout an organization it can benchmark its divisions internally.
- Absence rates calculated as lost time over scheduled time is a benchmark that can be compared to others as it takes into consideration a common denominator, as long as the denominators are similar.
- Another common benchmark is percentage of payroll by absence category.
- The following page compares the Corporation's payroll cost by absence category to a Canadian Survey.

## What are other employers doing? Annual Costs Comparison

Type of absence	Source	Corporation's % of Payroll <sup>1</sup>	Survey <sup>2</sup>
Illness	Corporation's Payroll Data	3.0 %	1.20 %
STD	Annual Premiums	0.3 %	1.80 %
	<b>Sub Total</b>	<b>3.3 %</b>	<b>3.0 %</b>
LTD	Annual Premiums	0.8 %	1.05 %
WSIB	Corporation's Triannual Report (includes all costs except administration fees and firefighters occupational disease payments)	1.3 %	1.26 %
	<b>Total</b>	<b>5.4%</b>	<b>5.3%</b>

<sup>1</sup> 2007 Payroll Amount Used \$145,000,000

<sup>2</sup> Staying@Work: Effective Presence at Work, Watson Wyatt, 2007



## What are other employers doing? Conclusion on Benchmarking

- Benchmarking lost days with other organizations and with Statistics Canada is not a reliable comparator and can create misleading conclusions.
- Cost of absence in terms of percentage of payroll or rate of absence by using lost time over scheduled time would be more accurate when comparing with other organizations.

## What are other Employers Doing? Processes and Practices

- Attendance Management
  - Conduct manager training.
    - Encourage managers to discuss attendance with employees and help bring underlying issues to light.
  - Establish a clear distinction between processes for dealing with non-culpable absenteeism and culpable absenteeism.
    - Culpable absence: Disciplinary intervention.
    - Non-culpable absence: Wellness and accommodation support.
  - Build an integrated approach for attendance management and support.
    - Front-line managers, HR, labour relations/employee relations and health services.
  - Use program triggers to highlight attendance concerns.
    - Compare individual absenteeism to the group's average lost days in the period.



## What are other Employers Doing? Processes and Practices

- Disability Management
  - Centralize special resources (nurses and physicians).
    - A Disability Management team to provide support across all departments.
  - Stay actively involved with insurer.
    - Promote a successful and early return-to-work with a close partnership between insurer and internal resources.
- Data Collection and Reporting
  - Access to reports in a timely fashion (every pay period).
  - Access to online reports or designated data compilation and report distribution.
  - Access to lost days and associated cost (dollar amounts and percentage of payroll).
  - Integrated approach between management and HR: Monthly reports are reviewed by HR and concerns are flagged for discussion with managers.

## What are other Employers Doing? Processes and Practices

- Return-to-work (RTW) and temporary accommodation
  - Focus on this area to cut costs.
  - Consider functional abilities and physical demands of the job instead of limitations.
  - Involve a multi-disciplinary team and include the supervisor union in return-to-work planning.
  - Document the return-to-work plan, including roles and responsibilities.
  - Set time limits for accommodation.
- Permanent accommodation
  - Where possible, provide tools and resources to accommodate the employee and help them get back to modified work.
  - Conduct a functional abilities assessment and review jobs for the most appropriate match.
  - Involve all stakeholders (rehabilitation officer, union representatives, supervisor, recruiting staff) to enable successful job transition and cross-bargaining unit accommodation.



## What are other Employers Doing? Processes and Practices

- Wellness
  - Take a holistic approach: Promote a healthy employee, job and workplace.
  - Integrate wellness and illness absence management: Designate a full-time wellness resource to provide education on wellness, and to work with rehabilitation officers on issues such as work hardening, job shadowing and capabilities assessments.



