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SA BOARD FOR PEOPLE PRACTICES
Setting HR standards

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FACT SHEET

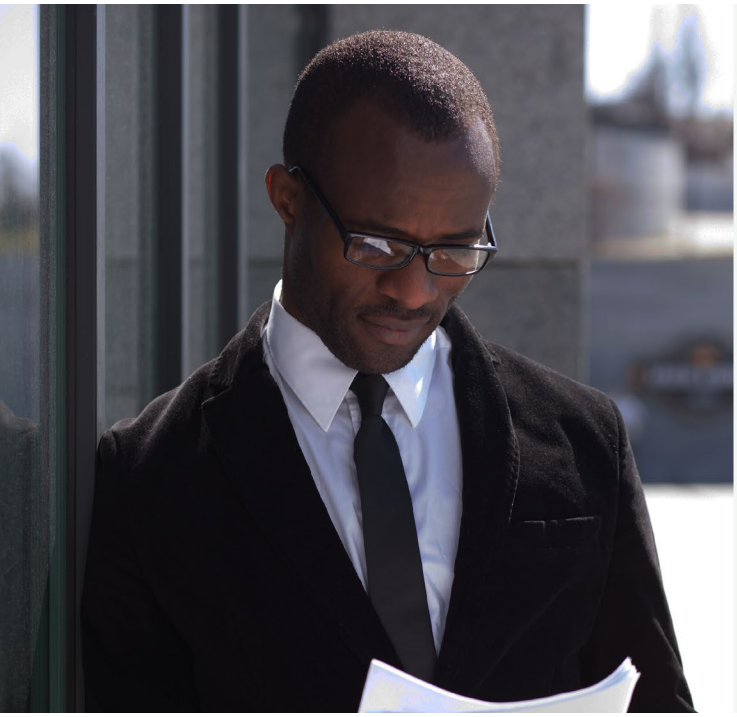
EMPLOYEE WELLNESS STRATEGY

INTRODUCTION - EMPLOYEE WELLNESS STRATEGY

SABPP has recognised that it is important to improve awareness of HR practitioners on important issues in employee wellness, thereby improving competence in this element of the HRM Standard. HR practitioners rate their organisations as doing relatively well (compared with other elements of the Standard), but national statistics indicate that organisations are heading for financial and organisational problems related to wellness of employees.

With the kind assistance of experts in the field, we have developed a survey on the current situation. In this article, we tell a story which, although the company described is fictional, represents a composition of real challenges, events and actions. Our motivation in putting together this story is to encourage you to complete the survey,which will be sent out in mid September.

1. OUR COMPANY'S EMPLOYEE HEALTH AND WELLNESS STORY –FROM PLIGHT ON THE WAY TO DELIGHT!



"Definition: Plight – a dangerous, difficult or otherwise unfortunate situation".

"Definition: Delight – a high degree of gratification".

As a member of our company's senior management team, I would like to tell the world our story of how we as a company embarked on our employee health and wellness strategy and program. I know that many corporates battle with this - some still say we do cars or we do finance, we don't

do health - and as such they would at best - just to feel good - engage contractors to perform some activities in the wellness space. I want to tell our story since we also did the haphazard feel-good thing until we realised this is a subject which really affects the heart of a successful and sustainable enterprise. Our enlightenment – to move from plight to delight – came about as I tell it in what follows.

We are a multi-sector company, operating across quite different sectors, ranging from primary, through manufacturing to the service sector. Some time ago our company completed its annual round of staff salary reviews and negotiations. Despite having increases in the remuneration packages of more than the CPIX inflation rate, our staff still generally suffer because they cannot afford to buy the same amount or level of goods and services with their take home pay as they used to. We analysed this in more detail and came to the conclusion that there are two main culprits – the one is cost of servicing debt and the other is the cost of healthcare. Although the debt issue is a major one and which is exacerbated in the employment context by garnishee orders, my focus for writing this story is the healthcare issue.

