

# editorial

Sickness absence costs employers 3.5% of working time a year, or the equivalent of £598 per employee, according to the Chartered Institute of Personnel and Development's *Absence management survey 2006*.

So prevention, through health and wellbeing initiatives, is one issue that employers can not afford to ignore. And it should be to their advantage to go a step beyond legislative requirements by encouraging staff to pursue healthier lifestyles. Although the effects of conditions such as obesity, with its raised incidences of heart disease, may only materialise over the long term, a fitter body usually makes for a fitter mind. And the two combined should help boost productivity levels. Not only that, but employees may come to show greater loyalty to employers that are interested in their overall wellbeing than those that are not.

This guide is designed to help employers put in place a strategy and range of benefits to prevent sickness absence, even where their budgets are limited.

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# Time for a more hands-on approach for the health and wellbeing of our employees

We are all busy people, yet it's worth stopping to think, could we do more to improve the health and wellbeing of our employees?

More and more employers are realising how important it is to have a healthy, happy workforce not just in terms of productivity and profit, but because of the vital contribution each and every employee makes to the overall success of the business. If the workforce isn't in good physical, mental and emotional shape, this will surely impact on their performance.

Currently, the government is pushing for employers to take a more hands-on approach, by encouraging proactive measures to help address sickness and ill-health in the workplace; the old adage 'prevention is better than cure' springs to mind here. It firmly believes that the best place for people to be is in work. So, managing health and wellbeing through occupational health, and helping employees back to work sooner is high on the agenda.

BUPA's been specialising in health and care for nearly 60 years; that means we're well-placed to help employers by taking a consultative approach to identify their individual health, care and protection needs.

By looking at the bigger picture, including the business itself and the workforce profile, we can tailor a solution to meet individual requirements. This could be a stand-alone company health cover scheme, or add in measures to address the root causes of recurring problems, such as health assessments and risk management programmes.

Of course, there are many ways to help improve health and wellbeing, and a wealth of information is available. That's why it's vital for employers to seek the right advice to establish the right solution – a key issue that prompted BUPA to support this guide in the first instance.

**Steven Flanagan**

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# Absence ails industry

## Employers have a vested underlying interest in staff wellness as sickness absence continues to put pressure on British industry

SOME employers take the view that when it comes to the health and wellbeing of their employees, as long as the environment in which they work is safe and comfortable, then that's enough.

However, employers have a vested interest in ensuring that they have a healthy workforce. It stands to reason that an employee who is fit and well is likely to work better and take fewer days off sick.

Sickness absence counts for 3.5% of working time or eight working days per employee each year, according to statistics from the Chartered Institute of Personnel and Development's (CIPD) *Absence Management Survey 2006*. This translates to an average cost of £598 per employee per year.

It is far better, therefore, for employers to try and put preventative measures in place to limit the chances of employees getting sick, to help them when they are unwell and to assist them back to work once better.

With obesity, smoking, drinking too much alcohol, lack of exercise and stress becoming increasingly prevalent in today's society there is perhaps an even greater need for employers to

play their part in addressing staff health and wellness issues.

Putting philanthropy and vested interest to one side, employers also have legal obligations to ensure that their staff are looked after.

Julie Waddington, consultant on the healthcare team at the financial advisory arm of consulting firm Punter Southall, says: "In terms of responsibility, the government is encouraging employers to take a more active role. Employers [already] have a legal responsibility to ensure that they do not do anything to endanger an employee's health and a duty of care responsibility to provide support to those that may require it. They don't have a legal responsibility to improve the health and wellbeing of staff, although it could be said that they have moral and commercial responsibilities."

The legislation employers have to adhere to includes the Management of Health and Safety at Work Regulations 1999, the Health and Safety at Work Act 1974 and the Disability Discrimination Act 1995. In addition, government initiatives such as Pathways to Work, which tries to get ►

people off incapacity benefit and back to work, stress management guidelines from the Health & Safety Executive, and the government pilot scheme looking at alternatives to doctors signing off sick notes, all bring the employer into the fray when it comes to employee healthcare. Employers fully expect these responsibilities to increase.

