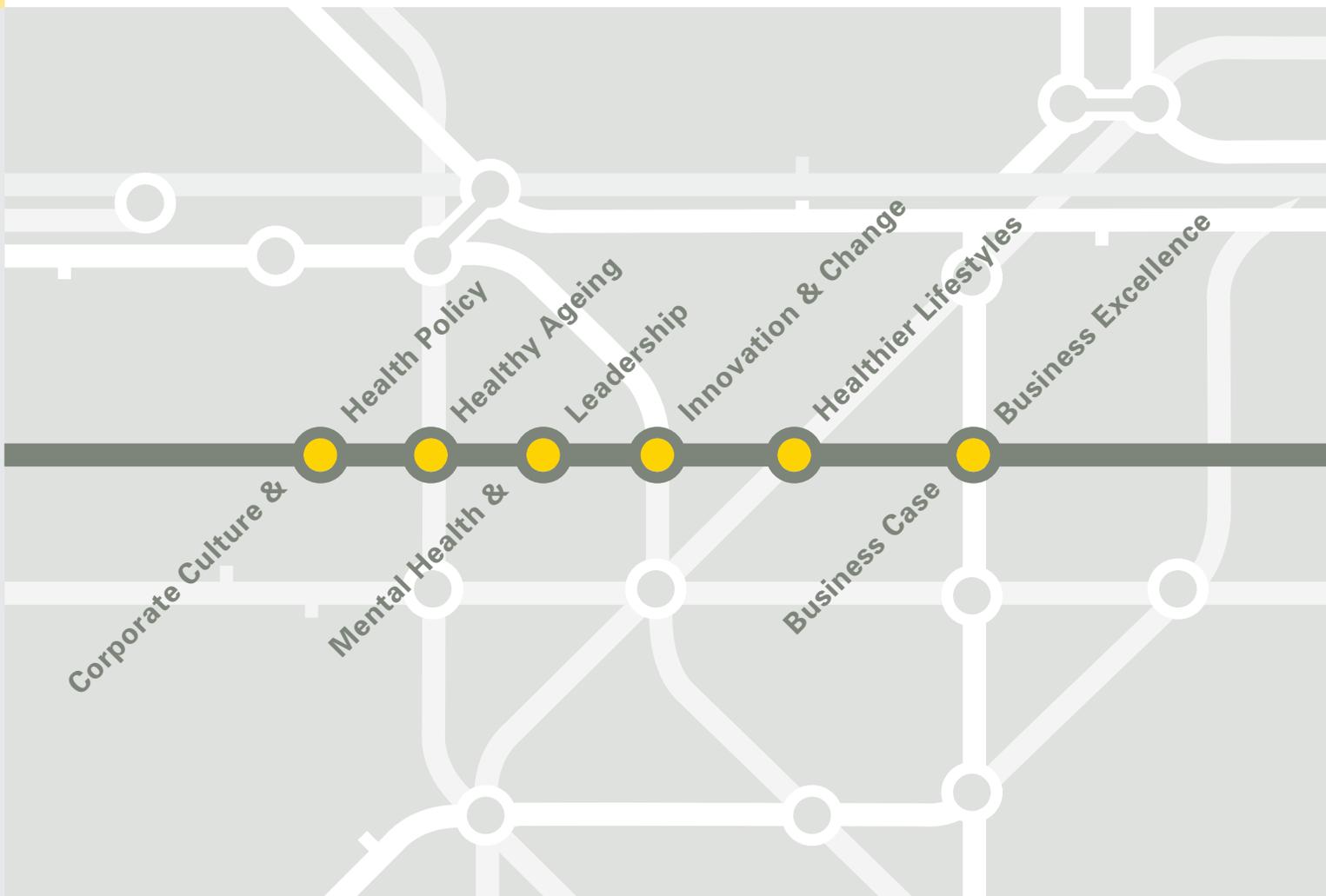




Achieving Business Excellence – Health, Well-Being and Performance



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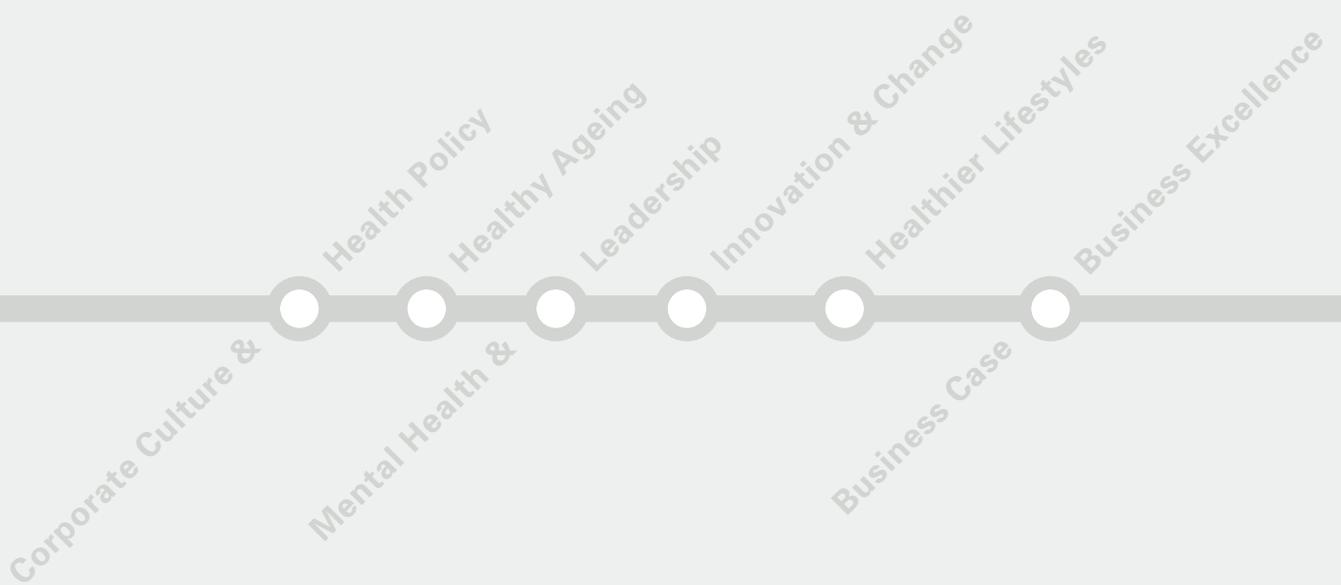
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Health is the Greatest Wealth

The key to future economic prosperity
and business excellence in Europe



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Preface



**Prof. Dr. Dr. h.c. mult.
Rita Süßmuth**

*President of the European Network
Enterprise for Health,*

*Former President of the German
Bundestag*

Companies and organisations are today confronted with a wide range of challenges: Development in the industrialised countries is marked by a continuous rise in economic integration, the development of new technologies and demographic changes. These changes, plus the inexorable rise of global competition, add further pressure on companies to perform. This pressure demands an ongoing willingness to change by enterprises, along with constant innovation and the ability to continuously improve workflows, products and services. At the core of these often revolutionary changes is the worker. The contribution of employees to the value added factor has never been more important.

The changes will have a dramatic effect on labour markets. As their workforces grow older, many companies may well face problems replacing their essential skills and experience. They will seek to retain their key employees for as long as possible, which means developing employment packages and attractive, healthy working environments which secure their loyalty. The new world of work also demands a different approach from the individual, as flexible employment security replaces traditional, declining job security. Effectively, this means workers taking on more personal responsibility for their employability, acquiring the necessary skills, qualifications and experience. Key factors here are the quality of education and the promotion of lifelong learning in all sectors of society.

Health plays a crucial role in facing up to the new challenges. It is becoming one of the key mainstays of economic and social development in our societies. It is not only the basis for personal well-being but also the foundation for productivity, innovation and social cohesion. Health is not only governed by personal patterns of behaviour and people's resources, but it also embraces living and working conditions. An increasing number of companies are recognising their wider responsibilities towards health and are investing in an appropriate corporate culture with a modern health policy, thus creating more attractive conditions for fostering innovative ability and flexibility – at the same time helping to safeguard their competitiveness in the long term.

Enterprise for Health has been bringing together a steadily growing number of companies since 2000. The network members work jointly, across the borders of countries and branches of industry, on the further development of a corporate culture based on partnership and an exemplary company health policy. The successful exchange of experiences in the network, allied to advice from international experts in the field, is producing practical answers on how to meet the challenges described above and is providing valuable ideas on how greater emphasis can be placed on the development of 'healthier companies.' During the past eight years, Enterprise for Health has examined all the major issues surrounding the design of a health-promoting company policy – starting with the effects of the demographic change, the reconcilability of work and family, through the growing significance of psychosocial health and the consequences of an unhealthy lifestyle, to the challenges arising from increasing flexibilisation in the world of work. The experience of EfH member companies has shown that investments in health are worthwhile and that a corporate culture based on partnership and a modern company health policy makes an important contribution towards achieving a company's economic goals. Indeed, companies which place health at the top of their agenda are very often those with the strongest financial performance.

The successes achieved so far confirm to us that we are on the right road and encourage us to continue our work together: We want to make a contribution towards ensuring that, even in a globalised economic world, a strong society can exist which is characterised by working and living conditions which are healthy, family-orientated and generation-friendly, no matter what a person's age, gender or origin.

After the successful EfH Management Conference in 2005, the main arguments for investments in health and the current business case form the focus of our 2008 Conference in London under the heading: "**Achieving Business Excellence – Health, Well-Being and Performance**". We are looking forward to this chance to learn from and with each other in a circle of experts and "front-line" workers.

My thanks to the EfH member companies and experts who have contributed to this publication, which is designed to disseminate knowledge and to promote good practice: Healthy societies need healthy workers in healthy enterprises.



Liz Mohn

*Vice-Chair of the Bertelsmann
Stiftung Executive Board,*

*Chair of the Bertelsmann
Management Company (BVG)*

Much has been written about corporate culture and values-oriented management, about employee motivation, social responsibility and healthy workplaces. Just as numerous are conjectures about the factors that underpin a company's success. Many managers underestimate the momentous shift in values among workers in recent decades. Employees today want their skills and talents to be taken seriously in the workplace, and they have developed a new awareness of health issues.

Traditional management methods tied to directives and hierarchies no longer foster the motivation and creativity, commitment and adaptability that a company needs in today's competitive global marketplace.

For a company to succeed, its leaders must constantly ask these questions: What conditions help people focus on doing their best at meaningful work? And what are the building blocks of a corporate culture based on partnership and trust?

As a corollary, they must also grapple with the important issue of maintaining employability among their workforce. And in every company, this challenge goes far beyond keeping employees in good physical health. More and more often, maintaining employability means integrating strategies for lifelong learning as well as dealing with breakneck change in society and its values.

To thrive in the world of tomorrow, our society needs innovative, highly productive enterprises that also operate sustainably and plan for the long term. Studies confirm that companies are more likely to succeed if they deliberately invest in their employees and develop their capabilities. Managers achieve better results if they focus not just on the latest quarterly results and annual reports, but also on sustainable, future-oriented personnel management. The key to entrepreneurial success thus lies in competent leadership that draws on continuity, trust, responsibility and community.

Leadership means building the strengths - and addressing the needs - of every employee. Each person matters; each individual is a stone in the company mosaic.

The corporate culture depends on leaders who live it and model it to others. Shaping and upholding it must rank among their key responsibilities.

The European network **Enterprise for Health** has made a significant contribution to disseminating these management principles over the past eight years. It has demonstrated how individual employability and modern corporate structures go hand in hand - how companies and their employees can set new standards on the basis of personal responsibility and subsidiarity, solidarity and goodwill.

The network and its participating members have taken quality and innovation in company health policies to a new level. These pioneering companies have set the standard for a corporate culture that puts people first. Their success stands as a beacon for others to follow.

Company health insurance funds in Germany are part of the country's statutory health insurance system and form an important cornerstone for the high quality of social security provided. The service guarantees high level health care in line with people's needs while adhering to the principles of cost-effectiveness and customer satisfaction.

Health promotion, prevention and self-help activities supplement curative health care and rehabilitation and becoming an ever-more important, independent feature in all social security systems. General pressure on costs and the ageing of societies is calling into question the whole financial basis and service levels in the social security systems of many nations.

Changes in our living and working conditions over the last few decades have brought about a shift in illness patterns towards non-transmissible chronic diseases. Today, chronic diseases account for some 60% of the total disease burden. Changes in our diet, exercise habits, consumption of tobacco and alcohol, as well as growing psychosocial risks, are the crucial factors in this. In principle, these factors can be influenced by prevention and health promotion. However, sustainability can only be ensured if health maxims are also incorporated to a greater extent in policies governing the major fields, such as agricultural and industry, transport and education.

The company health insurance funds have been advocating more pronounced prevention orientation in health policy for many years; we are committed in particular to workplace health promotion and we encourage co-operation with all important players in the world of work.

For eight years, the pan-European **Enterprise for Health** network, formed jointly by the company health insurance funds and the Bertelsmann Stiftung, has been commissioning research and securing contributions from some of the world's top academics and practitioners in the fields of health and employment. Twenty international companies from the banking, oil, manufacturing, energy, pharma, steel, chemical and postal sectors in 11 countries, are currently members of the network.

The EfH has assumed a pacemaker role, seeking to identify, develop and share best practice among European companies, encouraging them to put in place modern health policies and promote a culture based on partnership with their employees. This will not only benefit individuals, it will strengthen the competitiveness of the enterprises they work for and, ultimately, help relieve some of the growing burden on social security costs.



Dr. Hildegard Demmer

Member of the Board of the BKK Bundesverband (BKK Federal Association of Company Health Insurance Funds)

The European network "Enterprise for Health" (EfH): managing healthy work – learning from each other

Members of the network...

- ▶ are convinced that company health policy and corporate culture based on partnership are the preconditions for sustainable economic success
- ▶ place high priority on the design of healthy workplaces through company policies
- ▶ are constantly striving to do better and put great emphasis on sharing experience with other committed enterprises from many European countries
- ▶ are happy to help other companies learn from their challenges and achievements
- ▶ develop innovative solutions to current and future health problems in the world of work.



ArcelorMittal, Luxembourg



Banco de Portugal, Portugal



BASF SE, Germany



Bertelsmann AG, Germany



Caixa Geral de Depósitos, Portugal



Denso Manufacturing Hungary Ltd., Hungary



Deutsche Post AG, Germany



E.ON AG, Germany



Ford-Werke GmbH, Germany



GlaxoSmithKline, United Kingdom



Metro AG, Germany



MTU Aero Engines GmbH, Germany



RWE Energy AG, Germany



Scania CV AB, Sweden



Shell, The Netherlands



Stora Enso Oyj, Finland



Total, France



Unilever Deutschland Services GmbH, Germany



voestalpine Stahl GmbH, Austria



"We are a network of European companies which feel committed to both the development and dissemination of a corporate culture based on partnership and an exemplary company health policy. We work together to develop answers to the future challenges of the world of work and therefore make a contribution to sustained economic, ecological and social development."

EfH Mission Statement

Enterprise for Health (EfH) was established jointly by the **Bertelsmann Stiftung** (Foundation) and the **Bundesverband der Betriebskrankenkassen** (BKK Federal Association of Company Health Insurance Funds) in Germany in 2000. A fundamental objective of the EfH is to provide a forum for the encouragement and dissemination of research, learning and practical experiences between organisations in Europe and to publicise the success of enterprises which operate a workplace culture based on partnership.

From 2007, the Network becomes an independent, self-supporting company group with its head office at BKK Bundesverband. Currently 20 renowned enterprises from 11 different European countries and various branches of industry are members of this network; these companies are represented by occupational health and safety specialists, human resources managers and in a few cases by production managers.

The work of EfH aims to save enterprises time and resources when they come to develop all-important company health policies – avoiding the repeated 'reinvention of the wheel'. There is much we can learn from each other. EfH offers its members access to the very latest examples of good practice and a host ideas through networking and the exchange of experience. Supported by its advisers, leading international authorities in the field of work & organisational psychology and occupational medicine, EfH is *a forum for quality and innovation* in the field of company health policies.

The European network "Enterprise for Health" (EfH): managing healthy work – learning from each other

The EfH concentrates its work on selected issues relating to company health policy. Over the last years, the network has developed and implemented a working model based on four elements:

- ▶ Identification of core issues for the future design of corporate culture and company health policy (EfH Agenda) as well as the organisation of an exchange of experience in the core issues of the agenda;
- ▶ Collection of practicable procedures, methods and concepts (EfH Toolbox);
- ▶ Identification of key arguments for the business case;
- ▶ Derivation of general recommendations for successful company practice.

Corporate Culture Development



Two business meetings are organised every year, each devoted to one key issue of the EfH agenda. Current information on the specific topic, successful company procedures and arguments on the benefits of particular courses of action within companies is communicated with the help of contributions from experts and practitioners from other companies. The network ensures visibility of best practice and other success stories of enterprises which operate a workplace culture based on partnership and a modern company health policy by means of various PR activities and continuing media work.

Demographic change



Work-life balance



Diversity



Mental health and leadership



Flexible work



*Knowledge management
and lifelong learning*



*Healthy lifestyle and
corporate culture*



*The future of work – Future
challenges for business
excellence*



The EfH organises a major *international management conference* every two years. The conference is aimed at decision-makers, executives and experts from the fields of human resources and health and safety at work. At these events corporate strategies are identified and exchanged in an attempt to achieve the shared vision of “healthy enterprises in an economically and socially healthy Europe”. The EfH management conference “Driving Business Excellence through Corporate Culture and Health” in 2005 was a great success and the network relished the positive feedback.

“**Achieving Business Excellence – Health, Well-Being and Performance**” is the subject of the European Management Conference 2008. The principal objective of this conference is to develop the current business case for investing in corporate health and a participatory corporate culture.

For its Members, EfH is an important building block for their companies’ health policies.

There is already a consensus in the network group on the reasons which justify investments in a corporate culture based on partnership and a company health policy. The member companies make these investments because

- ▶ they share and support the values of a health-related corporate culture based on partnership,
- ▶ the effects of the social and demographic development call for a corporate culture oriented towards participation and health - especially with a view to the effects on the labour markets,
- ▶ they can improve productivity and growth as a result and develop sustainable customer relations.

The EfH Members share an important basic conviction and their experience shows that commitment pays off: **Activities of a corporate culture based on partnership and a company health policy are investments in the future of an enterprise. They ensure competitiveness in the long term by building-up and maintaining innovative human wealth.**

A brave new world of work

Detlef Hollmann

The job world is more flexible than ever before. Employees choose where and when to work, in close consultation with their companies. They are paid less when working or producing less, but innovative models based on the hours worked over a lifetime allow for reliable planning. Corporate training programs are targeted to specific groups, and mixed-age teams are commonplace. Corporate culture is based on strong values and sustainability; ethics is increasingly recognized as a competitive factor. Companies value and affirm flexible working arrangements and a work-life balance; their employees respond with a willingness and ability to accept change and assume responsibility. Workers are actively engaged in upgrading their skills, and opportunities for further training play an increasingly important role as they choose an employer. A great deal of emphasis is placed on company health management. Employees want to have long, healthy careers, and companies offer them a variety of health-related services.

Is all of this mere fiction?

So far yes, but a number of factors suggest that employee health and performance will become increasingly important for companies in the next few years.

To be sure, the current level of illness-related absenteeism is low, at least in Germany. This is probably because employees are showing up at work even when they are sick, a phenomenon called "presenteeism," largely because they are afraid of losing their jobs. At the same time, we are witnessing an increase in mental-health problems and a loss of productivity due to exhaustion; moreover, in a few years current demographic trends will exacerbate the aging of the employed population. While age is not synonymous with illness, data collected by health insurance companies show that chronic complaints such as back trouble and cardiovascular disease become far more prevalent as people grow older.

Population statistics suggest the following scenario: The age distribution throughout the EU will undergo a fundamental change between 2006 and 2050. The percentage of individuals over the age of 65 will increase from 17 to 30, while the percentage of those under the age of 24 will decline from 30 to 23. In Germany, the number of employed people over 55 will increase by 24 million during the period between 2010 and 2030 alone, with a corresponding drop in the number of younger workers. Our economy will have to adjust to a lack of skilled personnel, and it will be all the more crucial to keep well-trained workers in the labor force as long as possible. In Europe, there will be 20 million fewer people in the prime age range for gainful employment (15–64) in 2030 than there are today. In 15 years, workers over the age of 50 will already account for more than a third of all employed individuals. Companies and their health policies need to start today to adjust to these trends.

What to do? If employees are to enjoy a long working life, it is crucial to reduce stress and develop resources to promote health on the job. A work situation is beneficial to health if

- ▶ it is safe and conforms to ergonomic principles,
- ▶ it is conducive to learning and offers opportunities for personal development,
- ▶ its role in the company's business processes is transparent,
- ▶ it allows adequate room for individual decision making and creative freedom,
- ▶ it encourages a regular routine, creativity and physical activity,
- ▶ the job can be performed without excessive interference,
- ▶ it provides clearly recognizable tangible and intangible incentives that are acknowledged to be fair,
- ▶ it is characterized by an atmosphere of mutual support and
- ▶ health-related data are collected and used to optimize the working situation.

These are the conclusions reached by the expert commission for a sustainable company health policy, established by the Bertelsmann Stiftung and the Hans-Böckler-Foundation, in its final report in 2004.

The healthy workplace described above is still rare in today's labor market. However, we are experiencing profound changes in the work process, employment relationships and society, changes that are leading to increasing flexibility. They bring with them opportunities to redefine social relationships. Open, two-way channels of communication with supervisors and colleagues, tools for conflict resolution, transparent systems of compensation and social recognition based on a culture of mutual trust are valuable resources, and they also benefit employee health. But if they are to be effective, they must be embedded in a supportive environment that enables employees to reconcile work and family responsibilities.

A brave new world of work

Detlef Hollmann

We need to remember, though, that companies’ efforts can only be successful if they are part of an overall operational strategy. In other words, they must be more than a supplement to the company’s work processes that is “nice to have” but unnecessary, and more than merely a response to legal requirements. Rather, they must be an integral part of the company’s worldview, business strategy and business case, based on a corporate culture that recognizes the value of each individual employee and provides the foundation for corporate decision making.

The **Enterprise for Health** network of companies has embraced this perspective and is making it more widely known. Enterprise for Health focuses on the areas of

- ▶ human resources and leadership,
- ▶ work organization and the work environment,
- ▶ job safety and
- ▶ personal skill development.

The figure below shows how these aspects can contribute to stakeholder value.



Figure:

Enterprise for Health scorecard

A corporate culture that is based on partnership and shows respect for the company's workforce provides the foundation for employee health over the long term. It is important to define what employee health and performance mean for a company's success and to integrate these factors into corporate strategy. The aim is not to establish a completely new entity within a company, but to include the topic of health in existing work and planning processes. Important areas for action include the company's organizational structure, personnel policy and leadership culture.

Aside from the work of company physicians, who in many enterprises provide healthcare beyond what is normally required by occupational health and safety regulations, the role of human resources departments in this context continues to be rather vague. This makes no sense whatsoever – what good are personnel development, employee participation and appropriate compensation if the employees concerned are exhausted and struggling with ill health?

One of the responsibilities of every human resources department in today's world should be to formulate a company health policy that ensures that employees remain able to work. It is in this context that such a policy becomes strategically significant, provided that it is approached in a systematic way.

Let's go back to the beginning: We have not yet achieved a "brave new world" of work. Even today, in the year 2008, many companies still lack a comprehensive health policy. Too often, responsibility for health policy is delegated to departments that are expected to take on this task in addition to their primary mission. Too often, only inefficient and isolated measures are taken, such as setting up a fitness center on site or introducing a program of back exercises that fails to address the question of stress factors in the workplace. Health is an issue that needs to be taken into account whenever decisions are made, just as many companies now consider quality and the environment in making important decisions. The highest levels of management must commit themselves to promoting employee health if this factor is to be given its due as a crucial aspect of productivity.