That the healthcare issue is a plight is because – as the definition above describes it –

- It is a dangerous situation for the employee and the employer for employees to be unhealthy or unwell;
- It is a difficult situation because it entails very personal matters for which individuals (employees and their dependants) are mostly un-equipped in terms of knowledge, power and/or money to deal with healthcare challenges and which is often coupled with inaccessibility and/or high cost of suitable healthcare services; and
- It is an unfortunate situation to individuals because accidents and illness "just happen" plus some individuals are careless so that accidents and illness overcome those individuals more often. Accidents and ill-health not only affect the individuals ("the victims") but it also unfortunately affects their families and communities.

2. THE IMPACT OF LACK OF WELLNESS ON THE ORGANISATION

One such community that is affected by accidents, illness, and feeling "under the weather", is the employees in the workplace – hence the context in which I write this story. The obvious impacts on the workplace are:

- injuries on duty;
- sick absence; and
- the cost of employer sponsored healthcare services, health insurance (medical scheme membership) and death and disability insurance.

It doesn't take a rocket scientist to understand the impact on employees even if the employer does not directly sponsor these benefits and insurances – such cost is ultimately paid from the revenue generated for the company by its employees and partly returned to the employees through their remuneration packages.

The impacts that are not so obvious are

- the long-term effect of continued escalation of private healthcare costs in excess of salary increases;
- the continued deterioration of public healthcare services; and
- presenteeism – employees being at work who are distracted, unhealthy or unwell for whatever reason.

3. BUILDING OUR STRATEGY

At the risk of dwelling on the negative, we asked ourselves what was the health or wellness status of our top performing individuals and teams in our company, to see if there was anything we could learn. The answers are, as expected, not straightforward, but what is certain is that people are successful and perform well for the company built on a variety of individual talents and measures taken by individual employees themselves together with measures taken by the company, not the least being the leadership style of the organisation in general. I particularly like to quote "People before Strategy" as one of the "7 Habits of Highly Effective Entrepreneurs" of Siimon Reynolds. We took many cues from our top-performing staff in considering the health and wellness strategy for the company.

In our company's experience, it was and is really the leadership issue that brought about the change for the better. We all know how difficult or impossible it is for an individual to change his or her lifestyle (you can ask me and my spouse!). Then try to imagine what it takes to change a company's management conduct to get its employees and managers to change theirs. I am very conscious of the fact that bad lifestyles can be because of one's own doing or it can be because of one's circumstances but these bad lifestyles are a major culprit in the quest for true wellness for the sake of me and you as individuals and the community of which we are part (employees in this instance).

Much empirical evidence exists for the former point. To quote only one – this is from the publication Building a stronger evidence base for employee wellness programs of the National Institute for

Health Care Management [1]: "A supportive corporate culture includes not only a commitment to the wellness program from senior management, but also extends to the mid-level and frontline managers best positioned to affect program success due to their day-to-day contact with employees".

So our integrated wellness strategy was initiated and is being run as a KPA of Exco – tasked to a senior executive - with full knowledge of the Board of Directors. We adopted an approach and motto for the integrated wellness strategy of high touch, high tech, high metrics.

- High touch because we work with people - people who are in need of care - and it is only people who can ultimately exercise effective care.
- High tech because new point of care technologies and other technologies, especially in ICT, in the whole health and wellness value-chain can really add value in very cost-effective ways.
- High metrics because if you can't measure you can't manage (a la Peter Drucker).

4. ANALYSING THE CURRENT SITUATION

We sensed that the company was suffering from various stresses and strains, not the least from the following observations and questions around possible new technologies and management interventions that can be used for the better. I give you the list below not meaning it to be exclusive or complete.

- The success of our HIV / AIDS management program indicated that we should consider the same approach regarding other chronic diseases in particular hypertension, high cholesterol, diabetes, asthma and mental illnesses.
- We are having great success with a program we instituted which is aimed at reducing injuries on duty and which focussed primarily on changing attitudes of operators and their team leaders. This program showed us what the strength of proper mind-sets is and which could and should be deployed wider.
- The large discrepancy between observed chronic disease prevalence through wellness days (even though attended by a minority of employees) and the numbers of registered chronic patients on the medical schemes to which some of our staff belong.
- We know to eat right and to exercise correctly and enough are key physical lifestyle changes needed by many. It is the fitness and nutrition game. But, what does "eat right" and "exercise correctly and enough" mean for a particular individual in his or her circumstances?
- Irregularities observed in a detailed analysis of doctors' sick leave notes for employees who use sick leave.
- The continued high increases in medical scheme contribution rates and staff downgrading to cheaper options or even cancelling medical scheme membership.
- The complexities that come with medical scheme option choices.
- The regulation of medical schemes that seem not to reward prevention and wellness behaviour