## **Strengths and Opportunities for Improvement**

## Strengths and areas of improvement

### How does the Corporation Compare to Best Practices - Attendance

Best Practices	The Corporation
<ul style="list-style-type: none"> <li>▪ Attendance Policy Statement</li> </ul>	Opportunity for improvement
<ul style="list-style-type: none"> <li>▪ Attendance Management Program for culpable and non culpable absences</li> </ul>	Strong (Non culpable) Opportunity for improvement (culpable)
<ul style="list-style-type: none"> <li>▪ Accommodation for employees with Chronic Conditions</li> </ul>	Strong
<ul style="list-style-type: none"> <li>▪ Tracking of Absences and Reports</li> </ul>	Moderate
<ul style="list-style-type: none"> <li>▪ Attendance Recognition Practices and Programs</li> </ul>	Opportunity for improvement
<ul style="list-style-type: none"> <li>▪ State of the art management practices that foster employee well being, engagement, happiness and satisfaction</li> </ul>	Strong

## Strengths and areas of improvement

### How does the Corporation Compare to Best Practices – Illness/STD

Best Practices	The Corporation
▪ Early Intervention	Opportunity for improvement
▪ Evidence based medical assessment	Moderate
▪ Ongoing communications with employee, manager, HR and insurer	Strong
▪ Timely and safe return-to-work programs i.e. modified duties/progressive return-to-work	Strong
▪ Smooth transition to LTD where required	Strong

## Strengths and areas of improvement

### How does the Corporation Compare to Best Practices - LTD

Best Practices	The Corporation
▪ Timely assessment	Strong
▪ Evidence based medical assessment	Strong
▪ On-going communications with employee and employer as appropriate	Strong
▪ Return-to-work programs	Strong
▪ Physical and vocational rehabilitation	Strong
▪ Temporary and permanent accommodation	Strong (Temporary) Moderate (Permanent)

## Strengths and areas of improvement

### How does the Corporation Compare to Best Practices - WSIB

Best Practices	The Corporation
▪ Risk Identification	Strong
▪ Preventative measures and equipment	Strong
▪ Training	Strong
▪ Timely reporting and forms to WSIB	Strong
▪ Appeals (where appropriate)	Strong
▪ Regular communications with the Board	Strong
▪ Regular financial verifications	Moderate

# Recommendations



## Rationale to support recommendations Incidental absences (illness)

- Employees with high attendance are motivated and engaged. Workplaces with a culture that promotes employee well-being will attract and retain engaged employees.
- Interviews with stakeholders revealed that there is a culture of entitlement regarding sick paid days, “It is earned” and therefore can be used.



## Priorities and recommendations Incidental Absences (illness)

### Recommendations

**Focus on changing the Corporation's culture from entitlement to responsible employees. Continue to monitor work climate and set long term goals.**

## Rationale to support recommendations Processes and Practices

- All absences prior to STD application with the insurer are handled by managers/supervisors. Management of these absences pertain more specifically to the administrative aspect of the absence. Generally, the only medical management component is when a doctor's note is requested by the manager.
- Absences due to illness and injury more than five days are considered serious and usually require medical interventions and treatment.
- Recovery from illness varies from individual to individual and depends on many factors.
- Workplace issues may have been a contributing factor in the employees' condition. Unveiling and resolving these situations will help return the employee to a more favorable work environment and ensure a sustainable return-to-work.
- Specialized health professionals (e.g. nurses, ergotherapists) with experience in the workplace can help improve the duration of absences and get employees back to work in a timely, safe and sustainable fashion.



## Recommendations Processes and Practices

### Recommendations

**All absences for illness and injury more than 5 consecutive days could be transferred to the insurer or to a third party specialized provider to manage cases from an administrative and medical perspective while keeping HR and managers involved.**

**Continue to train managers in absenteeism management, how to identify stress symptoms, conflict resolution and techniques to motivate and engage employees.**

## Rationale to support recommendations Attendance Management Program

- Managing attendance starts with a **written policy** stating the organization's philosophy, expectations as well as roles and responsibilities of all stakeholders. Generally, attendance management policies define two distinct types of absence: non-culpable (unavoidable) and culpable (avoidable).
- **Processes and procedures** describe how these absences are managed to resolve the issue of absence and usually include an escalating process based on determined criteria.
- An attendance management **program** encompasses the policy, processes and procedures as well as resources, support and recognition of in order to foster high attendance.
- The Corporation's attendance management program focuses on non-culpable absences due to illness and injury. It includes some aspects of a policy, processes and procedures and escalation steps. The Program does not recognize or reward employees with good attendance.