"Sooner or later things will have to change. For that to happen, however, companies themselves will have to make changes. To put it somewhat pessimistically, this will not occur until company earnings are so severely affected by employee illness that there is no other choice. In a business and information age, companies need to treat their employees as whole persons. This means paying fair wages, showing appreciation, including employees in decision making and – as much as possible – providing them with meaningful responsibilities. These goals are both appealing and ambitious." This observation, by an executive from a company that is part of the Enterprise for Health network, says it all.

The Bertelsmann Stiftung seeks to provide support for companies as they strive to fulfill their social responsibilities while maintaining and enhancing their competitive positions. In this context, the health and performance of their employees are of critical importance.

Detlef Hollmann
*Competence Center
Corporate Culture and Leadership
Bertelsmann Stiftung, Germany*

Stress and well-being at work – the costs and challenges

Cary Cooper

The enterprise culture of the 1980s, and the Americanized workforce of the 1990s and early 2000s helped to transform the economies of the developed world. But, as we were to discover, by the end of these decades, there was a substantial personal cost for many individual employees. This cost was captured by a single word – stress.

Indeed, stress has found a firm place in our modern lexicon as iPods; CD's and carbon footprint! We use the term casually to describe a wide range of aches and pains resulting from our hectic pace of work and domestic life. "I feel really stressed" someone says to describe a vague yet often acute sense of disquiet. "She's under a lot of stress", we say when trying to understand a colleague's irritability. "It's a high-stress job", someone says, awarding an odd sort of prestige to his or her occupation. But to those whose ability to cope with day-to-day matters is at crisis point, the concept of stress is no longer a casual one; for them, stress can have significant health consequences. We are now confronted by an even more pernicious scenario, a major economic down turn, with its attendant stressors of job insecurity, financial worries and presenteeism behaviours. (Cooper, 2005).

The cost of stress

These excessive pressures in the workplace are very costly to business. In 2004, the Chartered Institute of Personnel found for the first time that workplace stress accounted for the largest amount of long term sickness absence in the UK economy than from any other cause. If some of the other stress-related categories are added (poor workplace morale, impact of long hours, personal problems) it was the most significant bottom line cost to UK. The estimates by the CBI (2007), CIPD (2007), Sainsbury Centre (2007) for Mental Health and others of the costs of stress-related absenteeism and presenteeism (employees being present at work but not contributing to the bottom-line) range from £2 billion to over £20 billion depending on whether they are direct (e.g. job absence) and/or indirect costs (e.g. lack of added value to products and services, costs of the NHS repairing people damaged by work). In addition, 40% of incapacity benefit from work in the UK is due to mental ill health and stress in the workplace, which amounts to approximately £5b per annum.

There has been a major restructuring of the workforce, both in the private and public sectors towards what is euphemistically called the "flexible workforce." Britain led the way in Europe towards "privatising" the public sector in the 80s, "downsizing" the private sector during the downturn of the late 80s/early 90s, "outsourcing" many of its corporate functions in the 90s, and creating long hours and "presenteeism" culture at the beginning of the new millennium. However, this scenario of 'leaner' organisations, intrinsic job insecurity and a culture of longer working hours are beginning to have an adverse effect on employee attitudes and behaviour.

A major Quality of Working Life (QWL) survey (Worrall & Cooper, 2001) of a cohort of 5,000 British managers in the private and public sector found that these changes – downsizing, outsourcing, delayering and the like – led to substantially increased job insecurity, lowered morale and, most important of all, the erosion of motivation and loyalty. Although some of these changes were perceived to have led to an increase in profitability and productivity, decision-making was slower and the organisation was shown to have lost the right mix of human resource skills and experience in the process.

More worrying about this trend was the major increase in working hours and the impact of this on the health and well being of managers and their families. The survey found that 81 per cent of managers in the public and private sectors worked more than 40-hour weeks, 32 per cent more than 50 hours and 10 per cent more than 60 hours a week. Also, a substantial minority frequently worked at weekends. This trend has remained even over the last 5 years, with the latest Quality of Working Life survey (Worrall and Cooper, 2007) of a cohort of 10,000 managers from junior to Board level, showing a sustained deterioration of employee well-being even during this period of economic growth.

What is so disturbing about this trend towards a long-hours culture is the managers' perception of the damage it is inflicting on them and their families. The 2007 survey showed that 56 per cent of the executives reported that these long hours damaged their health; 54 per cent said that they adversely affected their relationship with their children; 59 per cent that they damaged their relationship with their partner, 46 per cent that long hours reduced their productivity and 64% said that it was ruining their social life.

Another manifestation is the increasing levels of job insecurity in the UK. An ISR survey (ISR, 2000) across Europe found that in 1985 70% of British workers felt job secure but by 2000 that figure had dropped to just over 45%. In the QWL survey in 2007, 66%, of a cohort of 10,000 managers, reported that as a result of all the changes that had taken place in their organizations they now felt significantly less job secure. And we now know, from recent research that if people are not job satisfied they can get ill, with job insecurity being one of the most significant aspects of job satisfaction (Faragher, Cass and Cooper, 2005).

Stress and well-being at work – the costs and challenges

Cary Cooper

The big questions about these developments are: is the trend toward short-term contracts, long hours and intrinsically job-insecure workplaces the way forward for us? How will this affect the health and well-being of employees? Can organisations continue to demand commitment from employees they don't commit to? What will this long hours culture do to the two-earner family, which is now the majority family in Europe? In comparative terms, the European economies have done remarkably well, but now that we are in a downturn the levels of job insecurity and concerns about the future of the economy are high and growing. Developing and maintaining a 'feel good' factor at work, and in our economies generally, is not just about the bottom line factor – profitability. In a civilised society the feel good factor should include quality of life issues as well, like hours of work, family time, manageable workloads, control over one's career and some sense of job security.

A strategy for managing stress in a changing workforce

How should organisations manage the pressures currently experienced by their employees in a changing workplace culture? Cartwright and Cooper (1997) suggested a three-pronged strategy for stress management in organisations. For the prevention and management of stress at work, the following three approaches could provide a comprehensive strategic framework: primary (e.g. stress reduction), secondary (e.g. stress management) and tertiary prevention (e.g. employee assistance programmes/workplace counselling).

Primary prevention is concerned with taking action to modify or eliminate sources of stress inherent in the work environment, so reducing their negative impact on the individual. The focus of primary interventions is in adapting the environment to 'fit' the individual.

Possible strategies to reduce workplace stress factors include:

- ▶ Redesigning the task
- ▶ Redesigning the working environment
- ▶ Establishing flexible work schedules
- ▶ Encouraging participative management
- ▶ Including the employee in career development
- ▶ Analysing work roles and establishing goals
- ▶ Providing social support and response
- ▶ Building cohesive teams
- ▶ Establishing fair employment policies
- ▶ Sharing rewards

Primary intervention strategies are often a vehicle for culture change. The type of action required by an organisation will vary according to the kind of stress factors operating. Any intervention, therefore, needs to be guided by prior diagnosis or a stress audit (Faragher, Cartwright and Cooper, 2004), or risk assessment, to identify the specific factors responsible for employee stress, as per the UK's Health and Safety Executive's Management Standards on Stress (www.hse.gov.uk).

Secondary prevention is concerned with the prompt detection and management of experienced stress. This can be done by increasing awareness and improving the stress management skills of the individual through training and educative activities. Individual factors can alter or modify the way employees, exposed to workplace stress, perceive and react to their environment. Each individual has his or her own personal stress threshold, which is why some people thrive in a certain setting and others suffer (Palmer and Cooper, 2007).

Awareness activities and skills training programmes, designed to improve relations techniques, cognitive coping skills and work/lifestyle modification skills (e.g. time management courses or assertiveness training), have an important part to play in extending the individual's physical and psychological resources. The role of secondary prevention is, however, one of damage limitation. Often the consequences, rather than the sources of stress, which may be inherent in the organisation's structure or culture, are being dealt with. They are concerned with improving the 'adaptability' of the individual to the environment. Consequently, this type of intervention is often described as 'the band aid' approach. The implicit assumption is that the organisation will not change but continue to be stressful, therefore the individual has to develop and strengthen his or her resistance to that stress.

Tertiary prevention is concerned with the treatment, rehabilitation and recovery process of individuals who have suffered, or are suffering, from serious ill health as a result of stress.

Intervention at the tertiary level typically involves provision of counselling services for employee problems in the work or personal domain. Such services are provided either by in-house counsellors or outside agencies, which provide counselling, information and/or referral to appropriate treatment and support services. There is evidence to suggest that counselling is effective in improving the psychological well being of employees and has considerable cost benefits.

Stress and well-being at work – the costs and challenges

Cary Cooper

The future

The pressures on all of us are likely to get worse. Stress is primarily caused by the fundamentals of change, lack of control, high workload, job insecurity and fears for the economy (Weinberg and Cooper, 2006).

Change has been the byword of the first part of this millennium, with its job insecurities, corporate culture clashes and significantly different styles of managerial leadership – in other words, massive organisational change and inevitable stress. In addition, change still brings with it an increased workload as companies try to create 'fighting machines' to compete in international economic arenas and public sector bodies try to reduce their wage bills in a tightened budgetary round. This will mean fewer people performing more work in more job-insecure environments.

Finally, as we move away from our own internal markets and enter larger economic systems, individual organisations will have less control over business life. Rules and regulations are beginning to be imposed in terms of labour laws; health and safety at work; methods of production, distribution and remuneration and so on. These are all laudable issues of concern in their own right, but, nevertheless, these workplace constraints will inhibit individual control and autonomy.

Without being too gloomy, it is safe to say that we have, at the start of this millennium, all the ingredients of corporate stress: an ever-increasing workload with a decreasing workforce in a climate of rapid change and with control over the means of production increasingly being exercised by bigger bureaucracies, with a downturn in the economy undermining individual stability and job security.

It appears, therefore, that stress is here to stay and cannot be dismissed as simply a bygone remnant of the entrepreneurial 1980s and 1990s. The challenge for human resource management in the future is to understand a basic truth about human behaviour that developing and maintaining a 'feel good' factor at work and in our economy generally is not just about 'bottom line' factors (e.g. higher salaries or increased profitability). It is, or should be, in a civilized society, about quality of life issues as well, such as hours of work, family time, manageable workloads, control over one's career and some sense of job security. As the social anthropologist Studs Terkel (1972) suggested in his book "Working", "work is about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor, in short, for a sort of life rather than a Monday through Friday sort of dying".

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Free to choose – how managers can create globally competitive and healthy workplaces (an American perspective)

James O'Toole

Judging from what they say in their annual reports, corporate executives believe that the success of their businesses rests heavily on the efforts, initiative, commitment, and motivation of their “people.” Most major employers are sincere in this, as they are in their desire to treat “their people” right.

Nonetheless, American executives – and those in many other developed nations – increasingly outsource and offshore jobs, cut employee benefits, substitute contingent or contract workers for regular or permanent employees, eliminate traditional career paths, and reduce expenditures on worker training. When U.S. employees aren't losing their jobs to lower-paid workers in Asia, their salaries and benefits are being drastically cut by corporate executives who believe that the way to boost productivity is continually to reduce labor costs. In particular, many seek to lower those costs by reducing – or eliminating entirely – the health care benefits of “their people”.

Why the apparent contradiction between word and deed? The executives' stock answer: “We have no choice.” For example:

- ▶ In a 2005 interview on MSNBC, Wal-Mart's CEO argued that to serve the desires of customers for the lowest-priced goods, Wal-Mart's business model precluded offering higher wages, greater health insurance coverage, or more training to frontline workers.
- ▶ In 2003, when IBM announced plans to offshore the jobs of thousands of its American white-collar employees, the director for global employee relations explained, “Our competitors are doing it, and we have to do it.”
- ▶ In 2006, when Boeing announced it would offshore 60 to 70 percent of components of its new 787 commercial jet, a leading aviation consultant explained, “If a company can go to China and get a widget for 10 cents, and it costs \$1 in the U.S., what's the company to do?”
- ▶ When Delphi Corp. (General Motors' major parts supplier) called on the UAW to renegotiate the contract with its thirty thousand hourly workers – requesting wage and benefit give-backs on the order of 50 to 60 percent – the company's CEO said it had no choice: the alternative was bankruptcy, the loss of U.S. jobs, and the forfeiture of pension commitments. (Indeed, when the concessions weren't forthcoming, Delphi did declare bankruptcy.)

Many executives believe they are prisoners of iron economic laws which dictate that they have no choice but to match working conditions offered by their lowest-cost competitors. Unfortunately, increasing numbers of American managers have no alternative because they have strategically painted themselves into a corner: when their labor costs exceed the value their product commands in the market, there is little choice but to downsize, outsource, or offshore. Decades of poor strategic choices eventually do make it “too late” for managers to pursue positive employment practices that, had they been adopted earlier, might have led to better organizational performance.

But are top managers really as handcuffed as they assume? Do they have no viable option but to lower their working conditions to the level offered by their lowest-cost competitor, or to offshore jobs? After a yearlong review of hundreds of academic studies, my colleague Ed Lawler and I concluded that in fact, managers of most U.S. companies are free to choose workplace practices that would have positive future consequences for both their companies and employees. We found numerous businesses that have created competitive advantages by adopting productive alternatives to the standard workplace practices in their industries. These companies have significant labor productivity advantages over competitors in their respective industries who, typically, pay their employees less and offer fewer benefits. We found not only that managers have *more* alternatives than they commonly assume but also that many are actually shortchanging their shareholders by not capturing the opportunity to differentiate themselves from their competitors by turning employees into strategic assets.

Free to choose – how managers can create globally competitive and healthy workplaces (an American perspective)

James O'Toole

Emerging employer models: low-cost companies and global competitors

American workers are increasingly employed by what we call “Low-Cost Companies” – that is, large grocery, discount, fast-food, and mall-store chains like Wal-Mart, where the customer is king. To keep prices low, employees in these companies face this unhappy situation:

- ▶ They are paid at (or close to) the minimum wage.
- ▶ They receive few if any benefits.
- ▶ They have no job security.
- ▶ They are given only the amount of training needed to do jobs that have been designed to be simple and easy to learn.

Because there is little opportunity for workers at the bottom in these companies to make a good living or to do interesting work – much less to make a career in them – these jobs mainly attract employees who cannot find other employment: retirees, students, and less educated workers with few other options.

Although Low-Cost Companies are the fastest-growing sector in terms of numbers of workers employed, the best-paid jobs in America are at what we call “Global-Competitor Companies.” Characterized by their enormous size and geographic reach, these corporations compete in terms of the financial capital, skills, knowledge, and technology they are able to command. They are the glamour companies of the age – that is, industry leaders in information and telecommunications technology, consumer products, pharmaceuticals and biomedicine, financial and professional services, media and entertainment. These agile organizations move products, services, capital, jobs, operations, and people quickly and frequently across borders and continents.

Although workers are well paid in Global-Competitor Companies, they enjoy precious little stability or security, because these companies

- ▶ Increasingly hire people on a contractual basis and, where possible, outsource and offshore work.
- ▶ Offer their “contingent” workers no security beyond the time limits of their contracts, and no promise of a continuing employment relationship.
- ▶ Often look outside to hire even permanent and top-level employees, carefully limiting how much they spend on developing managers and professionals, let alone on the training of workers.
- ▶ Frequently offer “the new employment contract”, in which they commit to telling employees what their strategy is and where they think future jobs in the organization will be, and workers then are told that their continued employment depends on their performance and the fit between their skills and the needs of the business.
- ▶ Are constantly searching for workers with the skills needed for today’s challenges. And although they pay top dollar for that talent, they expect employees to work long hours and, especially, to be productive.

The relationship between these companies and their employees is thus transactional, not based on loyalty. The rewards are interesting work and high pay, not being part of a community or in a long-term employment relationship. Because they are global enterprises, these companies are adept at offshoring work; hence, they are not a source of domestic job creation, and they actually employ a *declining* portion of the total U.S. labor force.

The net effect of the growth of these two models is relentlessly grim for American workers: since 2000, labor’s share of the gross domestic product has declined despite rising productivity, and it stems largely from the mistaken managerial assumption that low wages are the key to corporate competitiveness. A great many business executives believe that the way to boost productivity and profits is to continually reduce labor costs. But that strategy can be taken only so far: at a certain point, salaries and benefits can’t be slashed any further, and, in the long term, comparative economic advantage then must be realized through the effective mobilization of an educated, engaged, and productive workforce. If America is to maintain its precarious position atop the world economy, its business executives must recognize that providing good jobs is not just a “nice thing to do”: it is a competitive necessity for both their companies and their nation.

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High-involvement companies: the third way

Although many Europeans are familiar with Low-Cost and Global-Competitor companies, they are less aware of a small number of American businesses that understand that comparative advantage in a global economy must be realized by effectively deploying their workforces. These "High-Involvement Companies" are found in services as well as manufacturing industries, and they offer their employees

- ▶ Challenging and enriched jobs
- ▶ A say in the management of their own tasks
- ▶ A commitment to low turnover and few layoffs
- ▶ A relatively egalitarian workplace, with few class distinctions between managers and workers and relatively small ratios between the salaries of the CEO and the average worker
- ▶ Organization into self-managing teams
- ▶ A strong sense that every employee is a member of a supportive community
- ▶ Extensive, ongoing training and education to all
- ▶ Salaries rather than hourly wages
- ▶ Employee participation in company stock ownership and a share in company profits

Moreover, the performance of these High-Involvement Companies is overwhelmingly consistent: the productivity of their workers more than justifies the high pay and good benefits they receive. In fact, *when managed correctly*, highly paid American workers prove to be *far more productive* than the low-wage overseas workers they compete against.

Research shows that managers at High-Involvement Companies organize work processes and systems in ways that allow employees to contribute significant amounts of "added value" to the products and services they make and provide. When managers give employees the organizational structure, resources, and authority needed for them to contribute their ideas and efforts, American workers almost always are able to compete effectively against their overseas counterparts. Workers in less developed countries routinely are outproduced through the ingenuity, initiative, and efforts of their American counterparts making steel at Nucor, motorcycles at Harley-Davidson, consumer goods at Procter & Gamble, and high-tech products at W.L. Gore and Associates. The evidence shows that the comparative advantage of having educated, motivated, and committed workers can be realized by a wide variety of businesses, both high-tech and low.

The economic disadvantages of the low-labor-cost-strategy

In a radical cost-cutting move, Circuit City announced in 2007 that it was dismissing thirty-four hundred of its most experienced employees. Although (in a surreal twist) the company offered to rehire many of those salespeople at lower wages, this is a common approach of many companies trying to gain competitive advantage. However, such bottom feeding may not be the most effective strategy. In fact, low wages paradoxically generate a variety of negative employee behaviors that add to the overall cost of doing business. Although managers rarely calculate these costs, they often turn out to be substantial:

Higher turnover

Employees at low-wage companies have significantly higher turnover rates than those at well-paying companies: for example, Wal-Mart has nearly a 50 percent turnover rate, and at many fast-food, retail, and service companies, the rates are even higher. Researchers have computed the total costs of such turnover as equal to one month's salary for unskilled workers and more than a year's salary for skilled ones.

More absenteeism

High rates of absenteeism are common at low-wage companies because employees don't lose much pay when they fail to show up for work (when absent, they often are out looking for better jobs!). Absenteeism has a negative impact on productivity: because low-wage employees rarely give notice that they won't be showing up, companies must overstaff in order not to be caught shorthanded. Absenteeism also negatively affects customer care: if enough workers aren't on the job to serve customers, or if customers can't find the same employee who helped them on their last visit, absenteeism drives business away and reduces customer loyalty.

Increased theft by employee

Added to these hidden costs is the readily measurable one of employee pilferage. In retail establishments, employee theft is higher when wages are lower. It's not clear how much of this is due to employees' justifying their criminal behavior because they are poorly paid, and how much results from the fact that employees willing to take low-wage jobs are more prone to theft; still, the cost directly hits the company's bottom line.

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Increased focus on preventing unionization

Realizing that union organization means higher wages and more expensive benefits, low-cost employers hire consultants to develop antiunion tactics, conduct “educational” sessions for their employees, incur legal and court costs associated with fighting unions, and, in the case of Wal-Mart, even shut down operations to avoid a fate they see as worse than lost business.

Inability to attract talent

A hidden negative consequence of a low-wage strategy is that talented, hard-working, and motivated individuals simply do not interview for jobs at low-wage companies. Such companies thus end up with employees who are below average in their ability to perform on the job, with resulting low productivity and poor customer service.

Poor employee physical and mental health

Perhaps the most significant cost of badly designed jobs is the negative effect on employee health. For nearly forty years, the relationship between job design and stress has been understood and clearly documented. A 1999 study of 46,000 workers showed that the healthcare costs of those at risk from stress-related disease were 147 percent higher than of those of other workers.

Clearly, when all these costs associated with low wages are added up, paying low wages is a classic example of being penny wise and pound foolish.

Hiring employees who add value

In almost all industries, the most profitable companies are those with the lowest overall operating costs, *not* those that pay the least. Put another way, the issue is not how much a company pays each worker; instead, it is how much its total labor costs are. The distinction is subtle but important.

- ▶ For example, researcher Wayne Cascio examined 2004 data from retailer Costco and its competitor, Sam's Club (Wal-Mart's upscale brand), which showed that Costco employees, on average, were paid \$33,218 per year and an additional \$7,065 in benefits; in contrast, the average Sam's Club employee earned only \$23,962, with \$4,247 in benefits.

However, *total* labor costs were actually *lower* at Costco, largely because Costco's 68,000 employees produced roughly the same amount in sales as did Sam's Club's 102,000. When the lower costs of turnover and pilfering and the higher rates of productivity were reckoned, setting aside the thousands of innovative ideas generated by its employees, it was "cheaper" in the long run for Costco to pay its people more.

These figures illustrate that labor rates do not simply equal labor costs. Costco's hourly labor rates are almost 40 percent higher than those at Sam's Club (\$15.97 versus \$11.52), but when employee productivity (sales per employee) is considered, Costco's total labor costs are significantly lower (9.8 percent versus 17 percent). James Sinegal, Costco's CEO, concludes that "Paying your employees well is not only the right thing to do, but it makes for good business." To make its high-wage strategy work, Costco constantly must look for ways to increase its efficiency, by repackaging goods into bulk items to reduce labor costs, speeding up just-in-time inventory and distribution systems, and boosting sales per square foot through being the industry leader in innovative packaging and merchandising. Costco employees have incentives to come up with such new ideas (even labor-saving ones) and to cooperate with management when the ideas are introduced.

In contrast, Wal-Mart's low-wage strategy brings undeniable benefits to customers: low prices. The company also has been a great long-term investment for shareholders, although they have not fared quite as well as Costco's in recent years. (In mid-2005, Wal-Mart's stock was selling at nineteen times earnings, compared to a multiple of twenty-three at Costco.) Yet Wal-Mart could not be the low-price leader in its industry if it simply paid the same high salaries and offered the same training and benefits package to its employees that Costco does. Costco's business model works because, unlike those at Wal-Mart, Costco's workplaces are organized in ways that allow employees to add value. At Costco, there is a deep managerial understanding that the correct metric to be used with regard to labor productivity is *total overall* labor costs and not *unit* labor costs.