Healthcare provider HSA carried out a survey in 2006 which found that 80% of HR professionals expect their duty of care responsibilities to increase over the next five-to-ten years.

Suzanne Clarkson, head of corporate marketing, group sales and marketing at the company, says: "Proactive support to improve health and wellbeing was seen as the most likely way to improve the health of the workforce over the next decade."

An unhealthy workforce will impact on the employer not only in terms of absence costs, whether an employee is off work for short periods or long term, but also on the cost of providing insurance and health benefits to staff.

But even though the argument makes perfect sense, when it comes to making the case for promoting healthier lifestyles for staff, it is difficult to source statistics that prove prevention is better than cure. However, a 2004 review, the *Economic benefits of workplace health promotion and prevention* reported a reduction in sickness absence of between a 12% and 36% when health promotion measures were put in place. It concluded that every £1 spent on promoting health in the workplace could lead to a £2.50 saving for business ■



## Key reasons to keep staff healthy

There are several benefits for employers should they help their employees stay fit and healthy. These include: increased productivity, meeting their obligations as an employer for their employees' health and wellbeing, boosting the retention of good staff and cost savings through lower absence rates.

Julie Waddington, consultant on the healthcare team at the financial advisory arm of Punter Southall, says: "Increasing productivity, reducing absenteeism, impacting staff turnover and improving staff morale are all positives that introducing a health and wellbeing strategy can influence. For the employees, [the benefits include] having an employer that cares about them and their wellbeing, and assists them to make positive changes that may not only affect their working life but also their personal life."

# Make audits a life line

## When developing a strategy avoid costly duplication by having a thorough review of existing health benefits and practices

PRIOR to implementing a health and wellbeing strategy employers need to spend some time considering exactly why they want to introduce one in the first place. This might seem fairly obvious, but without taking the time to think through what the desired outcome should be, whether the health and wellbeing of staff needs to be tackled, the budget available to spend and what employees want, any plans that are introduced risk failure.

In order to determine what a strategy should include, the employer needs to carry out a sickness absence audit. This should help uncover the reasons why employees are calling in sick. Hot spots of unhappiness, stress or illness in the organisation can be identified as well as any action that

needs to be taken.

Employers with an outsourced absence management service will be able to obtain statistics from their provider, or will have the relevant data if absence is recorded in-house. Those that have an Employee Assistance Programme (EAP) will also be able to obtain in-depth information from their provider, which may also give some insight into causes of absence.

When devising a health and wellbeing strategy it also makes sense to evaluate the facilities and benefits already in place. It may be that a bikes for work scheme, discounted gym membership, a lunchtime running club and healthy eating options in the canteen can all be pulled together and re-communicated to employees with some health and wellbeing advice.

Kate Bawden, an associate at Mercer Human Resource Consulting, says: "A lot of big organisations have fairly comprehensive benefit packages and these can contribute towards employee wellbeing. It may be they just need to enhance those initiatives already in place rather than spending money buying huge packages that may duplicate what is already there." ■



### Key steps:

- Prior to implementing a strategy work out what needs to be achieved and why.
- Carry out an absence audit to help identify problem areas within the organisation.
- Look at the benefits and facilities already in place and utilise those where possible.
- Re-communicate existing benefits to staff.

# Freebies charge up perks

## Employers can provide a number of healthcare perks, and as providers vie for business, barter for free or low-cost add-ons

THERE are a number of common benefits an employer can offer staff that will provide a good foundation for a health and wellbeing strategy. These include private medical insurance (PMI), healthcare cash plans, health screening and an Employee Assistance Programme (EAP).

But before rushing out and buying in such benefits, most employers will want to explore whether both they and their employees are getting value for money.