1 www.nihcm.org/pdf/Wellness%20FINAL%20electonic%20version.pdf

and favour "code creep" and "cost creep" by medical service providers / practitioners through
- the prescribed minimum benefits regulation.
- Lower income employees not belonging to medical schemes and finding it all the more difficult to access effective public healthcare.
- Labour union representatives punting certain medical schemes for their members – and making it part of salary negotiations / demands.
- Apparent no cooperation or integration in the various healthcare related activities in the organisation, in particular:
    - occupational health services – statutorily required and otherwise;
    - sick leave management;
    - chronic disease management (medical schemes);
    - injury-on-duty, disability and return to work management, disability claims assessment for group insurance;
    - follow-ups (not only for apparent high risk cases) in results obtained from wellness days.
- Significant drop in the number of smokers (probably due to the anti-smoking laws) which also lead us to think about what could be done regarding other substance abuses.
- Huge perceived stress amongst all levels of staff but for different reasons – also supported through feedback from the company's medical scheme brokers around increased mental illness prevalence as well as the employee assistance program's aggregate results.
- What does fitness and nutrition mean when it comes to one's mind? What programmes could and should be deployed using the findings of modern neuroscience?
- A number of cases of senior and not so senior employees who suffered personal hardship through serious sickness in their families where it was evident they were in dire need for a "big sister" (like a "big brother" but one who is knowledgeable about health and medical matters) whom they could rely on for sound advice and support against the plethora of medical interventions they were confronted with.
- The absence of a proper program for promotion of good health, prevention of sickness and provision of primary healthcare for all employees and their dependants.
- The opportunity that exists in using the company's incentive / rewards program to incentivise and reward particular wellness actions.

4. COMPILING AN INTEGRATED VIEW

These considerations, amongst others, lead us to initiate an integrated health, wellness and productivity landscape review for the company at large. The purpose was to obtain:

- A clear picture of the total direct costs associated with health and wellness of our employees, the impact thereof on employee productivity over the last five years and what is a likely scenario going forward for another five years without changed management intervention.
- What are all the health and wellness management interventions that the company conducts itself or are contracted out, how well are these management functions or parties performing and what other management actions could be done with the aim of improving health, wellness and productivity of our staff?
- What health, wellness and productivity strategy with resulting management actions should we adopt in the light of the foregoing two bullets and what are the objectives to be achieved by this strategy in terms of measurable costs and healthcare and wellness and productivity outcomes as a five year plan? Also, how do we incorporate this into our Board Sustainability and/or Social and Ethics annual reports?

The key findings of the landscape review were the following:

1. The vast majority of our employees do not know what their health status is. The majority of the untested staff is likely to be healthy because many of them are still young. However, it is expected that a significant number of these untested staff members, were they to get to know their health status, would present with health risks. Should they embark on wellness and/or disease management programs they could prevent serious impairment to their health leading to early illness or even death. It is obvious that this would be detrimental for them personally and for their work, not the least being to incur large medical expenses.

2. For the minority of staff members who do know their health status, there is a significant portion of them who have not embarked on wellness and/or disease management programs and therefore still run the risk of serious health impairment. For example, where it was possible to integrate data from the health screenings, sick leave data and medical scheme

summary claims data, the data clearly showed that the at-risk employees utilised much more sick leave and incurred much more medical costs. For example, using the BMI classifications of overweight and obese persons, they use 7% more sick leave and have almost 4 times the hospital claims on average than the rest.

3. There is room for improvement in the wellness and disease management programmes that are available to staff. An exception is the HIV / AIDS program which on all accounts runs best. The way in which the HIV / AIDS program is run, is indicative of how the other programs could be improved.

4. Primary healthcare services available through occupational health and/or through medical scheme benefits arenot working as well as they could. Lack of or ineffective primary care leads to excessive tertiary care required from the (expensive) hospitals and specialists.