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Barriers to adoption of high-involvement practices

Given the manifest benefits to shareholders, employees, and society alike, why aren't there more High-Involvement companies? Although American managers often say they would like to pay their employees more, they argue that they can't afford to do so and simultaneously keep the prices of their products competitive. As one CEO explained, "I would treat my employees as well as Starbucks treats theirs, *if* I could charge the equivalent for my product of \$3 for a cup of *latte!*"

But managers who assume that higher profits drive better working conditions have their logic *backwards*: there are companies in virtually every industry that are profitable *because* they provide good jobs. As Starbucks' CEO, Howard Shultz, explains, the high-quality customer service that makes it possible for his company to charge a premium for its coffee *results from* the investments it makes in employees. He says Starbucks is able to offer its employees – even part-timers "health coverage, stock options and discounted stock purchase plans, retirement savings plan, extensive training, a fun, team-oriented work environment ... and tuition reimbursement for eligible employees with one or more years of service" not because the company charges a lot for a cup of coffee but, rather, because its highly productive, customer-sensitive employees allow Starbucks to do so. Ditto the productive contributions of employees at such diverse companies as UPS, Whole Foods, and Goldman Sachs.

The reason high-wage High-Involvement companies have lower total labor costs than their low-wage competitors is thus misunderstood. It is commonly assumed that the greater a company's profitability, the greater the benefits it can provide. In fact, the opposite is – or can be – true. It often is *because* companies involve their workers in decision making, reward them fairly for their efforts, and provide them with good training and career opportunities that their employees reciprocate in terms of much higher productivity than workers in comparable, but low-wage, companies.

For example, there is a virtuous circle at High-Involvement Company SAS: this software producer offers more security and lifestyle-friendly benefits than its competitors, and, in turn, its employees seek to build long-term relationships with customers instead of going for one-off transactional sales. Obviously, treating employees well doesn't always produce better business results, but there are numerous examples of the two factors being mutually reinforcing.

The ability of American companies and workers to compete in world markets is greatly hampered by the widely held, but mistaken, managerial assumption that businesses need to be successful in order to be able to offer good jobs. Until more executives understand that companies need to offer good jobs in order for them to be able to succeed, the nation will be underemploying its most important resource: the worker.

How organizations treat workers is a matter of choice

Such American companies as Nucor, W.L. Gore, SRC Holdings, Alcoa, Costco, Whole Foods, SAS, Southwest Airlines, Harley Davidson, and UPS illustrate the benefits that arise when companies create workplace practices that meet the legitimate needs of workers as well as those of managers and owners. These companies are at least as profitable as their competitors, typically more so, and that profitability in great part results from their leaders addressing the three deepest needs of workers:

- 1 Financial resources and security
- 2 Meaningful work that offers the opportunity for human development
- 3 Supportive social relationships

These examples also illustrate that some bad jobs can be turned into good ones *if there is the executive will to do so*. For example, whereas Delphi downsized and off-shored thousands of jobs and reduced the pay and benefits of its surviving American workforce, Harley-Davidson – in the same industry and with the same union – increased its U.S. manufacturing business, added jobs, and operated profitably *because* it turned Rust Belt manufacturing jobs into “good work” for its nearly ten thousand blue-collar employees. The company now competes successfully in the global export market against companies from low-wage countries. It is able to do so because its leaders were willing to create a viable business model based on High-Involvement practices. The top managers at Harley-Davidson and Starbucks should be regarded not as exceptions but as *role models* for other leaders who choose to change their employment models.

The statement “I have no alternative” is one of the surest indicators of leadership failure. Great leaders create viable options where others see none: they look for alternatives that haven’t been tried, or for ones that others assume “won’t work”. They take the extra step and search for actions that serve all their stakeholders.

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Recall that the CEO of Wal-Mart said that he has “no choice” but to pay his workers poorly in order to keep his costs down. Yet Wal-Mart's business model wasn't etched on stone tablets. Instead, it resulted from numerous choices made by Wal-Mart executives over many years. When the company's founder, Sam Walton, was alive, he made the following choices:

- ▶ He involved his employees in a generous stock ownership program.
- ▶ He encouraged his employees' engagement in making the enterprise successful.
- ▶ He personally continued to live frugally in the same middle-class neighborhood where he had begun his career.
- ▶ He took a relatively small salary, compared to other CEOs at the time.

In contrast, subsequent executives at Wal-Mart have made different choices in each of those regards.

Wal-Mart has chosen to favor investors over workers when it could have chosen to meet the needs of both, as Costco does. To be fair, Wal-Mart's executives are under constant pressure from Wall Street to make pro-shareholder choices. Indeed, Costco executives face the same pressure: in a 2005 *New York Times* article, a financial analyst argued that Costco should stop mollycoddling its workforce by paying such a large percentage of their health care premiums and, instead, reduce the company's contribution and then pay the savings out to its investors.

Much as Wal-Mart executives have chosen to accede to pressures from the investing community, Costco's leaders have chosen to reject them. In turn, investors are free to choose which of those, or other, companies to invest in. And workers also have a choice among employers . . . and Costco's High-Involvement working conditions give it an edge in competition with its rivals for the most productive employees. Such choices are the essence of a free-market economy.

The clearest demonstration that managers are free to choose occurred in 2007 when Wal-Mart's CEO suddenly—and surprisingly—announced the following changes:

- ▶ The company would offer health insurance coverage to more of its workers.
- ▶ It would support legislation to raise the minimum wage.
- ▶ It would henceforth be a global leader in its environmental practices.

What had changed? The primary reason for the CEO's about-face was the negative publicity the company had been receiving. But apparently the company did learn the positive lesson that in fact their hands were *not* tied when it comes to how they manage.

Experience shows that it is the options *not* considered that come back to haunt managers. When companies get into serious trouble, it is seldom because they have mistakenly chosen course A over course B; rather, they failed to consider option C. Executives who fail to consider creating High-Involvement workplaces are simply limiting their own range of options.

What managers can do in every organization

Clearly, not every company can benefit from adopting High-Involvement practices: there is simply no way in which the mass manufacturing of clothing can be done profitably in a postindustrial, high-wage economy such as America's. Yet American executives will find they have more room to choose the type and form of working conditions their companies offer than they commonly assume. Remember, it once was widely assumed that no airline could trust its employees to decide how best to serve customers – until Southwest did. It once was assumed that no company in the discount retail industry could succeed while paying its employees decent salaries and offering them full benefits – until Costco did. It was assumed that poorly educated blue-collar workers in old-line manufacturing firms could not be taught managerial accounting and then left to be self-managing – until SRC Holdings did. Once the conventional wisdom was that employees must be closely supervised and governed by rules – until W.L. Gore proved otherwise. And it was assumed that the first thing a company must do in a financial crisis is to lay off workers – until Xilinx discovered alternatives.

Today, some say that American industry has no choice but to export jobs to the developing world in order to remain competitive in world markets, and some say that America has no choice but to build protective barriers around the U.S. economy in order to prevent the export of jobs. In fact, there is a third, and better, alternative: by choosing to adopt High-Involvement practices, companies in developed countries can compete through the efforts and ingenuity of its workers and managers.

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When companies adopt High-Involvement practices they also are being socially responsible by internalizing health-related costs. One of the fundamental requirements for efficient markets is that all costs related to a transaction need to be internalized in the price of a product. One the main areas where companies produce inefficient externalities is with regard to employee health where costs often borne by society and employees. Hence, employers have an economic responsibility to create healthier work environments. First, they ought to recognize that the costs of poor employee health extend far beyond increased insurance premiums. As if those rising costs weren't reason enough to act, in addition, the indirect costs of physical stress and mental depression are enormous when measured in terms of lost worker productivity, poor customer service and work quality, turnover, and workplace conflict. Of course, employers do not pay the full cost of the stress produced on the job: workers and society bear the rest. From an economic point of view, this is both inefficient and unfair. The failure of business organizations to internalize the full costs of their operations amounts to an involuntary subsidy others are forced to pay. This leads to the misallocation of resources and to market inefficiencies benefiting those producers most adept at pushing their costs off on to others. Hence, healthier workplaces are in the public interest. Here are some potentially cost/effective High Involvement actions employers can take that are likely to make their workplaces healthier:

Encourage exercise and weight control

All companies can and should make an effort to educate workers about their responsibilities for limiting their own health-risk factors. Numerous well-tested programs are available to help employees understand the need for proper diet, exercise, and healthy lifestyles (for example, not smoking). In addition, some companies offer programs in stress-management, helping individuals with personality characteristics that put them at high risk for cardiovascular disease to avoid, or cope with, conflict and other anxiety producing work situations.

Increasing numbers of employers are introducing “wellness” programs (41% according to Hewitt Associates, up from 34% a decade ago). Most such programs consist of encouraging healthy lifestyles by way of distributing pamphlets to workers about diet, nutrition, and the risks of smoking, and the voluntary testing of blood pressure at health fairs and other relatively passive activities. But, increasingly, employers are providing exercise rooms at workplaces (with incentives to use them), weight reduction programs, and some offer memberships in health clubs.

It is neither necessary nor ethical to force employees to participate in such programs (the CEO of Weyco who recently fired workers who smoked clearly transgressed on their individual liberties), but providing information, education, resources and incentives to exercise and lead healthy lives are legitimate employer initiatives that benefit workers, their families, society, and the company itself (such programs perhaps even pay for themselves in the long run, although research indicates the jury is still out on that score). Nonetheless, responsible employers are honest with employees about why they offer such programs: they are in everyone’s self-interest and thus, are not employee “benefits”.

Manage People Right

In general, stress occurs when workers don’t know what is expected of them, when they are told to do one thing and then punished for not doing another, and when they lack adequate resources to do their assigned jobs. Most such stress is caused by mismanagement. Hence, good managers do three basic things:

- ▶ they clearly communicate the overall task of the organization and how each worker’s job contributes to doing that task.
- ▶ they clearly state how the performance of each job is measured, and then closely tie worker rewards to those measures.
- ▶ They provide the resources workers need to successfully perform their jobs, including adequate information, training, authority, staff, tools, technology, budget, and time.

Good managers thus create the conditions under which the people who report to them can successfully carry out their assigned tasks. Although it is often difficult to do these things, there is something elegant about being a good manager: the healthy workplace that results also turns out to be a productive one.

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Make supervision supportive

If recent workplace research is clear about anything, it is the importance of supportive supervision. Yet, one need only visit a fast-food franchise, or a retail shop in a mall, to witness evidence of supervisors "missing in action." Here are some symptoms of poor supervision: front-line workers who don't know what to do, who fail to serve customers, who make mistakes and don't learn from them, and don't apologize when they do. Worse, of course, is when supervisors berate or abuse employees who make mistakes. When workers perform poorly it is almost always the fault of management, and the first step in correcting that is the training of supervisors. Indeed, almost every organization can benefit from more, and improved, supervisor training, and not just at lower levels. By definition, all managers at all levels supervise others and hence, supervision is the essence of management. Yet, few companies pay adequate attention to what it really means for managers to provide a supportive environment for workers. As the late Peter Drucker wrote, "So much of what we call management consists of making it difficult for people to work." A study of best practices at High Involvement companies quickly reveals a great deal of time and attention is spent on training managers to improve their communication skills and to help them reduce conflict, encourage teamwork, and create environments in which workers have confidence they will get help when they need it.

Encourage work/family balance

Experience at High Involvement workplaces show that well-designed employer efforts to provide child care, elder care, flexible scheduling, job sharing, and the like, can help to reduce role conflict and increase organizational support in ways that make for healthier and more-productive workplaces. The challenge here is for managers to creatively tailor these programs to fit situations where too-clearly "they won't work." For example, while the average number of hours worked at the Big Four accounting firms has increased greatly as the result of Sarbanes-Oxley-created demand for CPA services, 30% of the 2,000 accountants at Jefferson Wells International have gone on reduced, or flexible, workweeks. Some 10% are on a flexible schedule and receive benefits (a 30 hour-week is typical), and others work fewer hours on a contract basis and receive no benefits. As the result of the way work is organized, many of the 70% of Jefferson Wells accountants who are full-timers work fewer hours than do their Big Four counterparts.

Create a sense of community

The controversial practices of HI-company Patagonia – a \$240 million firm with 900 employees, most located in California – might seem not at all applicable at most companies. For example, Patagonia offers maternity/paternity leave, subsidized on-site childcare, and family friendly flexible working hours (actually, the CEO says the work environment is more “task-oriented than time-oriented,” and workers can be seen taking off for a bike ride in the middle of the day, or heading to the beach when surf is up). Employees can also receive full pay while working up to two months in a nonprofit agency. Significantly, there are hundreds of applications for every job opening at Patagonia.

The best news from to emerge from decades of research in American industry is that the most productive workplaces also tend to be the healthiest. When workers are given greater autonomy and control over their tasks, not only do they respond with increased motivation and initiative, their mental and physical health improves as well.

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Endnotes

1. All data and quotes in this chapter from James O'Toole and Edward E. Lawler III, *The New American Workplace* (New York: Palgrave-MacMillan, 2006).
2. Wayne Cascio, “The Economic Impact of Employee Behaviors on Organizational Performance,” in Edward E. Lawler III and James O'Toole (eds.), *America at Work: Choices and Challenges* (New York: Palgrave-Macmillan, 2006).

A sustainable occupational health policy

Bertelsmann Stiftung and Hans-Böckler-Stiftung

Upgrading corporate health policy and placing more emphasis on prevention, as well as encouraging companies to accept more responsibility: These are the primary goals identified by the task force on the future of occupational health policy.

The task force

Experts from academia, the political sphere, the business world, (professional) associations, healthcare institutions (such as insurance companies) and workers' compensation boards collaborated closely as members of the task force on the future of occupational health policy. Their goal was to formulate the requirements for sustainable occupational health policy and to encourage reform within companies. The task force was formed by the Bertelsmann Stiftung and the Hans-Böckler-Foundation in 2001. Four working groups were set up to address several different issues; their conclusions are found in the task force's recommendations for an active occupational health policy.

This commission of experts, established by the Bertelsmann Stiftung and the Hans-Böckler-Foundation, gives top priority to prevention. Management must lead the way, with systematic planning that takes into account findings about new types and causes of stress. Prevention entails working with employees to promote their health and well-being.

The task force cautions that because of the economic and demographic challenges we face today, the state and the social security systems cannot handle these tasks on their own. It calls upon companies, public agencies and service organizations to devote more attention and resources to the health of their employees – an investment that can boost competitive performance as well. "Healthy organizations promote both the well-being and the productivity of their members," the report notes.

New challenges for occupational health policy

According to the task force on the future of occupational health policy, substantial resources in Germany's high-performance economy are spent treating and compensating for health problems, while too little goes to preventing illness. Over the long term, the commission warns, the resulting costs threaten to overload the social security systems and lead to a further increase in labor costs. Companies, public agencies and service organizations need to accept more responsibility for the health of their employees and pursue an active health policy of their own. Policymakers and associations must back this effort.

In formulating their policies on social welfare and health, companies find themselves facing a new situation, marked by

- ▶ a globalized economy,
- ▶ an aging population,
- ▶ the increasingly important role of knowledge-intensive business services,
- ▶ changes in the range of work-related illnesses and
- ▶ an increasing tendency of companies to limit fringe benefit costs.

Furthermore, the strategy of early retirement pursued in the past gave companies even less incentive to invest in their employees' health.

The task force therefore recommends that businesses, associations and social-service providers pursue a new kind of policy aimed at improving the quality of work, promoting well-being, and solving health problems where they arise: in the workplace. Moreover, the new approach must give priority to preventing illnesses and accidents and improving health, rather than concentrating on treatment after the fact.

"Efforts to promote occupational health and safety have a successful tradition in Germany," the task force points out. "However, the challenges we face today cannot be overcome by adhering to the structures of the past."

A sustainable occupational health policy

Bertelsmann Stiftung and Hans-Böckler-Stiftung

A new policy: healthy work within a healthy organization

According to the task force, efforts to promote health must begin in the workplace – with the understanding that their effects will extend to private life as well. The goal is articulated as “healthy work within a healthy organization.” And the target is broader than health risks involving the interface between the worker and the machine; the task force also seeks to improve the way individuals interact with one another.

Accordingly, the task force has focused particularly on high-quality human resources management, corporate culture and overall interpersonal relationships. It views developing preventative health strategies as a leadership responsibility. But the task force advises against imposing a health policy from the top down; those affected must be involved in policy deliberations from the very beginning.

Furthermore, the commission of experts has concluded that occupational health policy must be versatile and adaptable to the needs of different industries and the requirements of companies of different sizes, since it must fulfill a twofold mission: to improve employee health and to promote competitiveness.

Long-term strategy

The commission realizes that implementing this new approach will take time. It is clear, however, that certain forces – such as demographic trends, including the aging of the population – push in the direction of needed change. These factors can be expected to motivate companies to create healthy working conditions that allow older workers to continue their careers.

Action is also urgently needed to implement German and European statutes on health and safety in the workplace, as mandated by the legislature. In addition, many companies have come to realize that investments in health not only enhance employee well-being, but also increase motivation. The benefits to the company's employees extend to the company itself and the social security system as well, for example by reducing absenteeism. Investments in employee health can help to prevent accidents, lower healthcare costs and reduce the rate of unemployment and early retirement.

At the same time, however, the commission pointed out obstacles on the road ahead. Businesses often regard measures to promote health as the responsibility of the state and society at large, not a corporate responsibility. The trade unions as well tend to regard health, education and social security as the province of the state. For many years, health issues have played little role in their policies on management and collective bargaining.

Perhaps the most important obstacle to achieving an active occupational health policy, according to the task force, is the fact that employees are often still regarded as mere cost factors rather than as resources for economic success. It is crucial to recognize that investing in employees increases corporate value.

Traditional values and rules, particularly the widespread culture of repairing and compensating, are a further impediment to a policy of promoting health. The task force cited health insurance plans as a prime example: In 2001, they spent some €2,600 per member on treatment for illness, compared with only about €1 for preventative measures.

Often, however, it is simply a lack of awareness that keeps companies from focusing on preventative health care. The task force concluded that companies, public agencies and service organizations still fail to adequately acknowledge the latest findings about the causes of mental and chronic illnesses as they relate to working conditions, job responsibilities and the work environment.

The commission of experts concludes that these obstacles will make it impossible to achieve the necessary cultural changes in the short term. Accordingly, their proposals focus on the initial steps toward a sustainable occupational health policy. While their recommendations do formulate goals, they also identify ways of achieving them. They focus primarily on what companies can do, describing a dialogue-based platform for learning in which diversity, competition and – within a governmentally determined framework – minimum standards are disseminated and stabilized.

Various roles in the sphere of health

According to the task force, companies, public agencies and service organizations need to invest more resources in their employees' well-being and health, with a commitment motivated first and foremost by their sense of social responsibility for those workers.

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Germany

Beneficial return on investment in Workplace Health Promotion – setting the evidence base for a sound allocation of activities

Wolfgang Boedeker and Ina Kramer

In modern societies, work is the source of most individual, corporate and community wealth. The world of work therefore is particularly vulnerable to disruption caused by illness among employees. Illness can involve a temporary absence, lead to reduced productivity, to long-term disability or even to premature death. It can also end careers with a consequent loss of knowledge, skills and experience from companies and public organisations.

What is becoming more widely recognised is how work itself can make people ill, with a high price to be paid by individuals, organisations and society in general (Boedeker & Klindworth 2007):

- ▶ In the European Union (EU) in 2005, there were about 4.4 million accidents at work resulting in more than 3 days absence by the employees involved
- ▶ Each year in the EU 350 million working days are lost due to work-related health problems and almost 210 million due to accidents at work
- ▶ 35% of workers consider that their health is negatively affected by their work
- ▶ The costs of workplace-related illnesses in Europe are estimated to be between 2.6% to 3.8% of Gross Domestic Product (GDP).

It is this interrelation that makes workplace health such an important element of modern public health policies. This is beginning to be reflected in EU policy; e.g. the EU Commission now considers workplace health as one of the most important aspects of EU policy-making on employment and social affairs and is striving for consistency with public health policies.

Workplace Health Promotion (WHP) has pointed effects on the improvement of the health of employees as well as on the economic position of enterprises. As a scientific consensus it can be highlighted that preventive measures lead to a reduction of risk factors and diseases and have a positive return on investment (ROI). Observed effects are, among other things, reduced absenteeism, fewer visits to the doctor, less prescriptions of pharmaceuticals as well as less days spent in hospital etc. The reduction of health risks can have an impact on a reduction of the actual diseases several years later. Insofar, the exhaustive financial effects of the health promotion programmes possibly only crop up many years after the health risks have been reduced – which makes the observed short-term effects even more remarkable. Summed up, it is this positive economic effect which makes a most powerful health promotion argument for companies and social insurance.

However, WHP is still not deployed in the majority of companies. It is sometimes argued that sickness costs are not a burden to all companies as absenteeism is low in these days and medical costs incur to social insurance institutions only. Furthermore, companies may find it difficult to identify health promotion measures which are in line with scientific recommendations and at the same time fit into their enterprise culture. Finally, employers apparently tend to mistrust even well designed intervention studies from outside their company and suspect that the results may not be carried over.

There is a great deal of interest in determining the economic and health impact of WHP. One of the goals of this paper is to provide a framework for thinking about costs and benefits in connection with WHP. This paper will show that economic consequences are not only caused by absenteeism. Research on the so-called presenteeism is still relatively new, but there is concern about the increasing burden to companies by this phenomenon. Secondly, to show that WHP programmes are a viable and effective method to improve the health of employees and reduce employee-related expenses, the paper presents a summary of the evidence for the effectiveness and efficiency of WHP programmes. A promising approach to show the economic potential of WHP interventions is the so-called prospective return on investment. To give an idea how enterprises could estimate the possible positive financial return on investment with the help of this kind of economic model, some examples are presented at the end of this paper.

Presenteeism – a new challenge to Workplace Health Promotion?

“The majority of Germans go to work even when they feel sick” (Bertelsmann Stiftung 2007). By press releases like this one, it is increasingly pointed out that economic consequences of bad health can not be valued by absenteeism only. In contrast, from a company viewpoint a reduced productivity caused by sick but present employees might be much more important. This phenomenon called presenteeism plays therefore an increasing role in workplace health promotion. Absenteeism and presenteeism are partly inversely related as presenteeism can be high where absenteeism is low.

Presenteeism is not as much a new concept but is used in different meanings. If used for economic evaluation it simply addresses consequences of illness more thoroughly by accounting for both the sickness induced absence and reduced performance. From a workplace health promotion point of view however, there is no difference as the aim should be to prevent illness in both cases.

Beneficial return on investment in Workplace Health Promotion – setting the evidence base for a sound allocation of activities

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Presenteeism sometimes is referred to as a new threat to health. Because sickness might not get cured properly when employees work while sick presenteeism could lead to a further deterioration of the health condition or even to chronic diseases. In this meaning the recommendation to fight the consequences of presenteeism would be to increase the absenteeism. However this notion can be challenged by recommendations of evidence based medicine. Increasingly medical guidelines do no longer favour bed rest or absence from work. With respect to back disorders or mental disorders e.g. it is advised to keep employees at the workplace as long as possible or enable a fast return to work. The workplace is considered an important part of the evidence based treatment of diseases and from this point of view the recommendation would be to increase presenteeism.

Besides these different understandings of presenteeism the concept is relevant for workplace health promotion because it helps to make visible that prevention is a business case for companies even when absenteeism is low (Schultz & Edington 2007).

In Germany, the Initiative Health and Work (IGA) regularly conducts surveys on the attitudes of employees to their work and companies – the so-called IGA-Barometer. In order to assess the magnitude of productivity losses due to health problems the Work Productivity and Activity Impairment Questionnaire (WPAI) was used as an ad hoc module to this survey (Boedeker & Huesing 2008). The WPAI is a quality approved instrument which is internationally used and available in many languages (Lofland et al. 2004). It measures the productivity losses due to absenteeism as well as to presenteeism by only five questions. The answers are standardized to a percentage scale (Reilly 2008).