## **Recommendations**

### **Attendance Management**

#### **Recommendations**

**Review the current policy (B5) in order to develop a more comprehensive policy independently from the processes and procedures and include non-culpable and culpable absences for all reasons and not only limited to illness and injury.**

**Clarify that the current Attendance Management Program addresses non-culpable absences only, by changing the title to Non-Culpable Attendance Management Program and continue to focus on support for chronic disease, personal problems and performance and motivation issues. Continue to handle culpable absences through the disciplinary processes in place.**

**Reinforce recognition program and reward attendance of employees that are consistently present at work, engaged and reliable.**

## Rationale to support recommendations Data, Metrics and Scorecards

- Statistics are interesting however they must also be used to measure, qualify and to help in decision-making.
- Gathering, compiling and analyzing data can be time-consuming. It is important to decide what the data will be used and to set “statistics objectives” by answering these 3 questions:
  - Why do we need to know this?
  - What are we going to do with this information?
  - What outcomes or improvements can we expect?
- Data and metrics selected need to match set objectives.
- The Corporation collects much data and has over 20 absence codes in its system. Although, it may be required for compensation purposes, not all information needs to be captured for absenteeism management. The Corporation is working on simplifying the payroll codes and has eliminated several codes already.
- Illness and STD data is bundled but is calculated as illness and inflates the illness data.

## Statistics Objectives Example

- Reports are generated to assess the status and progress of the STD Absenteeism Program and ultimately demonstrate the attainment of its objectives identified as:
  - A. Reduce cost by decreasing average number of days lost per case
  - B. Improve services to managers

Report	Description	Objective	Timeline / Frequency
Manager Report	Data on number of cases, duration, % absence, lost productivity and cost for the Business Units.	B	Monthly
Duration and cost tracking	Tracking of the duration of cases as they close and active cases for Company and by Business Unit. Report includes cost.	A	Monthly
Key Performance Indicators Report	Tracking evolution of duration of cases and timelines	A	Weekly
Number of requests for medical evaluation that do not materialize	Request received by manager but deemed to be administrative issues.	For billing purposes	Monthly

## **Recommendations**

### **Data, Metrics and Scorecards**

#### **Recommendations**

**Continue to de-bundle illness and categorize 5 consecutive days and more as STD.**

**Expand “Statistic Objectives” and select relevant data to track and adjust system codes accordingly.**

**Consider calculating absence rates (lost time/scheduled time) to eliminate shift differences and/or percentage of payroll for internal and external benchmarking purposes.**