5. Low income employees are not compelled to belong to medical schemes simply because they cannot afford it. Practically speaking, they only have access to the on-site occupational health services and then public health services. There are cost-effective solutions available to address this major shortcoming.

6. The role of the medical schemes to which many staff members belong could be considerably improved. This would entail optimisation of the use of the wellness / loyalty program benefits along with optimisation of the preventative and primary care benefits and of the disease management programs.

7. There is suboptimal integration of the benefits and management programs among the health screening services, the EAP services, the occupational health services, the medical scheme benefits (especially chronic disease management), sick absence management and the disability / return-to work management together with the disability insurance benefits.

8. Patient confidentiality has been raised as a stumbling block for many of the health and wellness initiatives which the employer may want to embark upon. It stems mainly from mistrust around the employer's agenda with the program. Amongst others, the solutions to this stumbling block can be gleaned from the lessons learnt in managing the HIV / AIDS disease without compromising truthful patient confidentiality.

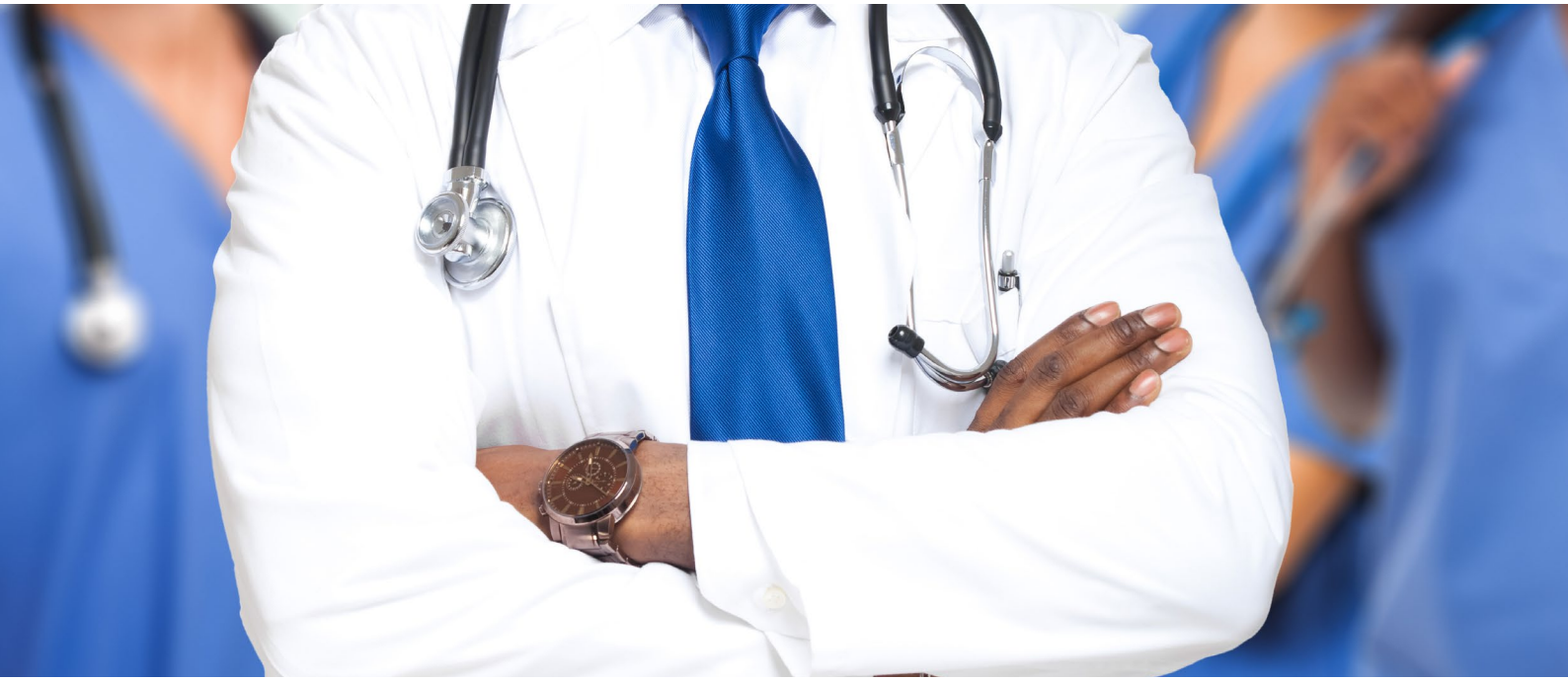
9. Collation of individual data on all the health, wellness and productivity management initiatives is problematic. In some instances data does not exist and in others it is not readily accessible. Confidentiality of personal data is also a stumbling block in this respect. This complicates and negates proper analysis of the data which is necessary to initiate, prioritise and steer health and wellness management interventions.