In a representative sample of the German working population 27% of the respondents suffered from a health problem at the time of the interview. 14% of these (that is 4% of all employees) reported absence from work during the last 7 days prior the interview whereas 59% (14% in total) considered their productivity reduced due to these health problems. As can be seen from the following table, companies are differently affected according to their size. Small companies suffer least from absence but are most affected by presenteeism. In general, presenteeism can be seen as a necessary complementary indicator in order to thoroughly assess the economic impacts of bad health on companies.

*Table 1:
Percentage of German employees
affected by absence from work
or reduced productivity during last
7 days prior interview*

Company size	Absent	Unproductive
Very small (< 10 Employees)	4%	13%
Small (10-49 Employees)	2%	17%
Medium (50-249 Employees)	5%	15%
Large (> 249 Employees)	5%	11%
All	4%	14%

Source: IGA-Barometer 2007

Workplace Health Promotion: Is there evidence for the effectiveness and economic benefit?

Based on the question “What is the scientific state of knowledge of the health-related and economic benefits due to workplace health promotion programmes?” IGA started a couple of projects during the last years to find answers. In 2003 IGA published a first systematic survey of the scientific literature, which was translated into English in 2004 (Kreis & Boedeker). Following up this report IGA recently released an update (Sockoll, Kramer, Boedeker 2008). The report now includes the results of more than 40 reviews published in the period of 2000–2006. The results of the studies were assigned to the following category groups: general well-being, mental health, musculoskeletal disorders as well as economic benefits. The main conclusions are as follows below.

General well-being

Results of controlled studies concerning eight different intervention groups – physical activity, nutrition, smoking, alcohol, weight-control, health circles, multi-component programmes, participatory ergonomic interventions – argue for a reduction of well known risk factors. Below some examples.

Research has shown that workplace interventions aimed at the individual to promote physical activity can positively influence the behaviour of employees. Trainings and exercise classes of high intensity are effective, if they are matched to the needs of the employees. A doctor’s advise within a medical check-up results in no significant change regarding the physical activity. There is also evidence that the combination of behavioural and organisational health promotion interventions, e.g. access to exercise facilities and lockers plus specific consultation services and trainings, enhance the physical activity of employees. Furthermore even low-cost interventions such as motivational signs to promote the use of the stairs instead of an elevator are effective.

One of the most frequently studied topics are workplace interventions for smoking cessation. The effectiveness of behavioural interventions (e.g. group programmes, individual counselling) is proven, except self-help material (e.g. brochures). Smoke-free workplaces and clean indoor air laws are an effective intervention on the organisational level to improve air quality.

Convincing results were found also for the positive promotion of healthy nutrition through individual (e.g. nutrition counselling) and environmental interventions (e.g. healthier food choices in cafeterias).

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Mental health

Workplace interventions for the promotion of mental health predominantly deal with the interventions aimed at the individual level and the handling of stress. Studies have shown that in particular, e.g. cognitive-behavioural interventions are useful for employees with or without any symptoms as well as for people at high risk. Moreover there is a strong evidence for the reduction of absenteeism by this kind of interventions. Nevertheless the most long-term effects are achieved by comprehensive stress interventions which are taking into account different risk factors and both individual and organisational interventions.

Musculoskeletal disorders

According to reviews, most convincing evidence exists for physical exercise to reduce the prevalence and absenteeism caused by musculoskeletal disorders. Current literature has also shown that educational instructions e.g. ergonomic interventions as well as stress intervention programmes have no primary preventive effect in relation to absenteeism or prevalence. Surprisingly the classical back schools are ineffective. There is also no evidence for the use of back belts for prevention of occupational low back pain.

In consequence of limited research regarding interventions on the organisational level the evidence base is either nonspecific or contradictory.

However, there is evidence for the positive effect of comprehensive multi-component programmes which are taking both levels – individual and organisational – into account.

Economic benefit

A total of ten reviews deal with the economic benefit of WHP programmes. They all conclude that enterprises financially profit by the implementation of such interventions in the long term. The most frequently used factors to visualize the savings are absenteeism and medical costs. The included reviews report a return on investment between 1:2.5 and 1:10.1 for absenteeism, as well as a ROI between 1:2.3 and 1:5.9 for medical costs. For every spent \$1 on WHP programmes enterprises can save a minimum of \$2.50 due to reduced absenteeism and additionally a minimum of \$2.30 due to reduced medical costs.

Figure 1 summarizes the percent change in economic variables – sick leave absenteeism and health costs – reported in 56 peer-reviewed studies identified in a review published by Chapman (2005). Included studies had to report on multi-component programmes consisting of a combination of at least three interventions offered for a minimum of twelve months. The use of sick leave absenteeism was measured in 25 of 56 studies. The average percent change in sick leave absenteeism is specified with -26.8%. Health cost analyses occurred in 28 studies and show an average percent change in health costs of -26.1%. The average benefit ratio of the studies is mentioned with 5.81.

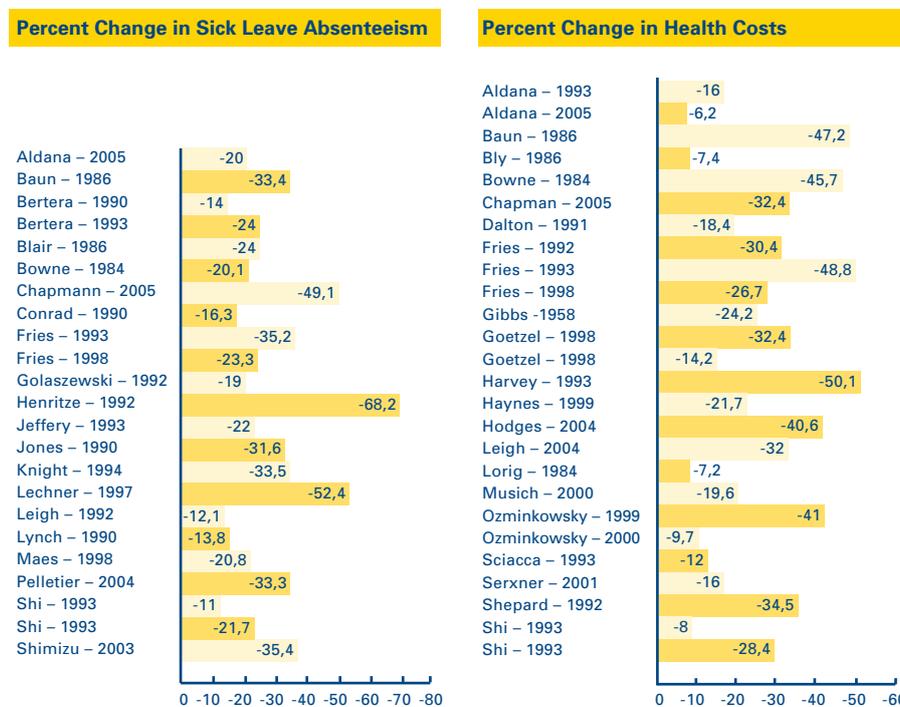


Figure 1: Percent changes in sick leave absenteeism and health costs observed in Workplace Health Promotion intervention studies (see Chapman 2005)

There is solid evidence to encourage more implementation and investment in WHP programmes, not only for large companies, but also for medium and small companies. Well designed and for the particular company adjusted programmes pay for themselves in reduced absenteeism and health care costs, and improved productivity.

Beneficial return on investment in Workplace Health Promotion – setting the evidence base for a sound allocation of activities

Wolfgang Boedeker and Ina Kramer

Promising practice: Estimating the return on investment with an economic model

Rising health care costs, productivity losses due to absenteeism and presenteeism, and an aging workforce evoke an increase of WHP activities. Current literature about the impacts of WHP programmes brought up new evidence about the savings associated with such interventions (see Sockoll et al. 2008).

Often enterprises have to justify their investment decisions in WHP programmes. Despite the fact that these programmes improve employee health, the decision-makers are primarily concerned with the economic terms. Executives want to know what kind of savings and possible financial return on investment they could expect from an investment in health promotion programmes. They are interested in a key data model that presents the possible savings due to WHP.

A promising approach to show the economic potential of WHP interventions is the so-called prospective return on investment. It is a certain cost-benefit-analysis that estimates the prospective cost-benefit in the run-up to the programme implementation. The prospective ROI analyses the cost-effectiveness and evaluates the efficiency of an investment or compares the efficiency of different interventions. The key figure can be used as an instrument to convince management of workplace health promotion. Furthermore it can be used by external consultants and health insurance companies as an argument for a rational allocation.

Over the past years scientists, mostly in the US, developed some models to calculate the prospective ROI. In 2007 IGA initialized a project to this topic with a main focus on the identification, analysis and description of such models. The results are summarized in a report (Kramer & Boedeker 2008) that includes a detailed description of four models for different risk factors and diseases as well as some supplemental studies.

The analysed software-programmes - "Alcohol Cost Calculator" (Ensuring Solutions), "Business Case for Smoking Cessation" (America's Health Insurance Plans & Kaiser Permanente, Center for Health Research), "Employers' Diabetes Costs Calculator" (Agency for Healthcare Research and Quality & Mid-Atlantic Business Group on Health) and "NCQA's Quality Dividend Calculator 2007" (National Committee for Quality Assurance & HSM Group, Ltd.) – are based on either a risk factor, a disease or a combination of it. The programmes are easy to use. They differ in complexity regarding to the required data input by the user and presentation of results. Some inputs are essential, some optional. A range of statistics, surveys and studies are used for the calculations. The aim of the tools is to show how many employees (and family members) are affected by a certain risk factor or disease. By reducing risks and diseases enterprises can expect cost reductions. The models calculate the financial return based on the data input and the statistical data used for the calculations.

Presenting the possible economic impact of Workplace Health Promotion for Germany – development of the IGA-ROI-Calculator

Cost avoidance is one of the key interests of employers who invest in WHP interventions. Enterprises consider investments especially worthwhile, if interventions lead to reduction in absenteeism and/or health care costs and improved productivity. Investing in WHP interventions can reduce business costs and save valuable employees. Workers who are healthy and motivated are essential for competitiveness and capacity to innovate. It is no news, that work affects health and health affects work.

Based on the results of the mentioned project IGA set up a follow-up project aimed at the development of an own calculator for Germany. The analysis of the tools and studies made clear that there are different influencing variables used for calculating a return on investment by the US compared to Germany. This is caused by the different health insurance systems: a pluralistic health care financing system in the US versus a more centralized payment system in Germany.

In the USA there are diverse health insurance options: employer-sponsored health insurance, different kind of private insurances and government funded healthcare programmes (Medicare, Medicaid, Veterans Administration). Companies often voluntary offer private health insurances for their employees, because of the competition for workers. The health benefit is part of the salaries. The payment of contributions depends on the claiming of benefits. For this reason ROI-studies from the US include e.g. direct health costs (prescription for pharmaceuticals, hospitalization etc.) besides absenteeism.

The German health insurance system is predominantly based on the statutory health insurance and completed by private health insurance. The statutory health insurance rests upon certain premium rates and does not depend on the claiming of benefits. Therefore the calculation of a return on investment in Germany from a company viewpoint focuses on absenteeism and thereby influenced productivity and not directly on direct health costs. German health insurances are involved in health promotion and prevention. For this reason they are interested in savings caused by health promotion and prevention interventions. These savings can then partly be transferred to companies by bonus programmes. German health insurances could use ROI-calculations for rational allocation of resources.

Beneficial return on investment in Workplace Health Promotion – setting the evidence base for a sound allocation of activities

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IGA is developing an economic model for Germany that provides companies and health insurances with an estimate of the costs of missed workdays due to absenteeism and costs of different diseases as well as costs of decreased productivity. The tool is based on evidence and combines findings from literature and statistics. A first model is based on the assumption that interventions of WHP lead to a reduction of the costs of missed work days due to absenteeism for a certain percentage. The model connects demographic information with average health care costs and average missed work days due to sickness to show the estimated amount of money caused by different diseases. The costs are calculated for a range of industry sectors using a standard industrial classification, different diseases using the ICD-10 and gender splits.

The results in the end of the calculations reflect the potential savings that might be realized by implementing a well-designed, employee-adjusted and multifactorial programme. According to the review by Chapman (2005) the time duration of the programme is set up with at least twelve months. Costs are estimated by assessing the impact of three hypothetical interventions combined with default prices. The aim is to set up the option to choose between those hypothetical interventions or others. The costs of implementing different interventions vary greatly, depending on the vendor, the intensity and the number of included employees. For more precise estimates for individual employers, the calculator requires companies to use information about their organisation as an input, e.g. prices for the interventions.

The goal of IGA is to create a computer-based tool that is easy-to-use and requires minimal information from the user. The calculator will provide default values for some inputs, but to provide company-specific estimates, the enterprise could also choose their own data, if available. The aim is to assess the potential return on investment to enterprises by improving employees health through WHP programmes.

Conclusions

This paper provides a look at the diversity of aspects which goes along with the business case of WHP. A growing body of scientific literature documents the value and importance of WHP for employers as well as for employees. There is solid evidence to encourage more implementation and investment in WHP programmes, not only for large companies, but also for medium and small companies. There is also consensus that not just any kind of WHP interventions done any way at all will produce high levels of financial benefit. But well-designed and for the particular company adjusted programmes pay for themselves in reduced absenteeism and health care costs, and improved productivity. The key data model of the prospective ROI could be a promising approach to convince disbelieving management and sceptics of investing in WHP. The estimate of the possible financial return on investment could help to finally enhance the use of WHP programmes.

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Tackling health in employee attitude surveys – an Enterprise for Health network project

Franz Netta and Viola Weber

Employee attitude surveys have been used for decades to assess workplace satisfaction and organisational climate – at the same time demonstrating a culture of participation within an organisation. They often serve as an accompanying measure to evaluate or initiate processes of organisational restructuring or development.

Why ask about your workers' health?

Surveys generally comprise areas such as company values and leadership or developmental perspectives which are not only determinants for work satisfaction but which are also important determinants of health. Health and well-being are both *prerequisites* for individual and organisational motivation and performance and are *outcomes* of the working conditions. However, although mentioned as essential topics in most corporate policies, health and well-being are often not directly addressed in the majority of employee attitude surveys.

There is compelling evidence that companies will not cope with future demands related to demographic change if they do not adopt a comprehensive health management approach now. With the agreement of staff, an employee attitude survey can include specific questions on health and well-being which would both highlight the importance of the topic and communicate management interest in - and commitment to - maintaining their employees' health. Furthermore, it permits the targeted, data-base development of quantifiable health promotion measures.

The awareness that corporate health management does not fall into the category of "a nice to have social benefit" but has significant strategic importance for the organisation is gradually gaining currency in industry and in the administrative sector. Organisations which do not succeed in raising significantly the health level of their older workers will face drastic consequences. For example, employees aged 55+ in Germany have an annual illness duration three times higher than workers in their twenties, which represents a major cost in terms of lost working hours and lost production (BKK statistics, 2006). This effect will be multiplied as the proportion of older workers increases. If poor health forces older workers to leave the company and qualified successors are not available, it will become still harder for organisations to remain productive, innovative and competitive. It is therefore understandable that companies and administrations are increasingly asking what factors they can influence to improve the health of their older workers.

There is also a strong business case for promoting health in the workplace: According to studies by Bertelsmann¹ and the University of Bielefeld (Germany), elements of corporate culture which exert a positive influence on workers' health also have a positive impact on the economic performance of the company. A study by the Federal Ministry of Labour (Germany), together with the Psychonomics agency, the University of Cologne and the Great Place to Work Institute, comes to the clear conclusion that corporate culture can be responsible for as much as 31% of the business performance of an enterprise².

Measuring work and health

In our fast-moving and competition-oriented global society, organisations can benefit from an early-indication tool to determine health risks and potential areas for improvement. However, the development of diseases has multiple causes - the processes of stress and strain (such as adverse working conditions and physical/psychological complaints or disorders) for instance is highly complex and reciprocal. Therefore, when analysing the effects of work on health and vice versa, we need to be aware that to obtain a comprehensive picture of health, we have to make use of multidimensional methods of assessment, i.e. combine subjective data (from self-evaluation) with different objective measures (e.g. observation, physiological values and medical examinations).

Most companies use questionnaires to gather information on various workplace issues and attitudes. This method is practical, economical and may deliver useful information from a large sample in a short time. Reflecting growing awareness of psychosocial stress factors at work and related (mental) health problems, many questionnaires now contain specific questions on stress and well-being.

The value of employee attitude surveys is also recognised by those concerned with health management, as is shown by the number of hits of Internet search systems when "health" and "employee survey" are entered. This approach appears all the more promising as nowadays there are new analysis and perception possibilities with modern statistical processes.

¹ Conducted in 2002 with over 50,000 and in 2006 with over 64,000 data records. The degree of autonomy represents quite a significant health factor as well as an identification factor, the latter influencing in turn motivation, work productivity, work diligence etc.

² <http://www.inqa.de/Inqa/Navigation/root,did=232344.html#233072>

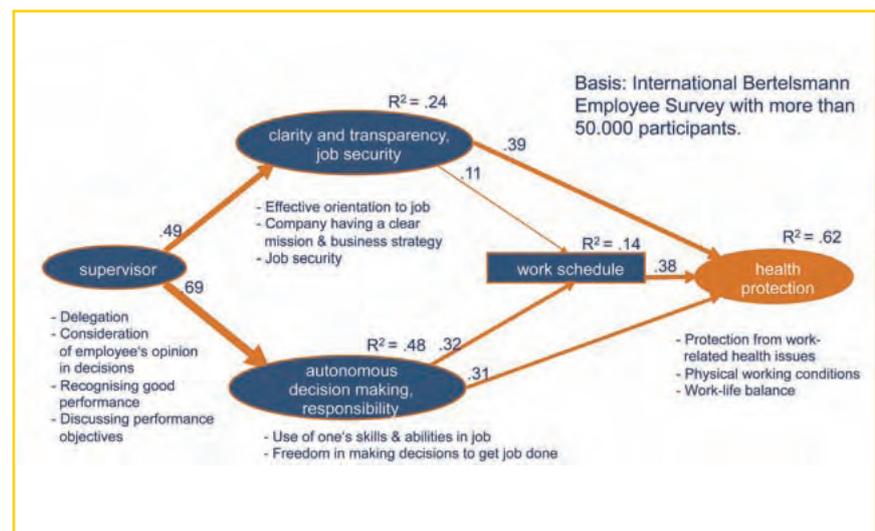
Tackling health in employee attitude surveys – an Enterprise for Health network project

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Procedures adopted at Bertelsmann AG

To analyse attitude surveys, Bertelsmann uses path and structural equation models. In contrast to conventional correlation analyses, these not only represent the statistical relationships between two variables in a survey but also indicate the causal dependencies between several variables. To give an example - Bertelsmann analysed an employee survey among 50.000 participants worldwide to find out what factors influence an employee's view as to whether his or her company is providing reasonable protection against work-related health risks. The diagram below illustrates the causal path – with 'health protection' being the dependant variable, 'work schedule', 'job clarity' and 'work autonomy' causing a direct, and 'supervisor' an indirect effect.

*Figure:
Causal path for 'perceived health protection'. Width of arrows indicates the extent of effect on the subsequent variable, proportional to the absolute magnitude of the corresponding path coefficient. Multiple regression correlation coefficient R^2 : total effect (measure of the proportion of variability explained by antecedent variables; valued between 0 and 1).*



The diagram shows an obvious connection between the work schedule and the perceived health protection (e.g. shift work leads to a poor level of perceived health protection). However, it also indicates that the individually estimated degree of freedom ('autonomous decision making') in work has an even greater effect, as it acts not only directly on the perceived health protection, but also indirectly through an influence on working time. The latter suggests that employees perceive the possibility of influencing their own working time as an important part of their work autonomy. If decision latitude within the specific work task is restricted, due to mechanical alignments or customers (e.g. in call centres) then the ability by individual employees to influence their shift plans, holidays or start and finish times becomes even more important. Work autonomy is equally important for blue collar workers as for white collar workers, only in a different way.

The second major factor influencing perceived health protection is job security and being informed about the company's strategy. Work autonomy and transparency are important factors shaping health perceptions - the connection has been long understood (Karasek, 1979): Personally important circumstances that are unknown and cannot be controlled cause high levels of stress – which is a reason for many psychological and physical illnesses. Finally, the diagram shows the major impact a direct supervisor's behaviour has on employees' work autonomy and job clarity and therefore on their perceived health protection. Effectively, the health protection perceived by workers depends to a very high degree (62%) on their supervisor's behaviour.

A close correlation has been made between employee perceptions of their health protection and actual sickness rates. This was revealed in a comparison of sickness figures with employees' responses in structurally comparable business units at Bertelsmann. Moreover, it also matches the long-time observation of Ilmarinen (2005) that the direct supervisor exerts a crucial influence on the long-term work ability of employees.

Addressing health in EfH employee surveys

Based on these findings, a number of member companies of the Enterprise for Health network formed a working group to seek ways to broaden their survey instruments to include more outcome-related aspects of health, as a step further towards improving health management for their own organisations and others.

The group's overall objective is to:

- ▶ work out the key dimensions or aspects of health that should be included in a general attitude survey, based on the WHO broad definition of 'health' as 'a state of complete physical, mental and social well-being'
- ▶ suggest/provide a pool of corresponding items for companies to use in their surveys, which would also allow informative comparisons between company results.

The working group identified the need to:

- ▶ position the topic
- ▶ start a communication process
- ▶ provide an early indicator
- ▶ initiate a process of improvement
- ▶ prepare further analyses, promote the business case

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Apart from the signalling function and the communicative effect of an explicit 'health category' in a survey, subjective estimations or the anticipation of individual health can contribute to indicate potential diseases, thus facilitating the implementation of prevention and intervention measures. However, we need to be aware of the general limitations with respect to the validity of subjective ratings: evidence from empirical findings, as well as from company experience, show that a specific group of individuals – mainly younger, highly-motivated employees and those in senior positions - tend to report actual good health and low strain in specific health or stress questionnaires although they are actually highly stressed and have a poor work-life balance. This effect, though, may be reduced by asking for anticipated *future* work ability. After all, the additional assessment of subjective estimates of the individual state of health or well-being provides valuable complementary data with regard to the prediction of presenteeism or future illness, and leads to valuable results, above all if it is combined with further objective measures, such as e.g. medical data.

Main topics in current company surveys

A review of employee attitude surveys in EfH member companies showed a largely common structure, with similar categories, questions and scales relating to specific subjects, such as leadership, organisation and personnel development. Many questionnaires also contained items relating to health or its determinants, but in the majority of cases there was no explicit, visible section that gave due recognition to the relevance and importance of the topic. In these surveys, the field of health was represented rather indirectly, with questions scattered under different headings, such as *job satisfaction, company values, working conditions*. Examples:

- ▶ Job satisfaction (*'My present job is mentally taxing and causes stress.'*)
- ▶ Values (*'Much emphasis is placed on people and their well-being.'*)
- ▶ Job and working conditions (*'How satisfied are you with the protection against work-related health issues?'*)
- ▶ Company (*'How satisfied are you with the balance between your private and professional life?'*)

Going forward, more companies are increasingly using dedicated health questionnaires, partly derived from standardised scientific instruments (such as the General Health Questionnaire or the Copenhagen Psychosocial Questionnaire COPSOQ as a stress-strain measure) and subsequently adapted to the specific company. The most common sections cover

- ▶ state of health
- ▶ frequency of doctor's appointments
- ▶ physical complaints/disorders
- ▶ stress-related symptoms / strain
- ▶ well-being
- ▶ work ability (coping with physical/psychological demands)
- ▶ lifestyle habits
- ▶ satisfaction with work-life balance
- ▶ response to workplace pressure (*'How have you felt...?'*)
- ▶ work-related well-being (*'I feel physically or emotionally drained at the end of the working day.'*)

Results of the EfH working group

Based on information gained with the present instruments, enhanced by current theoretical concepts and modern research analysis, the working group has highlighted four essential fields of health to be considered in a survey. They are highly significant for employee and company well-being and performance, suitable to be addressed within an organisational context and therefore expected to provide additional value for diagnostic and intervention purposes.