Insurers and product providers are increasingly offering supplementary add-on products to their core offering, either free or at a low cost, so employers are increasingly finding that they can get more for their money.

Norwich Union, for example, offers its group income protection and group PMI customers access to its Personal Health Manager programme. Steve Bartlett, consulting director at JLT Benefits Solutions, says: "This is not very expensive, but enables people to do online medical assessments and importantly it gives the aggregated data back to the employer, so the

employer would know how many people have a particular illness [and] how many are smokers [for example]." Employers can then run targeted wellness campaigns based on the feedback they are getting, focusing on aspects such as smoking or diet.

### Second opinions

Bartlett points out that there are also some useful services that can be added to income protection schemes. "Canada Life [for example] offers a service called Best Doctors. If the employee is concerned about an illness and wants a second opinion they can get one from a leading expert as part of the income protection policy. That is making use of the benefits you already have rather than buying additional benefits," he says.

Other providers offer access to packages that include an EAP, face-to-face counselling and cash back for dental and optical treatments from £6 per employee. From April, cash plan provider HSA's offering will also extend to health screening and occupational health from £10 per month per ►

employee for the full package.

In those organisations where employees don't look after their health and wellbeing, employers may find that they pay the price when it comes to insurance premiums.

Malcolm Emery, managing director of health screening firm Wellness Technology, says: "An insurer who insures a group finds [that] year on year the health risk of the group is getting worse and the only way they can address that is to put the premiums up." He adds that, in general, the health of the workforce is getting poorer. "Seventy-five per cent of disease is created by lifestyle, and the younger generation is worse than the older."

Some insurance offerings now on the market, such as the PruHealth's PMI cover, are based on the premise that preventative action can pay dividends. With this policy, if staff demonstrate they are looking after their health by going to the gym, for

example, and claim less on the policy this can lead to a reduction in premiums for the employer and cashback for the employee to set against their benefit-in-kind tax liability for PMI. Products like these give a financial incentive for employers to look after the health of staff.

Julie Waddington, consultant on the healthcare team at the financial advisory arm of Punter Southall, says: "Companies spend significant amounts of money managing the ill-health of their employees often with little or no focus on managing and maintaining their health and wellbeing. Much of my role is spent discussing PMI spend and premium increases and one of the questions I often ask my clients when they balk at yet another premium increase is what do you do to help keep your employees well, as over a longer term a healthier workforce could have a direct impact on insurance spend." ■




## **Employers see value of preventative healthcare**

Alex Jones, commercial director at Norwich Union Occupational Health, says organisations are increasingly seeing the value of preventative measures to help stop employees falling ill. "Flu vaccinations are a very proactive thing with a view to mitigating absence relating to flu - particularly over the winter period," he explains.

He adds that increasing numbers of employers are also looking into benefits such as health screening for all staff. "Health screening has been traditionally for senior management but more employers are looking for less complex medicals that can be done for lower levels in the organisation, perhaps with nurses or doctors attending site or via mobile clinics carrying out cholesterol checking or giving advice about weight loss, and so on. This is where those lifestyle aspects can have a direct impact on the individual's ability to do their job well."

# Fit culture into the pack

## Canvassing employee opinion is vital in assessing what health perks will ultimately suit your staff's needs



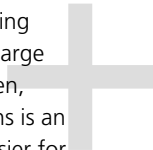
DEVISING a wellbeing strategy to complement standard employee healthcare benefits and employers' workplace obligations is one thing, but the real key to the success of any such initiative is to add value. The measure of value will very much depend on the workforce and the kinds of things that will appeal to each organisation's employees.

Canvassing the views of staff is essential to get the right benefits in place and to ensure employees understand what is on offer and how it can help them. These additional benefits need not be costly to the employer and so can suit those on a budget, but of course they can also be implemented by organisations with more resources.