10. The total direct cost of healthcare for the company is of the order of 23% of payroll and rising. The medical scheme contributions make up most of this cost for those who

belong to medical schemes despite the fact the majority of those employees do not have comprehensive medical scheme benefits. It is clearly an unsustainable position if it is allowed to continue as is. Projections indicate that the curve can be bent to a significantly lower percentage of payroll with successful implementation of management interventions derived from a suitable health and wellness strategy. Whereas some additional costs would be needed at first, the "return on investment" thereof should be multiples.

One of the observations that struck me given the findings above was that the time, effort and cost we as a company spend on evaluation of procurement of a certain part in the manufacturing of our major product was probably ten times that which we spent on our staff's wellness yet the cost of that component was only a tenth of the direct cost of employee health as found in the review. This clearly indicated to me the ridiculousness with which we as a company went about in caring – or rather not caring – about our staff's health and wellness.

5. OUR STRATEGY



With the results of the review and following extensive deliberations through all levels of management and "testing the water" with staff and labour union representatives on a variety of health and wellness matters, the company adopted a health and wellness strategy as follows:

The company exists because of its personnel. It is the personnel that will ensure the continued success and sustainability of the company in the interest of all its stakeholders. Therefore it is the company's duty to provide the best possible support to its personnel so that they can perform their work from a state of healthy and well bodies and minds. To execute this duty the company will.

- ensure that each staff member will know and continue to know his or her health status,

- make specific and holistic health and wellness programs available to staff as far as it is practically and economically feasible to ensure the continued good health and wellness of staff members and to ensure effective treatment and management of those cases in need of medical or other related assistance and
- monitor, evaluate and report on the performance of the company's health and wellness program that ensues from this strategy through all relevant management levels of the company and at Board level.

6. IMPLEMENTATION OF THE STRATEGY

The management actions that have been adopted ensuing from the strategy are grouped under four rubrics as follows:

1. Conversion of all existing occupational health facilities to also serve as wellness centres and establishment of new wellness centres so that each and every staff member has convenient access to a wellness centre.

2. The wellness centres will be staffed by suitably trained staff who will be the health and wellness champions for the company and whose main responsibilities are fourfold:

    - to do regular and appropriate health screenings including occupational health fitness for work and related tests,
    - to manage follow-up of health or wellness intervention programs to individual staff members in collaboration with the providers of these programs, i.e. medical schemes for chronic disease management,
    - to arrange and coordinate injury-on-duty care, disability and return-to-work management as well as acute primary care needs of any staff member and to perform sick leave management and
    - to liaise with insurers and medical schemes and assist with the claims application and submissions processes of death, disability and medical scheme claims of staff members and their dependants.

3. Development and implementation of initial and ongoing "barometer" programs for interactive communication, publicity, incentives, rewards and recognition for health and wellness at individual, work teams, divisional and company levels.

4. Development and implementation of an integrated data collation and management system, inter alia using a data warehouse in which all relevant data on health, wellness and productivity are integrated, business intelligence and reporting systems and tools to facilitate the monitoring, evaluation and reporting that are required of the health and wellness program.

7. RESULTS SO FAR

Whereas it is still early days to reflect on measurable proof of success of the health and wellness program since many of the management actions are still being implemented, there is already a tangible improved morale and clear acceptance of the health and wellness program amongst many staff members. Things that already stand out are for example the following which I really find delightful to observe and experience:

1. A remarkable sense of trust between staff members and the wellness champions because they believe the wellness champions really care about their individual wellness and wellbeing. Feedback (obviously not breaching personal confidentiality in the process) from the wellness champions on what transpires in their informal conversations with staff is especially valuable. Because of the trust relationship that is established, staff members appear to tell their wellness champions of issues that they have in the workplace which they are not prepared to tell their superiors.