They are:

- ▶ general health
- ▶ work-related health and well-being
- ▶ (future) work ability
- ▶ health-related services.

General health

An obvious question to include relates to the employee's perception of his/her state of health (e.g. degree of agreement with the statement *'My present state of health is good'*). Special reference can be made to the state of physical and mental health, compared with *personal optimum* or *peers*.

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(Future) Work ability

Within the concept of work ability, defined as the ability to cope with physical and mental work demands at a given time (elaborated by H.M. Hasselhorn, chapter 3 in this booklet), health is an essential prerequisite. Responses to suggested questions such as *'Based on my present state of health, I will be able to perform my present work in the next two years'*, indicate whether the worker expects to be able or unable to cope with future demands because of anticipated personal poor health or because there is something in the work environment which the employee fears will damage his/her health if unchecked.

Work-related health and well-being

It is referred to the perceived impact of work as a whole or of specific working conditions on the individual health state. Work influences can be either positive (salutogenetic effect) or negative (damaging effect). For example: *'I can do my job without impairments to my health'*, or specifically, related to personal burnout: *'I feel emotionally empty in my work'*; *'I feel inspired by my work'*.

Health-related services

Here the survey asks employees how they view the company's commitment and willingness to invest in health.

- ▶ General (e.g. *'My company is concerned about my health.'*)
- ▶ Health protection (e.g. *'My company takes measures to protect me from adverse work-related (physical and mental) health effects.'*)
- ▶ Health promotion (WHP); e.g. lifestyle-related measures: *'My company supports me to maintain a healthy lifestyle'*.

Personal lifestyle is an important health determinant. Habits and behaviours such as physical exercise, nutrition, coping with stress play a crucial role in the development of various diseases. According to WHO estimates (2006), about 80% of cases of chronic diseases (e.g. coronary heart disease) could be avoided if we took better care of ourselves. Consequently, many companies have adopted measures to influence their employees' lifestyle, through facilities such as company sports, medical check-ups, healthy food etc. It is obvious that the promotion of a healthy lifestyle cannot be restricted to individuals in their private lives but must form part of a corporate health strategy.

Response scale of items

It is suggested to phrase items as personal statements, with a Likert 5-point response scale:

'I strongly agree – I agree – partly agree/partly disagree – I disagree – I strongly disagree'

In order to increase personal involvement and practicability the scale contains a 'neutral' response category (*partly agree/partly disagree*) which is an option for people who are undecided.

Recommendations

The following is recommended if you/your company are willing and in a position to start and maintain a continuous communication and improvement process to explicitly position *employee health* as a field of interest and action (*'your health matters to us...'*).

- 1 If you intend initiating this process, four aspects of health are highly relevant (see descriptions above):
 - ▶ the personal general health and well-being status
 - ▶ the relationship between work and health (work-related health)
 - ▶ the future (health-related) work ability
 - ▶ the satisfaction with health-related services provided by the company
- 2 All of the four above described aspects of health can be assessed individually or in combination. Which constellation you use depends on
 - ▶ how intensively you intend to organise the subsequent communication and improvement process and
 - ▶ how open and well prepared the organisation is
- 3 The inclusion of health items in a general employee attitude survey above all can help to position the topic and start the communication process. At a later stage of the process, more health-specific information is needed. Thus, the function and layout of the general survey needs to be prepared with follow-up data-gathering and communication exercises in mind.
- 4 A separate, highly-visible 'health' section, introducing and highlighting the relevance of the topic and ensuring confidentiality, should be included.

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- 5 The assessment of employees' health in relation to various work factors can be organised in an indirect or direct way. Questions about the perceived influence of work on health implies a certain preparedness on the part of the company to further analyse the conditions or to take action if necessary. Questions about satisfaction with health-related services are a less direct approach to health, as the topic depends on company circumstances.
- 6 At the beginning of the process of including *health* in a survey instrument, the combination of two aspects is recommended:
 - ▶ **satisfaction with health related services** (which clearly signals the company's commitment), and
 - ▶ **future work ability** (which serves as an early signal of a possible mismatch between work and personal health).
- 7 Further down the line, **general** and **work-related health** questions can be added, bearing in mind the following:
 - ▶ Some employees may be sensitive to questions which appear to link individual health to work performance. The topic should therefore be adequately introduced before being adopted, or be embedded in a specific set of questions.
 - ▶ Many of the traditionally-used questions concerning satisfaction with important workplace factors (such as leadership style, work organisation, career development, work climate etc.) may also reveal some information about the relationship between work satisfaction and health, because of the link between the two. Specific items concerning work-related health can be added to a questionnaire to obtain an indicator for the subsequent application of specific, standardised surveys or screening instruments (which are available in a great variety, in the fields of stress, strain, physical complaints etc.)
- 8 Questions regarding satisfaction with health-related services and the relationship between work and health both have a positive and a negative dimension: Many questionnaires focus on the negative dimension only. It is recommended that the positives be included as well, as it will lead to a more 'balanced' communication about the issues at stake and has a direct health-promoting function and a salutogenetic impact.
- 9 It is recommended that general data analysis is to identify relationships between drivers of health at work and health as an outcome. These results can provide important advice for further exploration and be used to initiate a comprehensive communication and/or intervention process.

Conclusion

The EfH working group has drawn up a list of questions covering the four key areas referred to above and recommends the inclusion of at least one item to represent each area in general employee surveys. Responses in these areas might indicate a need for intervention activities. Specific instruments may later be combined to conduct a more in-depth analysis.

The EfH working group strongly recommends that companies and organisations enhance their employee surveys by explicitly including the topic of health, thereby gaining knowledge about related organisational characteristics as well as business results and indicators for adequate intervention and prevention. This would represent a significant step up from basic satisfaction surveys, it demonstrates a caring approach, provides the company with a better understanding of workforce issues and establishes a platform for improvement actions. The results should reinforce the need to integrate comprehensive health management into the corporate culture.

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BASF: GENERATIONS@WORK

Christoph Oberlinner

Just like many other companies, BASF is affected around the globe, and especially in Germany, by the effects of demographic change. A declining population, constantly increasing life expectancy and the growing proportion of older workers are presenting human resources management with particular challenges.

With a view to identifying the BASF Group sites at which action is most urgently needed, a strategic analysis was launched back in 2004, not only taking account of external demographic conditions such as the life expectancy and age structure of national populations, but also considering internal conditions such as the age structure and composition of workforces.

The situation varies greatly from one BASF site to another. Numerous sites have a balanced age structure, meaning that there is very little need for action there. In contrast, however, there are also sites at which a large proportion of the workforce are in the same age group – be it middle-aged or even close to retirement age. As a result of this structure, large numbers of staff will be leaving the company for age-related reasons within a short period of time. This has a wide range of consequences. On the one hand, successors need to be found in good time, and knowledge needs to be transferred in a targeted and systematic manner. On the other hand, a phase in which only few replacements have been necessary will be followed by a period in which comparatively large numbers of new employees will need to be recruited and trained up. In regions with a diminishing population in particular, this is one of the key challenges posed by demographic change.

In addition, the average age of employees is rising. At present, for example, the majority of BASF SE employees in Ludwigshafen are aged between 35 and 50. If this figure is projected into the future, more than half of employees will be over 50 by 2020. This will have a far-reaching effect on HR work and also on the company as a whole.

In order to prepare BASF for these changes in the best possible way, a project entitled GENERATIONS@WORK was launched in 2006 with the aim of making BASF more competitive in view of these changing circumstances while retaining the company's high levels of productivity and innovation. BASF is purposefully seizing demographic change as an opportunity to set itself apart from the competition in a positive way by successfully dealing with this issue. In order to sustainably adapt BASF's personnel policy to demographic change, these objectives are being implemented as part of thirteen sub-projects:

- ▶ Personnel development
- ▶ Health management
- ▶ Performance management
- ▶ Occupational safety, ergonomics and work organization
- ▶ Working hours
- ▶ Personnel structure management
- ▶ Vocational training 2015
- ▶ Agencies 2015
- ▶ Best employer
- ▶ Company pension scheme
- ▶ Work and family
- ▶ Communication and change
- ▶ Social responsibility in the field of education



Figure 1:
Aims of the GENERATIONS@WORK programme

BASF: GENERATIONS@WORK

Christoph Oberlinner

Laboratory demographic change

In order for these goals to be achieved, a cultural turnaround leading to a fundamental change in the way we deal with age is absolutely essential. This turnaround cannot, and should not, be limited to the company. Rather, BASF also wants to contribute towards recognizing and making the most of the opportunities presented by the above described developments. Together with econsense and the partner companies Evonic and SAP, BASF has therefore initiated the “Laboratory Demographic Change” within the CSR-Alliance of the European Commission, which offers a European platform for information, discussion and activities (see www.demographicchange.info).

In order to enable companies to better assess the demographic risk they are facing, the Laboratory in cooperation with the Rostock Center for the Study of Demographic Change developed an innovative tool named “Demographic Risk Map”, which can be easily accessed at www.demographic-risk-map.eu.

Health management

BASF is an international company whose approach to employee health protection is founded in the company’s long-standing commitment to emergency preparedness, occupational medicine, health education, and wellness programs. These programs have evolved as the company has grown and the level of clinical and epidemiologic expertise has expanded.

Increasing attention is now being paid to health care – especially with a view to the employability of staff. In view of demographic change, the company is re-assessing its existing provision and adding further measures.

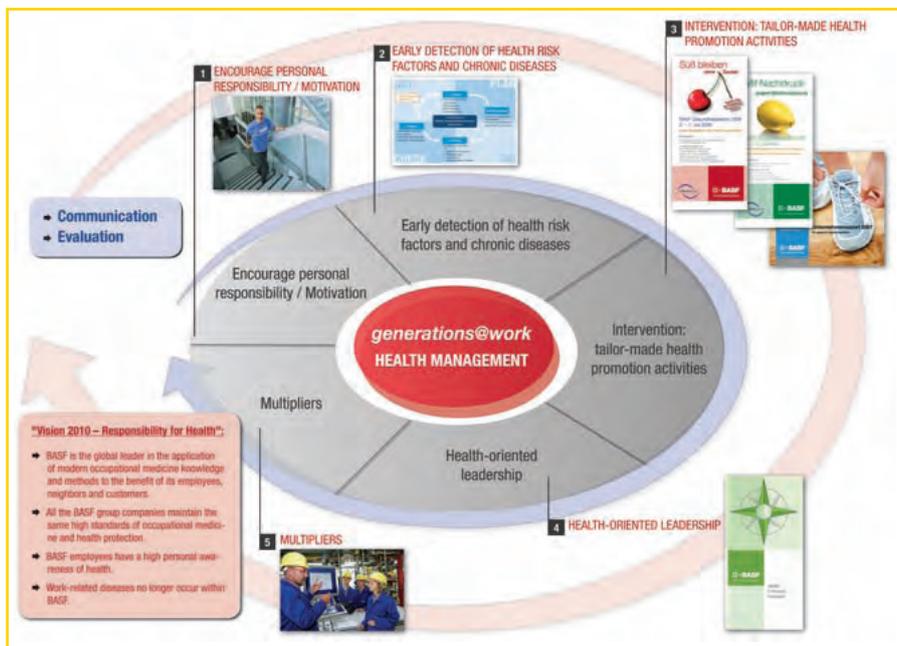
As part of its employee health commitment, the BASF Occupational Medical and Health Protection Department in Ludwigshafen, performs routine medical examinations and conducts surveillance programs for occupational health and safety purposes. Meeting these obligations can provide opportunities to contribute more broadly to disease screening and prevention.

Based on the projected aging of our workforce, we would expect the number of employees with prevalence findings of noncommunicable diseases (e.g. diabetes and hypertension) and their associated risk factors (e.g. overweight) to increase over the next ten to fifteen years.

Based on the results of this data research the OM & HP Department will develop further programs to make available primary and secondary prevention measures to individuals at risk for noncommunicable diseases. Therefore a variety of health promotion campaigns and further test strategies will be implemented.

The workplace appears to be a promising focal point for conducting disease screening and prevention programs based on the proximity of medical services to the employee (1,2,3,4) and the requirements for conducting routine occupational health examinations. Furthering human health can be achieved by identifying potential target populations within the workforce defined in place and time and by providing efficient access to health education and medical services.

The workplace can also be used to drive the important changes in behaviour and the possibility of early detection of employees at risk for chronic diseases that are required, bringing benefits to the employer, employee and community.



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Developing a culture of healthy ageing – how METRO Group is responding to demographic change

Jürgen Pfister and Klaus Jakobi

Employees play a key role in the value-added process in retailing. They represent the company in their daily contacts with customers and suppliers. Their motivation and their engagement with customers is the foundation for the worldwide success of METRO Group. In order to maintain employability and the engagement of its employees, METRO Group has had the foresight to embrace demographic change in an active way by developing innovative and sustainable personnel concepts.

Fields of action

The most important fields of action are:

- 1 A corporate culture marked by diversity and respect
- 2 A high standard of professional education
- 3 Job-related qualification and life-long learning
- 4 Introduction of a corporate health-management system
- 5 The reconciliation of work and family (work-life balance)

Development of a corporate culture marked by diversity and respect

The METRO Group is gearing itself in Europe for an increasing number of older customers and customers from different ethnic backgrounds. A commercial enterprise with a growing number of older and/or ethnically diverse customers urgently needs employees who belong to these same groups. They can usually understand these customers better, give them better advice, better service and greater satisfaction. The principle to be applied is that the diversity of age and ethnic origin of customers should be reflected in the structure and composition of METRO Group's staff. Therefore, the METRO Group's corporate culture is characterised by a constructive approach to diversity and mutual respect in order to allow all employees to perform challenging and valuable work regardless of their age, their gender or their ethnic background.

METRO Group positions itself on the labour market as an 'equal-opportunities employer' that guarantees all applicants and employees the same entry and career opportunities. A capable workforce in terms of age and of ethnic diversity is a crucial success factor for the future development of METRO Group's business.

In a knowledge-based economy, with an ever greater shortage of highly qualified people, it will be increasingly difficult to achieve peak performance by means of extrinsic incentives and control. Whereas companies in the industrial age were primarily concerned with avoiding absenteeism, organisations today are faced with 'mere presence' (being there but doing nothing). The value-adding processes of the future are completely dependent on a committed and loyal workforce. Employee engagement and commitment however can only rise from a culture of mutual respect and recognition.

The working atmosphere must be structured to allow all employees to identify with their work and be committed to their jobs. At METRO Group, employees' commitment is measured using the Gallup Q12 questionnaire. This consists of twelve simple questions which highly correlate with appreciative management, employee loyalty and willingness to perform. The individual work teams receive feedback on their own questionnaire results comparing them with the overall results. On this basis, they work on the improvement of working atmosphere and performance, together with their management staff.

Mutual respect also includes developing constructive and productive attitudes towards age. METRO Group decided as early as 2004 to put an end to all agreements on early retirement. Thereafter, the number of new contracts for pre-retirement-age work fell in three years (from 1200 in 2004 by 83% to around 200 in 2007). This departure from the early-retirement principle was – and still is – a major driver to develop a culture in which older employees are appreciated and deployed in line with their capabilities.

High standard of professional education

To counteract the trend towards a shrinking number of qualified staff, in Germany for instance, companies train young people themselves. The METRO Group in Germany is currently training approx. 8500 apprentices in more than twenty different professions and has also been offering permanent employment to around two thirds of its apprentices for years.

Job-related qualification and life-long learning

Generally, METRO Group provides further training to its employees regardless of age. Nevertheless, we noticed a declining number of participants with increasing age in career development measures. To counteract this trend, practicable e-learning concepts have been implemented in our retail and wholesale markets and businesses. Further training measures for employees of higher age are offered individually and tailored to specific needs. The long-term target of METRO Group is to develop in-house career development programmes tailored to the particular phase of the employee's life.

Developing a culture of healthy ageing – how METRO Group is responding to demographic change

Jürgen Pfister and Klaus Jakobi

Introduction of a corporate health management system

Apart from current public 'health systems' that concentrate mainly on curing illness, politicians and companies need to encourage and support all individuals to take responsibility for their own health.

Those who wish to enjoy good health in old age need to begin addressing their lifestyles very early! Companies are obliged to establish structures for maintaining the health of their employees, regardless of their age, status or working conditions. In this context the key question must be how to organise and facilitate daily work routines and environment to maintain the health of all employees? Fostering good health with a long-term perspective also shows the appreciation of a company for its employees. In 2004, METRO Group decided to develop a corporate health-management system intended to maintain the efficiency and employability of all employees, based on a mandatory change of the company culture and individual mindsets. The Management Board of METRO AG underlined the group-wide importance of this topic with its guidelines on corporate health promotion.

From this strategic platform, METRO decided to implement the corporate health-management system step-by-step within the whole group and authorised set up a new working group named 'GO'. The main task of this working group is not only to improve specific work environment issues, but also to find strategies to foster more positive attitudes in areas such as 'appreciation', 'lifestyle', 'social standards' and 'physical fitness'.

Various projects are currently being piloted to gather experience and establish 'best practice' for the introduction of different approaches within the daily business of a store. In close cooperation and dialogue with the affected teams and the workers council, 'GO' will design a planned roll-out together with external providers. As one critical requirement of the project, METRO decided to coach 'health management assistants' who would support the store manager in different health management topics. Additionally, the company has implemented a raft of health management measures as part of a comprehensive management system, including:

- ▶ Metro has enhanced and harmonised the medical service for its employees through a single external medical health provider with comprehensive experience in retail operations
- ▶ To comply with smoking regulations, protect employees and encourage healthier options, the company has set up anti-smoking training and informative 'health break' sessions for all employees.

One visible expression of the METRO Group's commitment to health was the opening of a health centre ('METRO Activity Centre' MAC) for the 5,000 employees located at the Düsseldorf Campus.

Health management at Metro is aimed not only at avoiding absenteeism but at improving the wellbeing and efficiency of all employees at the workplace. For this reason, Metro increasingly has started to cover topics in the area of psychosocial health and entered into an agreement with a professional institute specialising in the fields of consultancy and employee assistance programmes (EAP). Employees can now receive professional support when dealing with work-related, family or personal problems, or with illnesses of a psychosocial nature. Management executives who find themselves in difficult management or conflict situations can also obtain advice and support.

Reconciliation of work and family (work-life balance)

Qualified specialists and managers increasingly expect their future employers to offer not only competitive and performance-related remuneration but also facilities that enable them to arrange family obligations with employment commitments in a better and easier way. Metro provides flexible working time adapted to age and family situations as well as offering child-care facilities. Metro has opened two company kindergardens at its Campus Düsseldorf which offer places to a total of 130 children. The company has just gone through an auditing and certification process entitled "Work and Family" with the aim of providing even better support in the future.

Companies which succeed in implementing a better work-life balance for their employees are likely to be more successful in attracting top talent than companies who haven't even begun to consider this subject.

Conclusion

METRO Group has taken the first steps in a long journey in order to be prepared early and pragmatically for the challenges of demographic change. To some, this journey may appear difficult and uncomfortable, because it calls for a permanent change in our usual attitudes and behavioural patterns. However, there is no alternative. METRO Group is convinced it is on the right track by developing a culture in which employees can maintain their employability for the long term and make a valuable contribution to the business regardless of age, ethnic origin or gender – a culture in which all employees have the opportunity to stay and age healthily at work.

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Corporate Human Resources
METRO Group, Germany

METRO Group is one of the largest and most international retailing companies. In 2007 the Group reached sales of around € 64 billion. The company has a headcount of some 280,000 employees and operates over 2,200 stores in 31 countries. The Group's performance is based on the strength of its sales divisions which operate independently in their respective market segment: Metro/ Makro Cash & Carry – the international leader in self-service wholesale, Real hypermarkets, Media Markt and Saturn – European market leader in consumer electronics retailing, and Galeria Kaufhof department stores.

 www.metrogroup.de

The age of reason: harnessing the benefits of ageing workforces

Jürgen Pfister

Enterprise for Health has formed professional and productive partnerships with two other leading authorities on demography and work, The Employers Forum on Age (EFA) and the German Demographic Network (DDN). Here we briefly profile the two bodies and highlight their aims, philosophies and activities.

The German network DDN – „Das Demographie Netzwerk“

What is the DDN and why was it founded?

The Demography Network e.V.¹ was set up to bring together organisations and individuals to collectively develop solutions to help manage the demographic change that confronts us all – with the energy and commitment to make things happen, rather than simply as another discussion group.

We recognise demographic change as an opportunity and aim to tackle the challenges together. The DDN seeks to learn from the best – that is from companies who have already had valuable experiences in dealing with demographic issues.

The DDN was founded in March 2006. The constitution was fostered by INQA, the „Initiative Neue Qualität der Arbeit“ (Initiative for a New Quality of Work). The start-up meeting took place in the Federal Ministry of Labour and Social Affairs in Berlin.

Consisting originally of 42 founding enterprises, DDN now has more than 140 members, comprising companies from all branches and sectors of the economy, as well as public institutions, scientists and private individuals.

What is special about DDN and what do we do?

The DDN is a network “of enterprises for enterprises”, representing large-scale businesses as well as small and medium-sized enterprises.

One of our advantages is that we have always worked in close cooperation with the Federal Ministry of Labour and Social Affairs in Germany. We are capable of building connections between politics and business, including our social partners.

The main functions of the network are knowledge generation, knowledge transfer and building a platform for the dialogue between politics, associations and the public.

Knowledge is generated through the common and structured exchange of experiences and is transferred through the presentation of best practices and expert input. Both knowledge generation and transfer mainly take place in our working groups (“Arbeitskreise”; see below).

¹ e.V. stands for „eingetragener Verein“, meaning “registered association”

Our vision

Our vision is to create successful, sustainable employment strategies in enterprises in times of demographic change.

The Golden Rules

In order to get a more precise and realisable vision, we have set ourselves 10 Golden Rules.

These rules were worked out by the board and discussed during the first annual general meeting in November 2006. Members of DDN agree to adapt their personnel policies to these rules. The following are examples of the network's approach:

The DDN members see the decline "the ageing and the increasing diversity of the working population as the main demographic challenges for labour and employment policies in society, as well as for human resources policies within enterprises."

DDN members regard these challenges not simply as a form of risk but rather as a chance to add value in their companies by tapping into previously unused human resources.

DDN members will capitalise on demographic change by creating labour conditions in their companies which enable the productive integration of different generations, sexes and ethnicities, while promoting an appreciative co-operation among different employee groups and ensuring the sustained continuation of the employability of all workers.

The importance we place on an appreciative co-operation among employees is explained in rule no. 1: "We perceive corporate culture as a top priority issue and seek to bring about the productive and respectful co-operation between diverse employee groups and generations through an appreciative management philosophy."

Rules 5 + 6 explain what we want to achieve in the way of maintaining health and employability: "With the creation of good working conditions we ensure that all employees can grow older in good health. Furthermore, we want to help them sustain their employability at least until the statutory age limit is reached. [...] We support all our employees with consistent operational health management policies in their efforts to build up and maintain personal resources. At the same time, we encourage staff to take on the responsibility to live and work healthily."

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We are convinced that lifelong learning is essential for maintaining the employability and efficiency of our employees. In rule no. 9 we state: “We offer study and further development opportunities for all employees. We rely on the responsibility of the individual to seize learning opportunities and to enhance their professional skills.”