### Gym membership

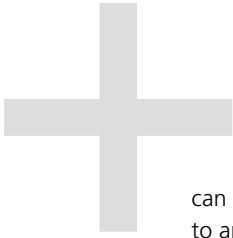
The sorts of things employers can look at to add value to their health and wellbeing strategy include gym membership, either fully paid for by

the employer, subsidised, or offered at a discounted rate due to employer's buying power. Most privately-owned and national chains will offer employers corporate deals.



Then there are healthy eating options. If an organisation is large enough to have a staff canteen, providing healthy meal options is an excellent way of making it easier for individuals to eat well. And if a company budget or facilities do not stretch to a staff restaurant, having fresh fruit or juices available within departments is a cost-effective way of proffering some of the 'five-a-day' fruit and vegetable options which everyone is encouraged to have in their diets.

Julie Waddington, consultant on the healthcare team at the financial advisory arm of consulting firm Punter Southall, advises: "More flexible working hours, access to water and fruit, promoting exercise and health awareness, duvet days, even the type of strip lighting that's within the office ►



can all make a positive enhancement to an employee's working environment and therefore physical and mental wellbeing."

### Work-life balance

Making programmes available to help with weight loss or stopping smoking can do the same. If budgets are really stretched then just signposting similar programmes available on the NHS or locally and being flexible around time off to attend appointments demonstrates support for staff.

Encouraging group activities, such as a lunchtime running club, can also help employees improve their health with the support of their colleagues

and go some way to addressing work-life balance issues.

And for getting to and from work, a bikes-for-work scheme offered through salary sacrifice can be a tax-efficient way for staff to acquire a bicycle and some exercise.

Bigger budgets, of course, can mean bigger ticket benefits. Larger organisations may consider on-site gym facilities or even swimming pools, which will be of real value to those employees based on sites some distance from local facilities ■



## Making a health and wellbeing strategy succeed

Changing individuals' mindsets about their health and wellbeing is an important factor in making any strategy succeed, otherwise all the healthcare benefits in the world can be made available, but staff won't take them up.

Clive Pinder, managing director of health management company Vielife,

says: "Small things that can add a culture of health will have dramatic impact. Set a tone of a culture of good health by having fresh fruit around the office, ask the provider of any vending machine to put healthy snacks in there [and] make sure water is available because dehydration is a well-known

cause of lack of productivity."

Even reviewing things like how meetings are conducted can be a chance to boost employees' health. One client Pinder works with, for example, takes some meetings outside the office. "Just taking a walk while you are discussing [things] can be beneficial," he says.

# A vital sign that HR care

## Monitoring staff health can play a major role in illness prevention and should be a key constituent of any wellness strategy

ANY good health and wellbeing strategy should include measures for monitoring and assessing staff to identify and prevent potential illnesses before they turn into long-term causes of absence. It should also be supportive in aiding the return to work of employees who have been off sick.

Carrying out an absence audit is one of the key ways of identifying parts of the business where absence is an issue and the causes of that. This can be undertaken by collecting any available figures from absence management systems and employee assistance programme providers.

The figures may indicate, for example, that a particular department has a high incidence of stress due to understaffing, or that employees are reporting musculoskeletal illnesses. If so, then the organisation might want to consider various solutions such as putting in place an employee assistance programme, if stress is the issue, or carrying out a health and safety audit to check for potential causes of musculoskeletal injuries. This can help

prevent staff being absent for the same reasons in the future.

While an organisation's occupational health department, if it has one, will play a vital role in identifying and preventing long-term illness, the role of line managers can often be even more important.

### Behavioural indicators

Gill Weston, a psychobiologist from BUPA's psychological services team, says: "The key thing is to look for change, which can be physical, psychological or behavioural. Is the employee acting differently or complaining of headaches, tension in their back, any aches or pains? Are they having trouble talking or getting breathless? It is looking for things you haven't noticed before."