**Continue to set goals, enhance scorecards and communicate results to managers and develop employee awareness.**



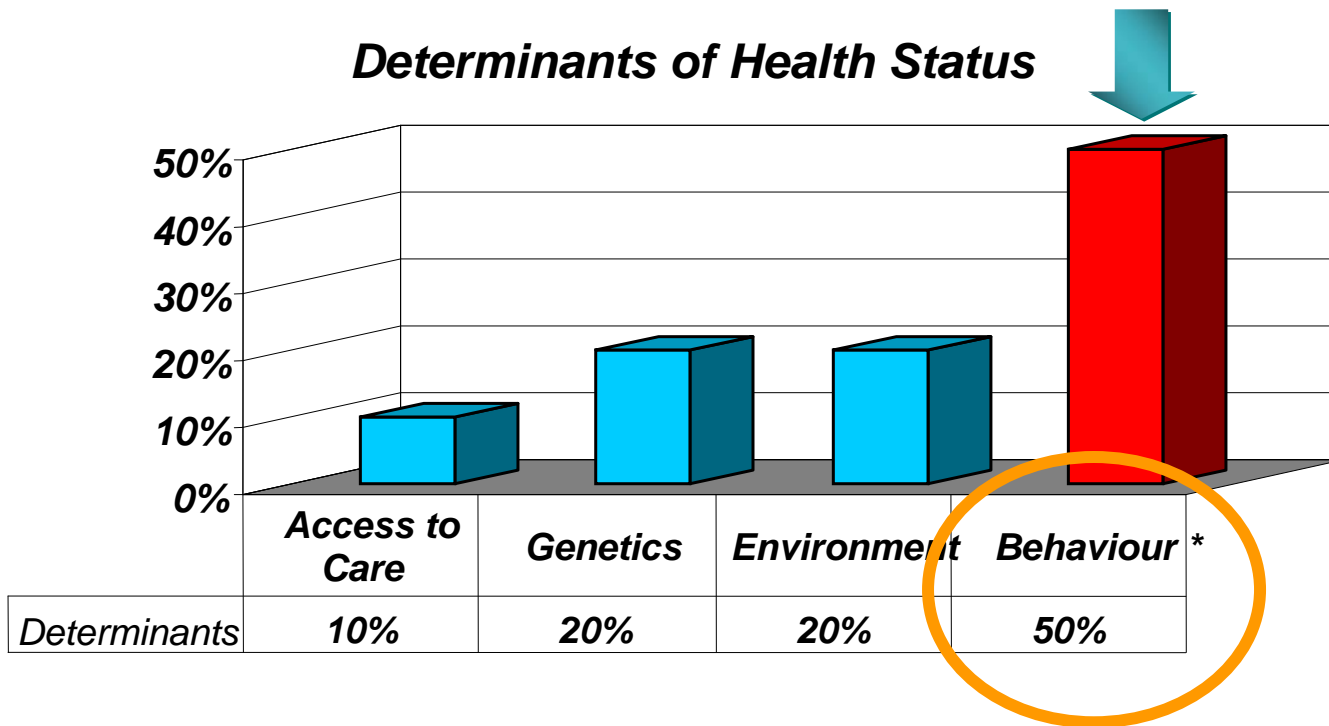
## Rationale to support recommendations Wellness

- It is important to understand why employees are off for long periods. The Staying@Work Survey shows STD is the most costly category of absence. Knowing the causes of disability will help in establishing prevention programs and reducing cost.
- Comprehensive well designed Wellness Programs can achieve positive results. The following pages describe opportunity, emerging trends and programs that have been successful and illustrate how some organizations have made significant savings.

# Rationale to support recommendations

## Wellness - Behaviours are Key to an Individual's Health Status

Employee health behaviours determine 50% of health status and associated costs



Source: IFTF, Center for Disease Control and Prevention

\* Related to Health Behaviours such as smoking

## Rationale to support recommendations Wellness - The Opportunity

- An effective health and productivity management strategy:
  - Supports employee health as a necessary asset for a highly productive work environment.
  - Combines benefit design with health promotion, disease prevention, self-care management, and disease management.
  - Integrates with occupational and non-occupational absence management strategies.
  - Uses behavioural change theory in communications and interventions to maximize results.
  - Measures the impact of the interventions for continuous improvement and positive impact on population health and productivity.

## Rationale to support recommendations

### Wellness - Emerging Trends and Innovations

- Building healthy worksites / culture:
  - Establishing infrastructures to support on-site activities.
  - Using data to tailor programs to specific need.
  - Restructuring / Establishing on-site health centres.
  - Partnering with local resources and health systems.
- Program adaptation to address:
  - Language and cultural sensitivities.
  - Aging workforce.
  - Global workforces.
- 90% of Canadian organizations offer some type of wellness initiative. <sup>1</sup>

<sup>1</sup> National Wellness Survey, Report 2006, Buffet & Company Worksite Wellness Ltd.

## Rationale to support recommendations

### Wellness - Examples of Trends and Innovations

#### Healthy LifeWorks project in Nova Scotia

- “Investing in workplace health is smart business, says a province of Nova Scotia and Creative Wellness Solutions four-year Healthy LifeWorks project.
- The first Canadian study to address the business case for workplace health was implemented in 2004 to improve the health of Nova Scotians and reduce the risk of chronic disease.
- More than 400 employees from the Department of Justice participated in the study which measured individual health, musculoskeletal health, and organizational health.
- The project showed significant improvements to employee health including a 19 per cent improvement in nutrition scores, as well as a nine per cent reduction in the average number of lifestyle risk factors such as smoking and cholesterol level.”