Rule no. 10, finally, deals with the transition from employment to retirement. In our companies, we seek to utilise flexible models of transition – as an alternative to the early retirement policy which was practised for many years in German enterprises and was encouraged and favoured by German politics.

We believe that given the current pace of demographic change and the impending lack of qualified manpower, such outdated policies must be abandoned. Therefore we wish to demonstrate how a career can be sustained, age-appropriately, for many years and we intend to open new professional chances for older employees.

The constituents of the network

The business of DDN is conducted through the following:

- ▶ the General Meeting
- ▶ the Board
- ▶ the Scientific Advisory Board

The General Meeting of all members takes place once a year.

The members of the board are elected every other year during the General Meeting. The board of DDN consists of six members, four of them coming from companies.

The Scientific Advisory Board consists of five well-known, leading experts.

The task of the advisory board is to support the board and the working groups with its expertise and to establish and maintain links with people on a political level as well as with fellow scientists.

The working groups

The working groups form the core of DDN. This is where most of the work is done. In these groups, knowledge generation and knowledge transfer are put into practice. The working groups meet several times a year.

At the moment there are six parallel working groups, dealing with the following subject areas:

- ▶ Health
- ▶ Labour organisation and design
- ▶ Qualification, training, learning
- ▶ Leadership and company culture
- ▶ Personnel and recruitment policy
- ▶ Demographic change and municipalities

Know-how congress

About once a year DDN organises, together with its partner INQA, a so-called "Know-how congress." A congress includes addresses from and discussions with, leading representatives of politics, the economy and society, plus the presentation of Good Practices and results from the DDN-working groups. Also, the dialogue with the political realm is carried out at the congress – where we are always happy to welcome the Federal Minister of Labour and Social Affairs or one of his Secretaries of State.

The third Know-how congress took place September 8th 2008 in Cologne. It was entitled "Demographie 2.0 – Mode oder Megatrend?" ("Demography 2.0 – Vogue or Megatrend?"). We firmly believe that demography is not just a trendy topic, but something that will concern all of us for a long time, and we are convinced that most of the actual work is still to be done.

Dr. Jürgen Pfister

Chairman of

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The age of reason: harnessing the benefits of ageing workforces

Alan Beazley

The Employers Forum on Age

What is the Employers Forum on Age?

The Employers Forum on Age (EFA) is the UK's leading authority on age. Founded in 1996 it is an independent network of leading UK employers who recognise the value of an age diverse workforce. In addition to supporting employers, the EFA influences Government, business and trade unions, campaigning for real practical change in the workplace.

Who are the EFA members?

The EFA has over 200 organisations that collectively employ over four million people in the UK (more than 14% of the UK workforce). Some of the UK's leading businesses at the vanguard of developing best practice in the workplace belong to the EFA. Core members, whose input is channelled through an Executive Steering Committee, include B&Q, Barclays, British Airways, BT, Cadbury Schweppes, Centrica, Chartered Institute of Personnel & Development, the Co-operative Group, Department of Work & Pensions, GlaxoSmithKline, HBOS, HSBC, Manpower, Marks & Spencer, Procter & Gamble, Nationwide, Royal Bank of Scotland Group, Royal Mail, Sainsbury's, Shell and Transport for London.

What does the EFA do?

Primarily the EFA supports and work with its members on all age-related workplace issues. Our expert policy advisors provide support to all members, from very specific employee relations issues to understanding and implementing new legislation. Our strong relationship with our members means we are a valuable vehicle for representing the business view to help shape legislation and Government policy.

We campaign on issues related to age discrimination in the workplace, building strong links with the media and the government to ensure our messages are listened to and taken seriously. We understand that achieving equality is a vital goal, but we take a practical approach, ensuring that removing age discrimination is not just an ideal but is a practical solution. We challenge the status quo by providing real examples of best practice and presenting alternative solutions that don't work against the employer, but continue to meet the needs of all ages in the workforce.

What do we offer members?

- ▶ Practical advice on all aspects of employment policy
- ▶ An opportunity to benchmark against employers in your sector and elsewhere
- ▶ A Membership pack containing:
 - ▶ One Step Ahead Policy Review Toolkit for checking policies for age bias
 - ▶ The Insider Guide to Age Laws – a comprehensive practical guide to UK Age Regulations
 - ▶ Age Aware and Being Age Aware – Dedicated training and communications materials for managers and staff to change culture and raise awareness
- ▶ Best practice seminars covering a range of subjects giving the opportunity to meet and learn from leading members of the EFA
- ▶ A monthly e-bulletin keeping members in touch with all our products, services and events including updates on employment policy in the UK and Europe and legal news with case law including EFA recommendations
- ▶ A quarterly public affairs briefing, ensuring members know what the EFA is doing on their behalf.
- ▶ Campaigns to influence public policy as the EFA challenges Government on insurance and redundancy, and explores prospective age legislation on goods & services.

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What do we campaign on?

1 Retirement

Whatever the outcome of the Heyday¹ challenge it is clear that the default retirement age cannot continue indefinitely. The EFA is working with a growing number of employers who are operating very successfully without a fixed retirement age and is encouraging other members to follow suit. The referral to the ECJ has major repercussions for employers who could face retrospective claims for any forced retirement post October 2006 (some 250 claims are currently lodged).

The EFA believe that the Government should commit to removing the default retirement in 2011 and not simply to a review, which would provide clarity for employers and give them longer to prepare.

2 Equalising the minimum wage

The Government retained the age bands within the National Minimum Wage, paying those under 22 less than those over 22. 18-21 year olds are paid a 'development rate' which can be applied irrespective of their responsibility. The EFA believes that this constitutes unjustified direct age discrimination and will be successfully challenged as it constitutes direct age discrimination. While the youth rate (16-17 year olds) might be objectively justified, as there are statutory restrictions on the work they can undertake, this is not the case for the 18-22 age group. While there may be a need to retain a reduced rate for inexperienced workers, this should not be based on age.

The EFA calls on the Government to equalise all minimum wage standards for those over 18.

3 Redundancy

The Government opted to keep the age limits in Statutory Redundancy Payments Scheme (SRPS) and only allow those employers' enhanced schemes which mirror the SRPS to be automatically lawful (Regulation 33). This makes many employers schemes potentially unlawful, including the Government's own redundancy scheme. Many enhanced redundancy schemes are contractual and employers are finding it difficult to amend them without lengthy negotiation with unions or employee representatives

The EFA seeks an amendment of the regulations to ensure employers' enhanced redundancy schemes (including service only schemes) are lawful.

¹ Heyday, a membership group within the UK charity Age Concern, initiated a judicial review of the legitimacy of the UK's default retirement age of 65. By agreement between the parties the issues were referred to the European Court of Justice and a first hearing was held on 2 July 2008.

4 Apprenticeships

Despite the introduction of the age regulations, age limits on funding for apprenticeships remains. Those wishing to undertake an Apprenticeship over the age of 25 will have to partly fund themselves. The EFA believes that limiting access to training on the grounds of age is discrimination. The DIUS does not believe that age regulations impact on funding regimes, despite the fact the regulations refer to 'access to vocational training'. Many would argue access is determined by the availability of funding.

We are seeking a review of age-based funding of training by Government.

5 Insured benefits

We have been working with the Association of British Insurers and specialist providers of group risk products raising the issue of insured benefits and pushing for an exemption under the regulations. This exemption would protect benefit schemes and remove the challenge faced by employers wanting to retain people post 65.

The EFA recently conducted a survey of members to establish the impact of the age regulations on employee benefits. Feedback confirmed our concerns that employers were dropping benefits (or planning to do so), not employing people over 65 or paying income protection for a limited period in order to cap risk. At the moment many are self insuring in the short term.

6 The equality bill

The EFA is now working with policy makers to ensure employers' views and concerns are properly considered as the detail of the Bill is developed.

Alan Beazley

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Work ability

– concept and assessment

Hans-Martin Hasselhorn

The European – and especially German – economy is challenged by an ageing workforce due to a decreasing number of young people entering the labour market and because of reduced occupational early exit options. In many enterprises, those aged 40–50 years form the nucleus of the workforce and increasingly, companies are becoming aware of the fact that this cohort will also constitute the core working group in ten years.

This leads to the question how to maintain a continued productive workforce in the future. Here, not surprisingly, the concept of ‘work ability’ attracts attention: what contributes to work ability in the organisation? Can risk factors, risk groups and risk exposures be identified? How can work ability be promoted in an enterprise? And, can the effect of interventions for promoting work ability be assessed?

That is why the ‘concept of work ability’ and the measurement tool ‘Work Ability Index’ (WAI) – described below – are gaining increasing attention in European enterprises.

The work ability concept

‘Work ability’ is of high relevance for each worker and for his or her organisation. According to the Finnish researchers Ilmarinen & Tuomi (2004), work ability may be understood as *‘how good is the worker at present, in the near future, and how able is he/she to do his/her work with respect to the work demands, health and mental resources’*. This definition is based on a so called ‘concept of work ability’ (Ilmarinen, 2004) according to which, work ability is the result of the interaction of the worker and his or her work. Work ability may also be described as the balance of the workers’ resources and the work demands.

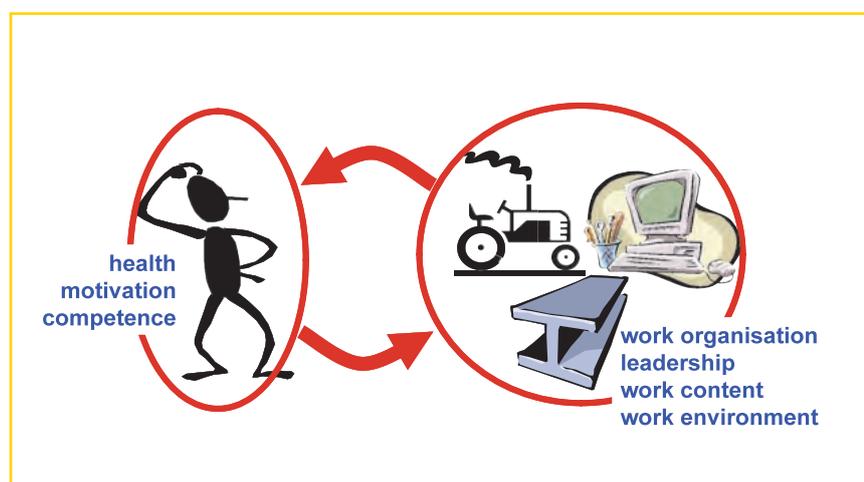


Figure 1:
Work ability is the result of
the interrelation of the
worker and his or her work

The worker contributes to his work ability via his health and functional abilities, with knowledge, skills, attitudes and motivation. The workplace influences the work ability through work organisational factors – especially leadership and management issues – by work demands and by the work environment, including social factors.

Given the increasing necessity of older people's participation in the labour market, the decreasing possibilities for premature departure from working life and also the weakening of the social networks, work ability becomes a more and more relevant concept in Europe.

Work ability is a core resource for every worker, for enterprises and even for national economies. For the older bus driver in Germany, for example, who is required to pass a specific driving assessment every five years, his work ability is his passport to continued workforce participation and social status consistency. For his employer, the bus operating company, the work ability of all their workers is fundamental to their business performance. Finally, the combined work ability of the national workforce is a considerable economic factor in a country, as Ahonen and colleagues' findings indicate (2002). The Finnish scientists have analysed the economic effects of activities for the maintenance and promotion of work ability in the 1990s and found them to have been socio-economically very profitable, due to both an increase in productivity and a decrease in premature retirement.

The house of work ability

The translation of the 'concept of work ability' into an organisation may be illustrated by the 'house of work ability' (Ilmarinen 2004). Figure 2 visualises that the workers' health (1st floor) is a foundation for work ability. The 1st (ground) floor can bear the work demands only when enough professional and social competence is available. The relevance of the 2nd floor is increasing in current times when continuous change is becoming a main characteristic of working life. The 3rd floor represents the social and moral values of the worker. Here, respect, esteem and justice play a role as much as commitment to the organisation, motivation and engagement. These values influence the ability and motivation for learning and qualification (2nd floor). The 4th floor, finally, summarises all aspects of the work content (physical, psychological and social demands), the work environment and work organisation. Here, *leadership* has a core influential role, but also work factors such as *possibilities for development* and *influence at work*. Close by are the worker's family, private social life and society, which also have an impact on work ability.

Work ability – concept and assessment

Hans-Martin Hasselhorn

The house therefore combines all those aspects under one roof which are essential for maintenance and promotion of work ability in an organisation. All four floors need to stand in a balanced relation to each other. If work ability is low in an individual or in work groups, all four floors must be considered. Work place health promotion may use the model for a holistic view of prevention, considering and assuring optimal communication between the four floors and mobilising internal and – where necessary – external expertise for each floor. Such a view enables an organisation to react to adverse developments at early stage and to timely implement adequate measures for assuring continued ‘organisational health’ and for preventing early occupational exit (Ilmarinen 2006).

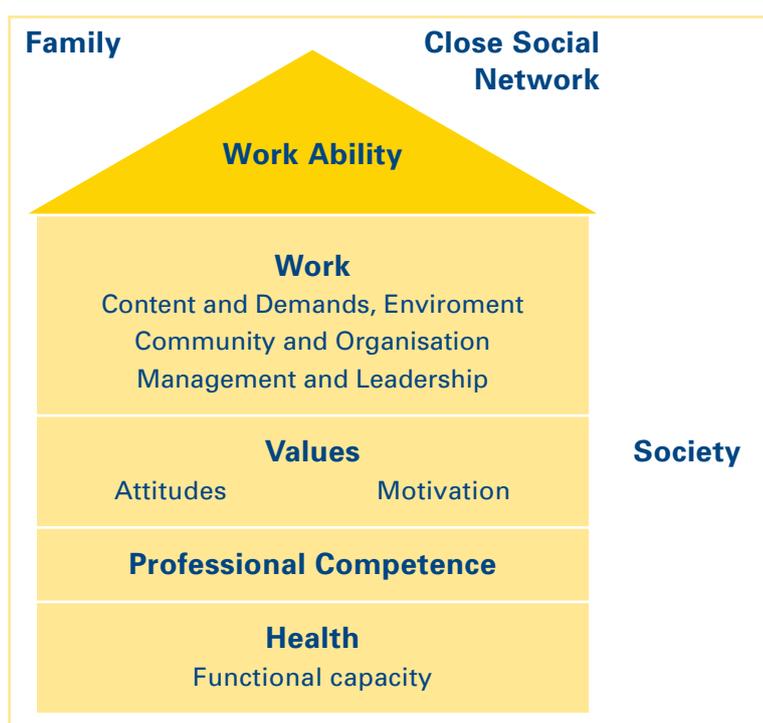


Figure 2:
The ‘house of work ability’
(Ilmarinen and Tuomi, 2004)

The work ability index, WAI

If ‘work ability’ is such a highly relevant concept as shown above, the question arises whether work ability can be measured and if this measure could be used as an indicator for screening purposes. This way, risk groups at work and adverse developments could be detected at early stage and the effect of preventive measures could be gauged. Both Figure 1 and Figure 2 indicate that such measurement would be very complicated because numerous – if not countless – potential factors among the workers and the workplace determine the employee’s work ability. A sophisticated comprehensive assessment battery, however, would not be feasible for screening use in organisations.

In the 1980s, Finnish working life researchers around Juhani Ilmarinen and Kaija Tuomi came up with a straightforward solution. It is based on the insight that only the worker himself could easily summarise the multifaceted contributing factors to his work ability. On the basis of large clinical assessments and statistical analyses, they have identified a short set of questions which finally result in a score indicating the employee's work ability: the Work Ability Index, WAI (Tuomi et al. 1998).

Studies have shown that people with high WAI scores have a lower risk for early retirement and a higher quality of life – even after retirement (Ilmarinen & Tuomi, 2004). Studies using the WAI have also shown that it is possible to sustainably improve work ability – even at older age – if the right measures are taken.

Today, the WAI questionnaire is implemented internationally and has become a methodological benchmark of a comprehensive approach to 'work ability'. It is being used in work place health prevention, in occupational health and re-integration and in science. It may be used for groups as well as for individuals. Today, the questionnaire is available in almost 30 languages.

The content of the work ability index, WAI

Ten questions and a list of diseases comprise the WAI questionnaire. The questions and the disease list comprise seven distinct dimensions as listed in Table 1. Two examples for a WAI question are

- ▶ *'Assume that your work ability at its best has a value of 10 points. How many points would you give your current work ability?'* (single question for dimension 1, see Table 1),
- ▶ *'Do you believe, according to your present state of health, that you will be able to do your current job two years from now?'* (single question for dimension 6, see Table 1).

WAI dimension	points
1. current work ability in relation to best ever	0 – 10
2. current work ability in relation to demands	2 – 10
3. number of physician diagnosed diseases	1 – 7
4. work impairment due to diseases	1 – 6
5. sickness absence	1 – 5
6. estimated work ability in 2 years	1, 4, 7
7. mental resources	1 – 4
WAI SUM SCORE	7 – 49

Table 1: The seven dimensions of the Work Ability Index, WAI. A score of '49' indicates maximum and of '7' indicates very poor work ability.

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The answers to the WAI questions result in a WAI score which ranges from 7 to 49. A score of 49 points indicates maximum work ability whereas 7 points denote very poor work ability. It shall be noted that 'poor work ability' means that the demands of the work and the resources of the worker do not fit together; this may be because of adverse working conditions, limitations on the side of the worker, or both.

Based on large Finnish samples, the Finnish researchers have categorised the WAI results and formulated respective advice. Individuals with top WAI scores ranging from 44 to 49 have an 'excellent work ability'. Those with 'good work ability' (37-43 points) should still consider what needs to be done to keep their work ability high in the future and until retirement. For workers with 'moderate' WAI scores from 28 to 36 points the various potential causes for their comparably low scores should be considered to assure continued work ability. Individual as much as organisational factors need to be regarded and ways to addressing this. Workers with less than 28 points have 'poor work ability' and measures definitely need to be taken to improve work ability before it is too late and to assure continued participation at work.

What do WAI results mean for the enterprise?

The concept of 'work ability' and its measurement is increasingly becoming the basis for workplace intervention design and also for international comparison and co-operation in Occupational Safety and Health issues. It was shown that the WAI predicts retirement due to disability, mortality and quality of life. Work ability is also related to sickness absence and productivity (Ilmarinen 2006). Most importantly, for enterprises, work ability is an indicator of the productivity of its own current and future human resources.

The main uses of the WAI within companies and organisations are (i) benchmarking, (ii) early identification and (iii) measurement of effects. This holds for the whole organisation, work groups and for individuals:

- ▶ *Benchmarking* with reference values allows for the estimation of the current and future potential of the organisation
- ▶ *Identification* of risk exposures and risk groups *at an early stage*
- ▶ *Measurement of the effect* of interventions.

Table 2 summarises the different functions the WAI may have in an enterprise in individuals, work groups and and the organisation as a whole.

individual workers	work groups	enterprises
<ul style="list-style-type: none"> ▶ monitoring work ability ▶ benchmarking ▶ identifying need for action at early stage ▶ creating awareness for future work and health ▶ verifying the effect of intervention 	<ul style="list-style-type: none"> ▶ monitoring work ability ▶ benchmarking work groups ▶ identifying need for further assessment ▶ identifying need for preventive action ▶ verifying the effect of interventive measures 	<ul style="list-style-type: none"> ▶ monitoring work ability ▶ benchmarking companies ▶ identifying risk exposure, risk groups, trends ▶ identifying need for prevention at early stage ▶ verifying the effect of intervention ▶ raising awareness for work ability ▶ providing 'quasi objective' data for discussion of work place health promotion and 'work and age'

*Table 2:
The different functions the WAI may have in an enterprise.*

Work ability – concept and assessment

Hans-Martin Hasselhorn

The WAI is not ...

- ▶ **an indicator for health, functional capacity or employability.**

Sometimes, the WAI is misinterpreted as an indicator of the worker's health. This is a misconception, because WAI scores reflect the degree and quality of the interaction between work and the worker. The worker's health does play a role here, but it is only one factor out of many (see 'house of work ability'). The same is the case for *functional ability*. A third term frequently associated with work ability and the WAI is *employability*. Work ability a precondition for employability, but employability covers a wider range of policy issues and the labour market.

- ▶ **identifying causes for low work ability or concrete measures to be taken.**

It is a strength of the WAI instrument that it does not tell concretely what the causes of low work ability may be and what measures need to be taken. As indicated in Figures 1 and 2, the variety of potential causes is endless and cannot be covered by a screening instrument. Instead, those directly involved may be activated in the course of investigation if the WAI turns out to be low. This is the worker himself and may include the occupational health physician, the superior and other experts within and – possibly – from outside the workplace.

Initiating preventive measures

Active measures are necessary for – in the long run – maintaining and promoting work ability. Work ability needs to be looked at whether it is high or low. Several Finnish studies have shown that work ability can be sustainably promoted – even among older workers. The 'work ability concept' integrates four dimensions where, at enterprise level, interventions are possible: (i) the workers' health, (ii) the workers' competence and motivation, (iii) the work content and (iv) leadership and work organisation. It is important that intervention is ongoing and that it is not limited to one of the four target areas only. Special emphasis is usually put on leadership issues (Ilmarinen & Tuomi, 2004).

Confidentiality and other ethical issues

A final consideration when using the WAI is that it assesses personal information: Individual results need to be treated in strict confidence and feedback of group results must follow rules that prevent identification of individuals. Data protection always needs to be assured. Confidentiality is the precondition for allowing the WAI to unfold its full value.

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Further information

German WAI network

 www.arbeitsfaehigkeit.net
(*German*)

Dutch WAI support group

 www.blikopwerk.nl
(*Dutch*)

Work stress, leadership and organisational health

José M. Peiró and Isabel Rodríguez

Globalisation, new technologies, socio-economic and socio-political changes are having clear and complex impacts on labour markets, work activities and organisations. Companies are adopting new forms and using a number of strategies to respond to these changes, maintaining and enhancing their capacity to compete and adapting to the demands of their new environment, which have become more and more challenging and global.

Changes in companies, including those prompted by new technologies, markets, demographics of labour force and value-systems, are driving major transformations in work activities. Increased mental and emotional demands, work flexibility arrangements, more complex and frequent social interactions with a large array of people (co-workers, suppliers, customers, etc.), working at a distance (tele-work), new employee relations and new management systems aiming for increased efficiency, are just some of the features that shape the modern workplace.

These changes may well have consequences for the health and well-being of workers and have a significant impact on the overall effectiveness of organisations. Enterprises are increasingly aware that as part of their Corporate Social Responsibility, they need to play their part in promoting health and their organisations as good places to work. There is evidence that this healthy and positive approach pays off for companies and improves their performance.

Nevertheless, a large number of indicators (sickness absenteeism, work accidents, poor performance, conflicts, etc.) show that much work still needs to be done regarding the development of healthy organisations and the promotion of health in workplaces.

Government policies, along with public and private initiatives, have a key role but the main thrust must inevitably come from employers and employees themselves, if organisations are to develop safe and healthy policies and practices and promote improvements in work systems and working conditions.

The aim of this paper is to analyse the role of leadership in promoting work and organisational health and well-being at an individual and at a collective (work unit and company) level, paying special attention to psychosocial factors such as work stress, drawing largely on research carried out in the Research Unit of Organisational and Work Psychology (UIPOT www.uv.es/uipot) at the University of Valencia.

Conceptualising work stress

There have been a number of ways to conceptualise work stress, helping to improve our understanding of a complex set of inter-related factors. Here, we concentrate on the AMIGO model, followed by a focus on the psychological contract.