Once a potential problem is identified, then so must the cause be. "You have to talk to them and find out what is wrong, find out what is causing the problem. If it is stress, what is causing that stress, is it something to do with work or something at home? If it is work, have they got too much to ►



## Common causes of absence

do or too little? Have they got personal problems with people, is there any bullying or harassment going on, is there enough control over how they do their work, have they [got] support from colleagues or their managers?” adds Weston.

By identifying issues early on, the company can remind employees of healthcare benefits available to them that may be of assistance. For example, a member of staff with a back problem could seek treatment and claim the money back from a company-provided cash plan before it gets too serious, or an employee suffering from stress might find the company’s employee assistance programme helpful.

Addressing any issues as early as possible can help prevent the employee from ending up on long-term sick leave. It is well documented that the longer an individual is off work, the harder it is for them to return.

Steve Bartlett, consulting director at JLT Benefit Solutions, says that all employers should have a robust absence policy in place that is well communicated to employees and to line managers so that everyone understands what the procedures are. “[That way] the company will know

### For manual workers (in order of prevalence):

- Minor illness
- Back pain
- Musculoskeletal injuries
- Stress
- Recurring medical conditions
- Home/family responsibilities
- Other absences not due to ill health

### For non-manual workers (in order of prevalence):

- Minor illness
- Stress
- Recurring medical conditions
- Back pain
- Home/family responsibilities
- Musculoskeletal injuries
- Mental ill health

Source: Chartered Institute of Personnel and Development, Absence management factsheet, July 2006

that if certain issues are happening what wellness benefits they should be promoting,” he says.

If an employee does end up on long-term sick leave, the next step should be to look at what can be done to help them regain their health and to make it easier for the individual to return to work without suffering any relapse. “It is about taking frequent but small steps, so they may come in for a few hours a day and then gradually increase that over a few weeks – and ensuring that the people they work with are supportive as well. The key things for the manager is that they keep talking to the employee, make sure they keep taking action and make sure that action is appropriate,” Weston concludes ■

# Involve to boost take up

## Engaging staff in wellbeing lies in making them feel involved from the start, but not all employees will want to participate

THE MOST comprehensive health and wellbeing strategy in the world won't work unless employees know about it and are willing to actively engage with it. This may seem obvious, but employers may be nonplused to find all their hard work seemingly going to waste because employees ignore what is on offer. Promoting the strategy and available benefits is essential for staff to understand just what the employer has been working to provide.

Of course, not all employees will be interested in improving their health and wellbeing, and some may even think that it is not their employer's role to start dictating how they can improve their lifestyles.

Kate Bawden, an associate at Mercer Human Resource Consulting, says: "There will always be people who aren't interested and are very difficult to engage. Maybe the only way they will engage is when they see other people benefiting and enjoying whatever is on offer."

Employers are also likely to find it easier to engage those employees who have always been concerned about their health and wellbeing, rather than those whose lifestyles put them at risk

of illness. Colin Grange, chair of Employee Assistance Programmes Association UK, points out: "The mistake a lot of organisations make is that they provide a lot of health-related services, classically gym membership as an employee benefit. [This] is fine, but one of the problems is [that] it tends to be the employee who goes to the gym anyway that joins the company scheme."

Getting employees involved in a health and wellness programme can be greatly assisted where the right provider is in place. "Very much a part of this whole strategy is getting a provider that fits the needs of your organisation. All providers have different strengths and weaknesses," explains Grange.

Most good providers will be on hand with suggestions for how to drive take-up of their services. When it comes to services like an employee assistance programme, for example, things like providing handy credit card-sized cards with the helpline number or stickers to attach to employees' work phones can act as a prompt to get them to use the service.

Getting staff input at the planning stages for the strategy is also vital to



ensure that what is on offer meets their needs. It also means that staff are far more likely to engage with any benefits introduced. “[Employers] need to understand the culture of their own company so they are not offering things that won’t be of interest. They need to offer things people are going to engage with,” adds Bawden.

Organisations then need to find the right ways to promote the benefits to their workforce.