Source: Pension and Benefits Monitor



## Rationale to support recommendations Wellness - Emerging Trends and Innovations

- Published research documents program impact.
- Integrated program approach merges Wellness strategies with benefit plan design.
- New technologies create data-driven programs that are tailored to individual risk and health status.
- New health behaviour change models take into account individual differences in “readiness” to make behaviour changes.
- Outcomes orientation draws on both health and productivity measures to document program impact and ROI.

## Rationale to support recommendations

### Wellness - Examples of Trends and Innovations

- “Calgary-based engineering firm Bantrel Inc. launched a program to run standard health tests on employees. Out of the one-third of its workforce that took part in the health screening, about 10% were at “serious risk”, which was then followed up with additional support to help those employees address their health concerns.” (Calgary Herald, 2008. *Health programs a win-win for all...*)
- “The Region of Durham, a municipality located just east of Toronto has worked with an EAP provider, a wellness consultant and numerous internal and external resources to deliver a broad range of programs to employees. The organization’s director of employee services has already identified a \$200,000 savings in sick-leave costs.” (CHRR, Report on Healthy Workplaces, 2007. *Healthy employees translate into profits*)
- “Eight Ontario-based organizations participated in a comprehensive three-year program designed to identify the risk of cardiovascular disease, measure the reduction of that risk and collect return on investment (ROI) data. Participating employers experienced a \$4.15 ROI for every dollar in costs. Improvements in nutrition, blood pressure and cholesterol generated the greatest return-on-investment.” (CHRR, Report on Healthy Workplaces, 2007. *Healthy employees translate into profits*)

## Rationale to support recommendations

### Wellness - Examples of Trends and Innovations

- “In 2000, Enbridge Inc., headquartered in North York, Ontario implemented a worksite wellness program consisting of onsite physiotherapy, massage therapy, wellness seminars, nutrition counseling and a worksite fitness facility. In addition to reporting 2007 long-term disability savings of \$466,000 (a 23% reduction), in 2006 Enbridge was recognized as a Top 100 employer by a magazine.” (Employee Benefit News Canada, 2008. *Different strokes for different folks*)
- Ericsson has been addressing five aspects of personal well being:
  - Intellectual (presentations, information sessions...).
  - Emotional (lifestyle, stress management).
  - Social (activities).
  - Physical (Training, pilates, yoga...).
  - Spiritual (personal growth).

About half of the 1,500 employees participate in the program. Ericsson gets high marks for its wellness program and on employee satisfaction surveys.

(Montreal Gazette, 2008. *Wellness program at work helps employees improve themselves mentally and physically*)

## Rationale to support recommendations

### Wellness - Examples of Return on Investment

Organization	Program	Results
General Mills	A two-year self-directed health promotion program. Prior to the program the average number of days absent was not significantly different between participants and non-participants.	<p>Average absence days for the first year:            Participants: 2.06 days            Non-participants: 4.05 days</p> <p>Average absence days for the second year:            Participants: 2.58 days            Non-participants: 4.32 days</p>
DuPont	The Health Promotion program included Health risk assessments, self-directed health education, newsletters, cafeteria food modification and contests and events.	<p>Participants experienced a 14% decrease in disability days over 2 years versus a 5.8% decrease among non-participants.</p> <p>Savings offset program costs in the first year and showed a ROI of 2.05:1 in the second year.</p>
Johnson & Johnson	The Program included Health risk assessments, referrals to high-risk intervention program, health education and training, ergonomics assessments, medical surveillance, drug and alcohol awareness training.	Average savings estimated at \$ 224.66 US per employee per year.

## **Recommendations Wellness**

### **Recommendations**

**Develop a strategic plan for Wellness focusing on the Corporation's main causes of absence (mental health and musculoskeletal problems).**

**Create a Wellness Group that will drive the program, develop a yearly action plan, establish success criteria and evaluation measures for the program.**

**Retain the services of a specialized provider for at least the first two years of the program to ensure solid foundation.**

**Do a needs analysis or health risks assessment to determine employees' needs and interests.**

# Conclusion



## Conclusion

- The Corporation of the City of London has undertaken several actions to improve its absenteeism and the current data is showing positive results on attendance.
- The Corporation should continue its endeavours in order to achieve a high standard attendance performance and to foster employee responsibility for their attendance at work.

# MERCER



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