The AMIGO model: A contextualised and comprehensive approach to work stress

Recently, a contextualised approach to work stress has been suggested to extend and redefine the domains and contents of work stressors. In the new working environment, it is important to pay attention to issues such as:

- ▶ HR policies and practices
- ▶ Structural changes (mergers, privatisations, downsizing, re-locations etc)
- ▶ Company flexibility (e.g. contractual, functional, geographical)
- ▶ Job insecurity
- ▶ New careers, career management and prospects
- ▶ Reconciliation and balance of work and other life spheres
- ▶ Stressors related to loss of status and social demands
- ▶ Cross-cultural issues

To provide a framework for the study of stress at work, we have developed a comprehensive model which helps to identify and classify stressors at individual and strategic level within the organisation, plus the stressors emerging at the interface between the organisation and its environment.

The AMIGO model (Analysis, Management and Intervention Guidelines for Organisations, Peiró & Martínez-Tur, 2008) is a conceptual model for organisation analysis, intervention and management that helps to understand the facets and functioning of the organisation, guiding organisational change efforts.

Work stress, leadership and organisational health

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The different facets of the enterprise which are considered in the model comprehensively describe the organisation and are classified into five blocks that are presented below. Every facet may contain a number of stressors that should be analysed in a comprehensive evaluation of psychosocial risks in an organisation. The blocks of facets are as follows:

Paradigmatic and strategic facets

The first block corresponds to the paradigm of the organisation, which includes its culture, mission and vision and strategic factors related to the environment pressures and opportunities. Special attention is paid to anticipated future changes, because these are critical for the life of the organisation and the development of its members. It also takes into consideration the services and goods produced by the enterprise as the basic specification of its mission.

Hard facets

The second block includes four types of hard facets: economic resources and infrastructure; organisational structure; technology and work system. The work system is the critical facet of the “hard” block. It is the set of arrangements to design, produce and sell the goods and services provided by the company, as well as to perform any other activities serving this purpose. The technology, structure, infrastructure and material resources of the organisation are meant to contribute to the efficient functioning of the work system.

Soft facets

The third block relates to four types of soft organisational facets: communication and climate; policies and practices of human resource management; organisational management and human capital (individuals and groups). In a parallel way to what was said in the previous block, human capital is the central facet of the “soft” block. All the other soft facets should contribute to the best performance and development of an organisation’s human capital.

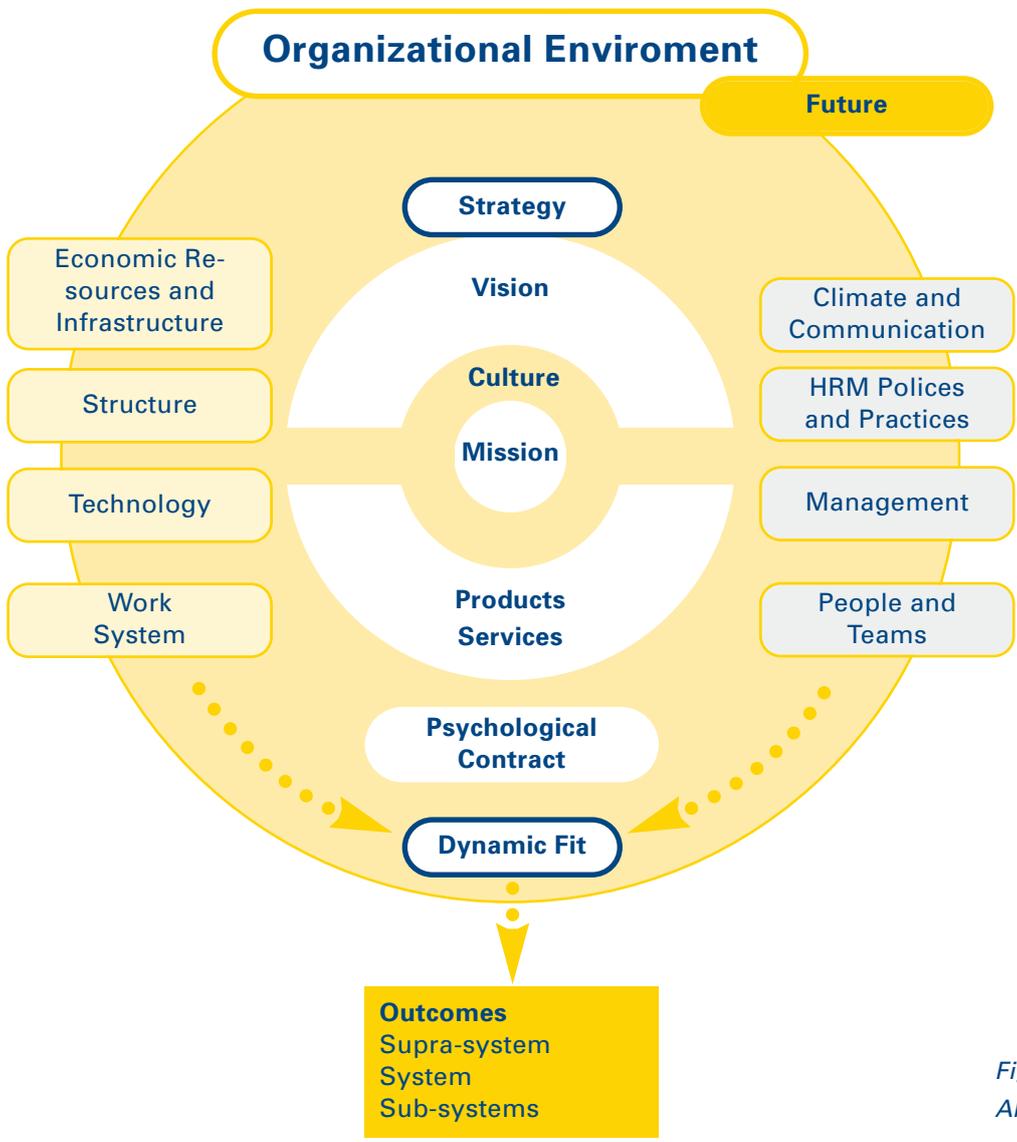


Figure 1:
AMIGO model

Integrating facets

These involve two critical adjustments in organisations. Firstly, the balance between human capital (individuals and groups) and the work system of the company. Because characteristics of people are critical, this balance is essential for the production of goods and services, the achievement of organisational goals and the fulfilment of the mission.

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Secondly, the psychological contract describes mutual expectations and promises between employees and employers about working conditions, performance and other transactional and relational aspects. The psychological contract plays an important role, extending the notion of dynamic fit between individuals, teams and the work system to the fit between the individual's expectations and the values, human resources policies and practices, styles of management and many other facets of the organisation. Promises and deals between employer and employees (individually and collectively) play an important role in building the psychological contract, which is one of the core facets in the model because it deals with the degree of integration between the organisation and its members.

Organisational outcomes

Organisational outcomes are in three categories: outcomes for the supra-system (i.e. society as a whole, clients etc), for the system (relating to the survival, improvement and development of the organisation as a system) and for the sub-systems (compensation, satisfaction of interests and development of individuals and groups). These outcomes need to be considered in both the short and the long term and a balance between achieving some while not impeding or hampering the others is important.

Psychological contract and work stress

The psychological contract theory helps provide a more contextualised analysis of stress (e.g. Guest, 2004). It focuses on the deal between the employer and an employee or groups of employees. The contract starts with the formulation from each side of a number of promises that raise expectations about behaviour and attitudes at work. During the development of the relationship, these promises may be fulfilled or not.

If a promise is made and fulfilled, the expectations of the other side are satisfied. If a promise was not made but hopes are fulfilled, a pleasant surprise is produced that induces positive feelings and evaluation. However, if a promise is not fulfilled, expectations are not satisfied. When it is felt that there was no intention to fulfil the promise, then a sense of violation of the psychological contract arises which is accompanied by irritation and frustration.

This experience is significantly related to health and well being. Fairness perception from both sides is an important component of a psychological contract. It induces reciprocity and contributes to the emergence of trust. The decision by a person or group to make themselves vulnerable under the expectation that the other party will not take advantage of it, is what represents the core of the relational contract. A relational contract is built on trust and it is future-oriented. In contrast, when trust is lacking, psychological contract becomes transactional and is restricted to current exchanges without any future orientation.

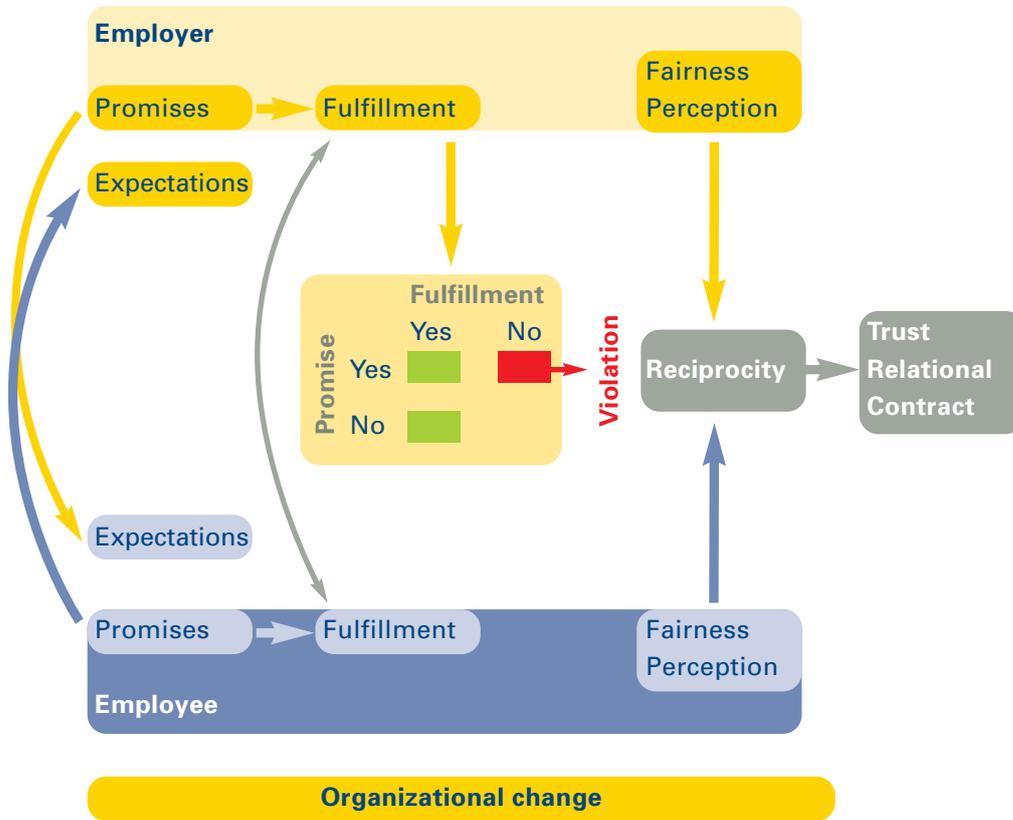


Figure 2:
Psychological contract:
Psycones Model

Thus, psychosocial risk analysis and prevention has to take into account promises and the fulfillment of expectations, as well as fairness, reciprocity and justice in employer-employee relations. Moreover, the cultural, social, economic and historical contexts need to be analysed in risk diagnoses. Interventions aimed at improving the work situation have to be aware that the target is not only the individual but also the context, including other individuals interacting in the same situation. Building mutual trust between employees and employer and among the employees themselves is an important asset in promoting effective interventions.

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Leadership in organisations and work stress

Leadership is an important concept in work and organisational behaviour. Formal leadership is most often seen as management and the hierarchical line in organisations. Managers, especially if they fulfil a leadership function, play a pivotal role in organisations and may influence behaviours and the health of their organisation as well as healthy behaviours among employees. Several types of relations between leadership and stress and health at work have been identified.

A leader's behaviours as predictors of strain and well-being

The supervisor-subordinate relationship has been reported as one of the most common sources of stress in organisations. A leader's behaviour, when inadequate, may be abusive and taxing and become an important source of stress contributing to the emergence of negative experiences of employees and hampering their well-being. In this vein, Tepper (2000) pointed out that employees who perceive their supervisors to be abusive, experience low levels of job and life satisfaction, lower levels of effective commitment and higher psychological distress. They also experience higher levels of work-family conflict.

Another seminal theory in the studies of leadership-strain relationships is the Leader-Member exchange (LMX) model. According to this model, the quality of the leader-member interaction may vary, for instance some members may belong to an 'in-group' close to the leader while others belong to the out-group, with poor perceptions of their relationship as a result.

A leader's behaviour as a contributor to other stressors

As we have pointed out in the previous section, leadership practices and behaviours may be stressors in themselves and, under given circumstances, may hamper employees' well-being and health. However, they may also give rise to other stressors, which have an impact on employees' 'strain' and well-being. Leaders may create and contribute to negative stressful organisational working conditions, such as by putting excessive or ambiguous demands on their subordinates.

They may also produce perceptions of injustice, because of their performance assessment or rewarding practices, the way they use recognition among their employees or the decisions they make in the workplace. Thus, ineffective leadership can seriously damage employees' health and well-being. On the other hand, effective leadership is a key factor in developing healthy organisations and a healthy workforce. If leaders are competent, they may improve the work environment, work arrangements and social context, paying due regard to the individual characteristics of their employees.

A leader's behaviour as a moderator of stress-strain relationships

The behaviour of leaders also plays a moderator role in many relationships between stressors and employees' lack of well-being by having a buffering effect. This effect has been widely researched and there is extensive evidence pointing to the role played by different types of support (material, information, emotional, etc.) as a strategy to cope with stress. Moreover, the congruence hypothesis suggests that the support received is most effective when it emerges from the same domain as the stressor. Thus, a supervisor is a privileged source of support because he or she can often provide it in the same area of work in which the stressors are arising (e.g. role stress, workload, performance assessment etc.).

In summary, a leader's behaviours and actions play an important role in either buffering or enhancing the effects of different stressors on employees. In fact, leaders often play a 'boundary-spanning' role for employees and the organisation or the clients. In this role they fulfil several functions, such as representation, sensor, filtering and "translating" information, buffering impacts, negotiating and transacting, all of which can help mitigate or increase negative experience.

A leader's behaviours as a resource to help prevent stress and improve health

In the context of psychosocial risk prevention, stress should not always be taken to mean 'distress.' In recent years, from the perspective of Positive Psychology (Seligman & Csikszentmihalyi, 2000), a more positive approach to stress has been emphasised (Peiró, 2008), where demands are considered as challenges and opportunities, instead of threats and taxing experiences.

It is clear that in order for this to happen, the leaders in any organisation have to play an important role in the process of creating supportive conditions and culture. This is easier if charismatic or transformational leadership is in place. Transformational leaders go beyond basic exchange relationships, by employing idealised influence, inspirational motivation, intellectual stimulation and individual consideration (Bass & Riggio, 2006). Transformational leadership also contributes to common objectives, job clarity and work satisfaction and thus indirectly to lessening burnout.

However, not all transformational leadership is good news. Several authors have pointed out that certain strategies used by charismatic and transformational leaders could be manipulative and used for self-serving purposes. Research has therefore been carried out to identify what differentiates authentic transformational leaders from their self-serving counterparts. The former strive to do what is right and fair for all stakeholders and may willingly sacrifice self-interests for the collective good of their work unit or organisation. Further understanding of the difference is especially important if transformational leadership is to be promoted as a strategy to improve the well-being of workers, tackle stress and create new opportunities for personal growth.

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Multi & cross-level analysis of leader-stress relationships

In recent years, research has begun to examine collective stress in work units and organisations (Peiró, 2001). When work stress is analysed from an individual perspective, a number of phenomena become relevant, such as the misfit between demands and resources or control available, the individual's appraisal of the situation, the emotions experienced and the coping strategies employed.

However, other issues such as how this experience is shared among the members of the same work unit may not be taken into account. Thus, a collective and cross-level analysis of work stress is needed to better the subject. In our research unit (UIPOT), a research programme is in progress that aims to study the different components of work stress from a multilevel and cross-level approach. The basic model states that the different components of stress (appraisal, emotions and coping) must be considered as collective, as well as individual, phenomena. Also, the processes and properties of these collective components also deserve investigation (see figure). An overview of the conceptualisation and main research issues has been presented in Peiró (2008).

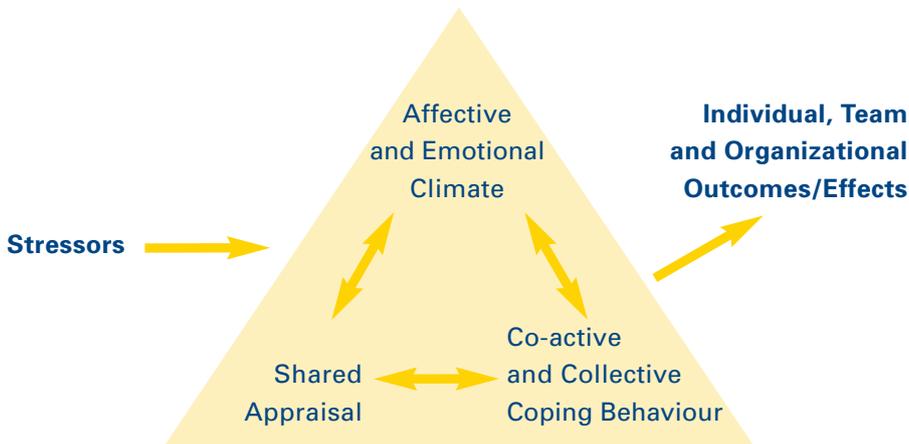
The role of transformational leadership in this context is especially important, because through explanation, vision and inspiration leaders can influence the way members of a work unit perceive their workplace climate as threatening and taxing, or as thriving and challenging.

These shared perceptions, together with the leader's emotions, can generate collective effects and emotions in the group or the organisation as a whole through interaction or contagion processes. Finally, charismatic and transformational leadership can also influence the generation of collective coping strategies to deal with collective stress, which is why a collective analysis of stress and leadership is essential to obtain a comprehensive understanding of work stress and the strategies to prevent and control it.

Collective stress appraisal and leadership

Under certain conditions, a group of people can develop shared perceptions of a situation and interpret it as being threatening or as challenging and beneficial. In this context, a collective experience of stress can emerge. This was the case in three independent divisions of a company where the collective experience of stress was identified using the qualitative methodology of grounded theory (Länsisalmi et al., 2000). It is interesting to note that when these stress experiences emerge, they become a holistic property. Shared appraisal may be produced through several processes, including leadership, and, as research results suggest, leadership contributes to the formation of a work unit climate of stress.

Collective and Cross-Level Study of...



Leadership and the affective and emotional climate of work units

When groups share stress experiences, their members will probably tend to express similar emotions, together forming a work-unit 'emotional climate.'

Shared emotions generally emerge because members of the work unit have similar perceptions of factors influencing them collectively. When a collective experience of stress emerges (stressful climate), it may give rise to emotions and behaviours that can also become collective.

It is important to identify the mechanisms through which leaders influence shared emotions and affective climates of their team units. Again, the interaction between the leader and the members of his/her work unit can be very significant. 'Emotional contagion' (both conscious and unconscious) may also play an important role in this process. In a study carried out by Peiró and González-Romá (2003), a significant, positive relationship between the leader's burnout and the average level of their work unit members' burnout was found. This relationship was, in fact, moderated by the frequency of interaction because of work activities. When interaction was high, the relationship between leader's burnout and team members' average burnout was strong – so the more the employee's job involved day-to-day contact with the manager, the closer the 'burnout' relationship.

Work stress, leadership and organisational health

José M. Peiró and Isabel Rodríguez

The role of leadership in coactive and collective coping with work stress

In stress research, coping has been studied almost exclusively from an individual's perspective, under the assumption that individuals function rather independently and decide themselves how to manage stressors. However, individualistic approaches to coping in organisations can be ineffective or even counterproductive, leading to frustration. In some cases, collective coping strategies are the only avenue for reducing job stress. In order to better understand collective coping we need to distinguish two different types of aggregate coping (e.g. Peiró, 2008). Firstly, *coactive coping* occurs when individuals in a group or work unit use similar individual ways of coping, due to social pressure, shared perceptions or beliefs, or imitation strategies. Secondly, *collective coping* occurs when a group initiates actions to prevent, eliminate, or reduce the stressful situation, to interpret the situation in a more positive way, or to alleviate its negative effects and consequences. Collective coping implies collective goals, and actions of group members.

Existing research shows that leaders influence not only stress and health of their subordinates individually, but also their work units as a whole. Shared emotions and coping are also directly influenced by leadership. All these processes in turn have direct and indirect effects on the well-being of the subordinates, individually and collectively.

Implications for a leader's assessment, survey feedback and leadership development

Stress is probably the most important psychosocial risk in organisations nowadays. Transformations in the context of a global economy and knowledge-based society are introducing major changes in the world of work. These changes are increasing the relevance of work stress and psychosocial risks.

Survey feedback for leaders

Survey feedback is one of the most widely used techniques of organisational development. When used for leadership development, it consists of collecting data about the perceptions of leadership behaviours of a target supervisor or manager from one or several sources (e.g. subordinates, peers) and feeding back the data obtained to the individual concerned in order to analyse, interpret its meaning and design corrective or developmental actions. If multiple-source, multiple-rater (MSMR) is used, then the process is known as 360 degree feedback. Feedback has been described as a key element in the process of skill acquisition, goal attainment and behavioural change, although in a review of 24 longitudinal studies, mainly using feedback from subordinates and peers, Smither, London and Reilly (2005) showed that ratings improved over time for some but not for all focal individuals. Evidently, there are other relevant factors which influence the effectiveness of the process. The authors mention the

focal individual's initial self-image and self-efficacy beliefs and refer to the briefing and preparation for feedback and subsequent support for development.

Managerial and supervisory development in leadership functions to improve health and well-being at work

Leadership development programmes, as part of a general framework of interventions aimed at reducing psychosocial risks, can enhance and promote health and well-being at work. In such programmes, we recommend an emphasis on human as well as social capital. Also, the competences related to shared leadership will need to be developed. In general, a number of actions may contribute to leadership development. First, it is important to make leaders and managers aware that promoting quality of working life at an individual and collective level is part of their function. Leaders also have to be conscious of their role as communicators and the way they can use this to promote positive emotional responses and collective coping. Managerial and supervisory practices should aim to generate justice and fairness perceptions among team and organisation members. Managers should be trained in the management of psychological contracts, especially during periods of change in organisations. Moreover, educating managers and supervisors to coach their employees may also improve well-being and health at work.

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No health without stress

Andreas Tautz

Deutsche Post World Net, incorporating the Deutsche Post, DHL and Postbank companies, is a global leader in the management and transport of goods, information and payments. With 500,000 employees in more than 220 countries, it is also one of the biggest employers worldwide.

'No health without mental health.' This statement, which sums up a fundamental approach to the subject, was endorsed by the ministers of health of member states in the European region of the World Health Organisation (WHO) in 2005.

It reflects the fact that mental disorders are on the rise in the European Union. Almost 50 million citizens (about 11% of the population) are estimated to experience mental disorders. Depression is already the most prevalent health problem in many EU member states (European Pact for Mental Health, 2008, p. 2).

The European Commission has concluded that action is needed to tackle the steady increase in work absenteeism and incapacity and to utilise the unused potential for improving productivity that is linked to stress and mental disorders. The workplace plays a central role in the social inclusion of people with mental health problems. This is why the Commission has invited policy-makers, social partners as well as other stakeholders to take action on mental health in the workplace.

Stress plays a significant role in this context. 'Stress' may be used to describe a demand on a person. Such demands are important to allow us to foster our personal development – we all need stress. Stress mobilises our energy. Stress in itself should be seen as neither positive nor negative. Strain and stress is part of life. The physiological reward mechanisms at play when successfully overcoming a challenge, i.e. the release of dopamine, serotonin and endorphins, create what are sometimes unforgettable experiences which positively impact the way we behave. However relaxation must follow stress.