Peter Blencowe, senior marketing services manager at Nuffield Proactive Health, says there are a variety of mediums and tactics employers can use. “We can create innovative online solutions in delivery, including giving staff access to an extranet, which they can log-on to either at work or at home, to download relevant health- and fitness-related information.”

He also suggests using internal emails, posters and events, such as health fairs, to promote the importance of looking

after health and wellbeing to staff.

Health fairs can help drive employee engagement because staff are likely to go along, perhaps during a lunchbreak, to find out what is on offer.

At health fairs, employers usually get a representative from each of their healthcare providers to take a stand in a company common area and introduce the benefits to employees. A company’s occupational health service might also be on hand to do simple health checks, while stop smoking or weight management programmes might also be promoted.

Competitions, like giving employees pedometers and setting a challenge for whoever can walk the most steps in a week, are another way to drive interest in health and wellbeing.

And remember, while there will always be some staff who do not want to get involved, many will feel sufficiently supported to take steps to protect their future health ■



## **Make healthcare perks part of a wider strategy**

To get the best out of any health and wellbeing strategy it is important to tailor any benefits on offer to the needs of employees. But it is also vital to realise that it is not solely about the perks on offer - it is also important that these tie in with an organisation’s

wider HR policies. Suzanne Clarkson, head of corporate marketing, group sales and marketing at HSA, says: “There is a full range of healthcare benefits out there, but health and wellbeing is not just about putting perks in place. This is a great start, but

in order to gain maximum effectiveness, a programme should be part and parcel of HR policy and practice, which could include flexible working, chill-out zones, healthy eating promotions, non-smoking classes, weight-loss classes, for example.”

# Help meet business aims

**Taking action on health during hectic periods is both a great gesture and smart**

## **CASE STUDY 1**

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### **Cadbury Trebor Bassett**

Cadbury Trebor Bassett engaged the services of Nuffield Proactive Health (NPH) to ensure the wellbeing of 260 of its employees through a six month period during which their workload had increased while implementing an IT project.

Dr Paul Kanas, head of occupational health at Cadbury Trebor Bassett, said: “Our priority is our employees’ health and wellbeing and the IT project team were under pressure to deliver results within challenging timescales. We maintained the project team’s health, but in most cases improved it at a time when they were under increased pressure.”

By encouraging good diet, exercise and healthy living, the NPH wellness programme resulted in 58% of participants increasing the amount they exercised and a 5% fall in body fat for the group. Almost two-thirds (63%) reported a better work-life balance at the end of the programme, while 58% of the group’s smokers quit the habit or reduced the number of cigarettes being smoked.

In addition, 70% reported that they had an improved perception of their employer and half said they felt less stressed, despite the increased pressure. As a result of the initiative, the IT project deadline was met, absenteeism due to sickness was significantly reduced and productivity was greatly enhanced.

## **CASE STUDY 2**

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### **Treloar Trust**

Treloar Trust in Alton, Hampshire, is a college for young people with disabilities. It has more than 750 employees, ranging from care staff, teachers and therapists, to nurses, doctors and psychologists who provide support for the 320 students.

Caroline Blanchette, human resources director, says: “The care needs of the students place huge demands on [staff], whether physically, emotionally or mentally and, although the work is rewarding, it can at times affect those working in close contact with the students in many different ways.”

The trust was experiencing absence issues, the main cause of which was musculoskeletal problems. Other factors included colds and flu, and stress and depression. To help combat this, Treloar put an occupational health strategy in place that included employing an occupational health nurse onsite once a week during term-time, plus additional options such as a health insurance cash plan, a retained counselling service, an external 24-hour support telephone line, referred physiotherapy treatment, discounted health club membership, no-smoking support groups and flu vaccinations.

Sickness absence decreased by 900 days a year. Absences caused by stress and depression, and musculoskeletal illnesses also declined, by 2.36% and 7.18% respectively.