2. Increased enrolment for health screenings at the wellness centres that have been set up so far, especially from middle and senior management.

3. An increase in registration of patients on medical schemes' chronic disease management programs.

4. Progress is being made with provision of at least primary health care for the low income employees.

5. Although the program has not yet been finally designed and implemented, there is huge interest from the more senior levels of staff around the mind fitness program.

6. We sense elevated activity levels through for example more use of stairs and less use of elevators, more staff using the recreational walkways created at some of the company's premises and more meetings held where attendees are standing.

7. More orders for the healthier food options at the canteens, more use of drinking water and less use of coffee.

8. OUR WELLNESS CHAMPIONS

What is becoming evident is that the company underestimated the extent of the tangible and intangible investment that is required in terms of the roles of the wellness champions. Their training, orientation and customised deployment to particular genres of staff complements are much more intricate and comprehensive than originally anticipated. Also, it was thought that a ratio of 1 wellness champion to 200 staff members would serve the purpose but the reality is pointing at a higher ratio – probably even 1 to 100. The wellness champions are taking on work that used to be in the HR department so it is not all additional costs.

Our sense is that the wellness champions are a new breed of professionals for which there is a great future. They will be the key persons making a difference for the better in the healthcare

plight of the company, the country and world at large. They are the ones that will provide:

- the high touch in their interaction with the staff being human beings and not only someone who works for the company
- use of high tech to optimally support the execution of their duties and to optimally support staff members in their quest for living and working healthily and well and
- the high metrics to monitor and evaluate and manage principally the health and wellness program but also serve as additional ears on the ground to help management to better run the company.

CONCLUSION

In summary, the need for and payback - in terms of what can be measured and otherwise – of a proper health and wellness program are way beyond any doubt that may still exist amongst employers, be it large or small. I am of the opinion that the three key factors for having a successful health and wellness program for a company are:

- the strategy has to be adopted at the highest executive level in the company with a senior executive having it as one of his or her KPA's;
- the deployment of appropriately trained and equipped wellness champions throughout the company who should generate and establish the highest possible level of personal trust with each one of their protégé's; and
- to measure, measure and measure.

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DATE	NUMBER	SUBJECT
2013		
February	1	**GAINING HR QUALIFICATIONS**
March	2	**ETHICS, FRAUD AND CORRUPTION**
April	3	**NATIONAL DEVELOPMENT PLAN**
May	4	**BARGAINING COUNCILS**
June	5	**EMPLOYMENT EQUITY**
July	6	**HR COMPETENCIES**
August	7	**HR MANAGEMENT STANDARDS**
September	8	**PAY EQUITY**
October	9	**COACHING AND MENTORING**
November	10	**HIV/AIDS IN THE WORKPLACE**
2014		
February	1	**EMPLOYING FIRST-TIME JOB MARKET ENTRANTS**
March	2	**PROTECTION OF PERSONAL INFORMATION ACT**
April	3	**QUALITY COUNCIL FOR TRADES AND OCCUPATIONS**
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July	6	**HR RISK MANAGEMENT**
August	7	**BASIC HR REPORTING (1)**
September	8	**BASIC HR REPORTING (2)**
October	9	**EMPLOYEE ENGAGEMENT**
November	10	**SEXUAL HARASSMENT**

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DATE	NUMBER	SUBJECT
2015		
February	1	**AMENDMENTS TO LABOUR LEGISLATION 2014**
March	2	**THE REVISED BROAD-BASED BLACK ECONOMIC EMPOWERMENT CODES OF GOOD PRACTICE**
April	3	**LESSONS LEARNED FOR EMPLOYERS FROM CCMA CASES**
May	4	**EMPLOYEE WELLNESS SCREENING**
June	5	**CHANGING THE EMPLOYMENT EQUITY LANDSCAPE**
July	6	**EMPLOYEE VOLUNTEERING**
August	7	**DEPRESSION IN THE WORKPLACE**
September	8	**EMPLOYEE WELLNESS**

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