Our body and mind rely on this interplay between tension and release. This is the basic rhythm that controls our life (Ladwig, 2007, p.4f.). If we are unable to make this switch it can result in long-term stress, for example when working for prolonged periods with the pressure of deadlines and being permanently available ('Blackberry syndrome'). Long-term stress of this kind can lead to disorders linked to high blood pressure, disturbed sleep, a weakening of the immune system and musculoskeletal disorders resulting from increased muscle tension.

Also, an increase in the amount of insulin produced as a result of stress can lead to a resistance to insulin and subsequently diabetes. This is why the way in which an individual reacts to a stressful situation, i.e. their subjective assessment of it, becomes crucial. For some, the pressure of meeting deadlines is a sporting challenge, whereas others will see this as a threat. When stress leads to a situation that is perceived as threatening, where people have the feeling that the expectations placed on them exceed their own personal capacities and that not enough resources are available to overcome the situation, it can damage the individual's health. An imbalance between strain and the available resources can lead to an elevated risk, especially in the onset of the following illnesses:

- ▶ cardiovascular disease
- ▶ back pain disorders/musculoskeletal disorders
- ▶ depression

At Deutsche Post, these are the major causes of illness-related absence from work. As these key disorders also represent the main cost drivers in the European healthcare system and are the primary cause of early retirement on health grounds, they ought to be considered as part of ill-health prevention activities in the workplace. The burden of mental disorders is likely to have been underestimated generally because of inadequate appreciation of the connection between mental illness and other health conditions. At least a third of all somatic symptoms remain medically unexplained (Prince/Saxena et al, 2007, p. 859 and 862.).

For example, it is evident that (workplace) insecurity, anxiety about the future and conflicts promote the development of back pain. The overwhelming majority of back complaints cannot be attributed to a clear physical cause but are all too often still tackled with mono-causal prevention methods ('how to sit correctly', 'how to lift and carry correctly' etc.) and, combined with the risk of contracting a secondary disorder, are treated as such by the medical community.

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We must also bear in mind the influence of social status on health. A low social status favours the occurrence of strokes, bronchial diseases, back pain and depression (German Health Survey, 2006). Unhealthy habits, such as smoking, little exercise and an unbalanced diet make up approximately 30% – 40% of the social gradient (Marmot, 2006, p. 108).

These complex interrelationships highlight the importance of systematically promoting health within the company. So at Deutsche Post, we see prevention and health promotion taking on increasing significance, both for the individual and for society as a whole. Prevention, including health promotion, is not only essential for maintaining quality of life; it is also vital for stabilising our general financial well-being and not least ensuring that workers continue to be productive at work. This requires imposes a double responsibility – on the individual for his or her own health (behaviour-based prevention) and on those in charge for the workplace conditions (work environment prevention). (Letzel/Stork/Tautz, 2007, p. 1).

When the WEF (World Economic Forum) states that companies have a unique and vital role in improving the wellness, health and physical fitness of employees (WEF – Working Towards Wellness) it is obvious that measures to promote health can only be effective as part of a holistic approach towards influencing the behaviour of employees and working conditions – the basis of which is a culture of respect and appreciation.

To meet this challenge, Health Management at Deutsche Post World Net is deeply rooted in our corporate values, the code of conduct and our guideline for health management, namely the Corporate Health Policy.

- ▶ We expect our employees to conduct themselves at all times with integrity and honesty as partners and 'entrepreneurs'.
- ▶ We count on their willingness to take on responsibility as part of our corporate culture.
- ▶ Health is viewed as a resource – for the personal health of employees and the productivity of the company.
- ▶ We encourage health promotion as a key element of our sustained productivity and the quality of our services.

Our Corporate Health Policy integrates the elements of occupational health and safety as well as health promotion. With reference to the Ottawa und Bangkok Charters for Health Promotion, Deutsche Post World Net defines health as follows:

‘We regard health as a state of comprehensive physical, mental and social well-being and not as merely the absence of illness and weakness. Health encompasses the capability and the motivation to lead an economically and socially active life.’

Work *per se* does not make a person ill. Indeed, work can promote health.

- ▶ Humans do not have an inherent aversion to work and health.
- ▶ Basic human gratification comes from satisfying personal needs and striving for self-fulfilment.
- ▶ Work is an essential source of satisfaction and thus health.

We can actively promote our employees’ health through

- ▶ creating a work environment which promotes health (including training and education measures);
- ▶ supporting a healthy lifestyle (individual health promotion programmes); and
- ▶ a healthy dose of respect for one another.

Staff, with their diverse cultures, potential and skills, are key to the success of Deutsche Post World Net. Their professional and personal development is a continuous process which does not end once they reach a certain age or defined position. Line managers as well as each member of staff share equal responsibility for this development process.

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The acclamation won by Deutsche Post World Net, as seen in the Good Company and Health Management rankings for example, are based on a personnel policy of social innovation – a sustainable and forward-looking personnel strategy aligned with the development of our staff resources. This includes promoting employees' health and their living environment as well as assuming social responsibility and linking this with the aim of increasing productivity in the workplace and ensuring maximum customer satisfaction.

Senior company officers and management at all levels share a responsibility to investigate and do all they can to eliminate workplace-related health problems.

In order to define health promotion in the workplace at Deutsche Post, a general works framework agreement was concluded in 1997 which was reflected in a group works agreement signed in 2008. It describes a system for promoting health which contains the following elements:

- ▶ Health working groups and health circles
- ▶ Regular reporting of health-related Key Performance Indicators
- ▶ Discussions on precautionary health measures / communication
- ▶ Health promotion measures/'Health Promotion toolbox'

In every company, a health working group has been set up with the task of defining those factors considered important for health which can be positively influenced and developing strategies in order to put in place those changes deemed necessary. Health reports are prepared for the local working groups as a basis for local analysis of illness trends. They also serve as a basis for health promotion planning. Detailed information used to draw up effective strategies in the area of health promotion is acquired by directly involving workers at grass roots level. This is done by setting up dedicated health circles. The main idea of these groups is to actively involve employees in analyses, the planning of measures and programmes which are relevant to health.

A central health working group for the entire company was set up under the leadership of the Personnel Board of Management as a strategic control tool for promoting workplace health. Discussions on precautionary health measures are the core element of workplace integration management. They serve to clarify the issue of whether healthcare can be improved through the use of preventive and integrative approaches to health promotion, including optimised rehabilitation measures.

The Health Promotion toolbox describes some 150 quality-assured health promotion measures in sixteen fields of prevention. These are based, amongst other things, on the analysis of health promotion measures carried out in previous years as well as the recommendations of the German Advisory Council on Healthcare and German health insurance companies. Their aim is to influence the working conditions and/or personal attitude and conduct of staff with regard to health as a resource.

Those involved are given the opportunity to increase their own awareness of health issues and also to implement these with colleagues. The concept of health has a number of dimensions, such as well-being, a feeling of self-worth and qualification in particular. In Germany alone, almost 5,000 measures to promote health are carried out each year in local 'health' working groups with the active participation of employees. Some 25,000 individual health promotion initiatives have also been undertaken by Deutsche Post company doctors.

The key issues include exercise and diet, ergonomics, as well as managing stress and conflict. The need for action where mental health is concerned is ascertained, for example, through the use of the Work Ability Index and salutogenic, subjective workplace analysis (SALSA questionnaire) as part of risk assessments, as well as consulting further sources of information, e.g. holiday patterns, overtime hours worked, job satisfaction etc. Another important factor is the epidemiology work undertaken by company doctors and linking this data to employee opinion survey results, with a particular focus on active leadership and staff involvement.

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The results of this approach to health promotion in the workplace, which has been practised for many years, confirm that health must be integrated into existing management systems. Health promotion should not just be about individual measures. A seminar on combating stress or a one-off workshop on back conditions will quickly lose their impact if they do not form part of a broader, co-ordinated plan. The key element in any such plan is fostering a relationship culture and 'caring' for staff as a key resource. Moreover, staff have the opportunity to use their know-how, not only in the sense of mental health issues but also in charitable projects, such as co-operation with UNICEF or our Disaster Response Teams.

Staff at Deutsche Post World Net are regarded and developed as a resource and, more specifically, as corporate 'capital', sharing common convictions, values and rules. This requires measures on an ongoing basis designed to promote health and fully integrate employee decision-making and responsibility. This also includes continuous optimisation of organisation and processes, participative executive of leadership and specifically an acceptance that health management is a key element of management – and measured as such.

Through the company's holistic Motiv8 management system, leadership skills with regard to staff are evaluated and the level of active leadership and its perceived value to staff are measured through staff surveys. Management members also have the opportunity to receive individual coaching on their own mental resources under the Executive Health Programme.

These initiatives have considerably contributed to the continuous reduction of our illness rates over 10 years. In 2007 we had to observe a slight increase in absenteeism rate but that was in line with a general trend in society.

The evaluation of our health promotion system in 2004 showed that those organizational units of Deutsche Post AG who acted according to these guidelines came out with a 0.5% (absolute) lower absenteeism rate on average over a control group. A second study in 2008 underlined that those organizational units who implemented the health promotion system in an outstanding and sustainable way could maintain or decrease their illness rates even against the societal trend.

This may lead to the conclusion that we are on the right track. But we know that there is always room for improvement. A worldwide acting logistics company with more than 500.000 employees we are facing considerable challenges, especially with regard to health management. Shared values, a corporate culture and a pragmatic approach are our means to face these challenges or, in the words of Immanuel Kant, 'pragmatism demands a socio-ethical stand and a vision'.

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Managing stress at work through work organisation and job design

John Griffiths and Ava Fine

This paper was presented at the Enterprise for Health (EFH) Network meeting in Munich in April 2008. It is given from the perspective of a consultancy team who work on a day to day basis with organisations who are trying to tackle the issue of work related stress.

Our work involves us in identifying the causes of stress within an organisation, department or team and then in working with the organisation to identify and implement ways of reducing and managing the pressure that workers face and consequently the amount of stress that they experience.

This paper briefly identifies the scale of the problem and describes in greater detail the actions taken by the UK's Health and Safety Executive to enable and support organisations in their efforts to reduce the causes of stress at work. The paper will also show how employers have addressed the need to examine the way in which work is organised and jobs are designed as a means of tackling the problem of work related stress.

Stress at work

With several hundred definitions of stress in every day use, employers might wonder which one is relevant to the workplace. However several themes emerge from the definitions which are of help: the key one being that stress is associated with feelings of not coping. In other words when the demands faced by an individual, be they work related and/or emanating from other aspects of their life, exceeds that individual's ability to cope (or be in control), the person feels stressed. At such times their ability to concentrate on their work, their enthusiasm for their job and their confidence in their ability to perform their role can all be adversely affected.

While there is no such disease in the Clinical Diagnostic Register as 'stress', it is well recognised that prolonged exposure to stress can lead to anxiety/clinical depression or physical symptoms and, as the evidence set out below reveals, the impact on the UK workforce is considerable.

The scale of the problem

In the UK in 2006 work-related stress, depression or anxiety were responsible for the loss of almost 14 million working days, or 45.9% of the total number of working days lost due to illness. Taken on a case by case basis, the estimated average number of days lost per year per case is 30.2 – the highest cause of long term absence by some distance! (1)

In 2005/6 work related stress, depression and anxiety cost Great Britain in excess of £530 million (€662.5 million) and the number of workers who sought medical advice for what they believed to be work related stress increased by 110,000 to an estimated 530,000. (2)

These figures reveal the scale of the problem, the impact of which is felt by employers, co-workers and the individuals themselves. In addition considerable costs are borne by society – e.g. NHS treatment costs together with the costs of social security benefit e.g. incapacity benefit.

The costs borne by employers should provide the *raison d'être* for taking action, yet unfortunately this is not always the case. The loss of productive work due to work related stress, the impact on output and service delivery, the effect on the quality of employees working lives – all directly or indirectly have an effect on the balance sheet, and yet stress – its causes, outcomes and implications is either not recognised as being important to the running of the organisation, or managers concerned about the issues it raises, the obligations it places upon them, and their own ability to act, choose to ignore the problem.

It is also important to recognise that when an employee is stressed and their ability to do their work is compromised, the impact of this is also borne by co-workers who have to carry out at least some of the tasks previously done by their colleague. In turn, this increase in workload increases the pressure they are facing and may lead to them becoming stressed. Levels of resentment (against the employer) may rise and as a consequence morale within the team falls.

Employers and managers should also be cognizant of the fact that people working under high pressure are more likely to make mistakes and be involved in accidents.

We ask ourselves 'should employers take the issue of stress at work seriously?', and conclude that of course they should! The question is what can be done, who should do it and what support is available to employers to help them in this process?

Managing stress at work through work organisation and job design

John Griffiths and Ava Fine

The Health and Safety Executive (HSE)

The HSE is the UK's national regulatory body responsible for promoting the cause of better health and safety at work. It seeks to ensure that '*risks to people's health and safety from work activities are properly controlled*' and that people are protected against '*risks to health or safety arising out of work activities*'. The changing nature of work is reflected in the HSE's mission statement which states that, '*Our mission is to protect people's health and safety by ensuring that risks in the changing workplace are properly controlled*'.

The impact of stress in the workplace was recognised by HSE more than a decade ago, with specific guidance first being issued in 1995, and since then the agency has published a number of very practical resources for employers and staff on stress related issues. The 1974 Health and Safety at Work Act does imply psychological health in its definitions, and so it could be argued that mental health and well being has been on the health and safety agenda for sometime.

2004 saw the publication of the HSE's Management Standards on Work Related Stress (see also: www.hse.gov.uk/stress/standards/index.htm), and there can be no doubt that the introduction of these standards provided employers with a framework around which to build a corporate response.

Perhaps for the first time the need to prevent stress occurring within the workplace (primary prevention) was fully recognised and the role of tertiary interventions (treatment, counselling, employee assistance programmes etc) was given its correct place as a necessary final step for those for whom work remained stressful, rather than being the sole action in place.

The Management Standards are developed around the six causes of work related stress which had been identified from previous research undertaken by HSE, namely:

Demands

workload, work patterns, and the work environment.

Control

how much say the person has in the way they do their work.

Relationships

includes promoting positive working to avoid conflict and dealing with unacceptable behaviour.

Change

how organisational change (large or small) is managed and communicated in the organisation.

Role

whether people understand their role within the organisation and whether the organisation ensures that the person does not have conflicting roles.

Support

includes the encouragement, sponsorship and resources provided by the organisation, line management and colleagues.

Within the documentation, the description of each of the standards follows the same pattern – the standard is described e.g. for demands the standard is that, *‘Employees indicate that they are able to cope with the demands of their jobs and that systems are in place locally to respond to any individual concerns’*. This last point features in the description of each of the six standards and emphasises the vital role that communication (both formal and informal) has on the prevention of work related stress. The Guidance then explains what should be happening within the organisation and the position to be reached. For the section relating to demands, the expectations are, *‘that the organisation provides employees with adequate and achievable demands in relation to the agreed hours of work; that people’s skills and abilities are matched to the job demands; that jobs are designed to be within the capabilities of employees; and that employees’ concerns about their work environment are addressed’*.

The role of risk assessment in stress prevention

All employers have an absolute duty to carry out ‘adequate’ or ‘suitable and sufficient’ risk assessments of hazard that might cause harm to employees (Reg. 3 Management of Health and Safety Regulations 1999). Such risk assessment includes the risks to physical and psychological health, with work related stress falling into this latter category.

The approach suggested by the HSE consists of five steps, and is built on the standard approach to risk assessment.

- Step 1** Identify hazards
- Step 2** Decide who might be harmed and how
- Step 3** Evaluate the risk and decide if enough is being done
- Step 4** Record findings
- Step 5** Review assessment and revise where necessary

It takes approximately 18 months for large organisations to work through the process of the risk assessment cycle. This includes time to implement the action plan and produce measurable outcomes. Small organisations may complete the process in a shorter timescale.

Managing stress at work through work organisation and job design

John Griffiths and Ava Fine

Who should participate in the risk assessment?

In our work with organisations we strongly encourage them to see the risk assessment process as one which is led by line managers and supervisors who involve as many members of their teams or work groups as possible in the process, always remembering that risk assessment is a tool for managers to aid in preventing stress. It's the actions taken as a result of the risk assessment process that can reduce stress at work not the risk assessment process itself.

Before undertaking the risk assessment the manager needs to talk to his or her team, brief them on what is going to happen and involve them in the process. Consideration should be given to determining the terminology that will be used. Use of the term stress in any context, especially that of a risk assessment can provide employees with an opportunity to 'off load' all their concerns and fears – both well founded and irrational, and may cause others to become introverted and reluctant to participate in the process for fear of being labelled or stigmatised. Managers may wish to refer to the process therefore as an assessment of pressure rather than a stress risk assessment.

At all times in the risk assessment managers must be prepared to listen to the thoughts and concerns of their staff and to create an atmosphere in which these views can be expressed.

Managers are also encouraged to group people by role, and undertake the risk assessment with as large a group as possible. An individual risk assessment should only be undertaken following an incident, on someone's return to work following a period of absence caused by stress (work or non-work related) or when someone has come forward to say they have difficulty in coping and managing their work. In addition to utilising information from team members, managers should also consider any other information which becomes available to them, in particular sickness absence data for their team (and how it compares to other teams). Information on morale, relationships within the team and team performance should also be considered. At all times the manager is responsible for running the process and driving it forward, but the process itself should be fully participative, it is most certainly not the case of a manager 'doing' the risk assessment for the team!

At all stages in the risk assessment process reference must be made to the organisation's stress or pressure management policy and other policies which may have an impact on how the pressure / stress is moderated e.g. flexible working policy, work life balance policy, family friendly policy etc.

Step 1 Identify the stress factors

The risk assessment process should address each of the six main causes of stress at work. For each, staff should be asked to consider where the main sources of pressure for the team or a particular job role originate. Clearly in any team different people will bring different perspectives to the discussion – usually therefore it is the common pressures, those experienced by several member of the team, that are noted. But opportunity must be provided for members of the team with individual concerns to express those either in the group discussion or in private at a later time. As indicated earlier, all relevant sources of information should be utilised in both identifying the major risks and in determining their impact on the team members.

Step 2 Who might be harmed and how?

Having identified the sources of pressure the next question to be answered is who might be harmed and how? Managers should discuss with their teams the issues covered by this question – are any members of the team at particular risk, is the team as a whole at risk, are there specific times or circumstances where the risk increases?

Step 3 Evaluate the risk

The team should be asked to consider the action that is already being undertaken to reduce the risk of stress occurring. Is this action sufficient to control the risk and what else can be done? A second significant question that must be asked is could the risk be avoided altogether and what actions would need to be taken for this to happen?

When undertaking an evaluation of the risk of stress occurring and the actions required to reduce it or remove it altogether, an assessment of how risks can be combated at source should be completed. This could include determining whether work could be better adapted to the individual, whether the job should be redesigned and whether levels of training and instruction are appropriate.

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Step 4

Record the significant findings

Significant findings from the risk assessment should be recorded on a risk assessment form. This sets out by cause of stress the actions already being taken, whether these are sufficient to control the risk, what other actions could be implemented to reduce the risk still further and the level of risk remaining (in some organisations this is simply quantified as high medium or low, in others a mathematical formula is used to give a numeric score). The documentation can also indicate who is responsible for implementing actions to reduce the risk of stress and who is responsible for evaluating these as well as when the evaluation will be undertaken.

Step 5

Review the assessment

Risk assessments should be reviewed whenever there is a change or a reason to consider the assessment is no longer valid e.g. when an employee who has been absent from work as a result of a stress-related illness, or following an accident or incident at work or a personal issue, returns to work.

In any case the initial risk assessment should be reviewed within six to twelve months and then, assuming no significant change, after every one to two years. Any review should involve the team members in the review process.

At a team / department level the results of the risk assessment should inform the way in which work is organised and jobs are designed. Corporately full support should be given to the risk assessment process with it becoming a corporate priority and with all managers trained in how to undertake one, and work with their teams in doing so.

Other tools that can be used to identify levels of pressure and stress within an organisation include stress audit tools. A number of these are available, but the one referred to hereafter is the HSE's own. Downloadable from the HSE website the 35 item questionnaire is completed by staff (either within a team, department, or if possible the whole organisation). The results of the questionnaire are fed into the HSE's database and a comparison with other organisations, whose data is already in the database, is obtained. This is colour coded to enable the comparison to be made more easily.

The Comparison Guide

The following table shows a set of results obtained as part of an investigation we carried out into the causes of stress within a team experiencing high pressure. As can be seen, the majority of the results indicate that this team would fall below the 20th percentile.

	Your Results	Suggested Interim Target	Suggested Longer Term Target
Demands	 2.19	 3.00	 4.25
Control	 3.27	 3.67	 4.33
Managers' Support	 2.28	 3.24	 4.60
Peer Support	 3.16	 3.75	 4.75
Relationships	 2.72	 3.75	 4.75
Role	 3.75	 4.60	 5.00
Change	 2.21	 3.00	 4.00

Key

-  **Doing very well – need to maintain performance.**
Represents those at, above or close to the 80th percentile
-  **Good, but need for improvement.**
Represents those better than average but not yet at, above or close to the 80th percentile
-  **Clear need for improvement.**
Represents those likely to be below average but not below the 20th percentile
-  **Urgent action needed.**
Represents those below the 20th percentile

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The questionnaire was followed by a series of focus groups with managers and team members being kept separate. Trigger questions were developed to explore the issues raised by the results. Comments were recorded and analysed and used to provide additional information on the causes of the pressure and how these could be reduced. A report detailing all the information provided by the questionnaires and the focus groups was developed, and this included suggestions on how the team might deal with the issues it faced.

Having been presented with the report, the team and its managers developed an action plan to reduce the pressure that was being faced and bring about the achievement of the interim and long term targets suggested by the HSE. Ownership of this action plan by all the key stakeholders – the team members themselves, the managers and the corporate body was essential if progress was to be made.

The actions taken by the team included bringing about an improvement in the working environment, a more equitable sharing and allocation of work among team members and an enhancement of communication between managers and team members (and team members and managers), and subsequent feedback from the team indicates that improvements have been achieved. Ideally the stress audit tool will be used once again with this team in the near future to confirm this subjective feedback.

Conclusion

In order for an individual to be able to work without fear of a recurrence of work related stress, changes must be made to the source of the problem. Secondary interventions such as stress management training, awareness raising or tertiary interventions such as counselling and psychological support will have limited success if changes are not made at the organisational level. Adjusting working patterns, work volume or the nature of the work itself either permanently or on a temporary basis are essential if recovery is to be maintained.

In addition to the promotion of the risk assessment process and subsequent modifications to the design or nature of the job, the HSE have now developed a competency framework for managers whereby examples of positive manager behaviour are recommended in order to best manage each Standard topic. This enables and encourages managers to act positively in reducing and preventing stress in each topic area thus taking a further proactive approach to managing work related stress.

It is early days as yet to evaluate the impact the competency framework will have in further reducing stress at work. But the introduction of the framework highlights once again how important it is for senior management to take responsibility for, and lead the process of identifying the sources of stress within their organisation; putting in place positive steps to actively reduce it; and consistently monitoring the effects of their actions, making further changes when necessary. Only by such positive action at an organisational level will stress at work be successfully managed and hopefully reduced.

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Management's role in the conflict between individual health needs and competitive workplace demands

Martin Bürger and Rolf-Wilhelm Neuser

Mental health is a *sine qua non* and at once the result of interaction between person, behavior and conditions. As such, mental health is not a statically manifest condition but constitutes competence to actively cope with work and life.

Continuous change, work intensification, work scope expansion, time pressure, rising complexity of demands, harmonization of processes across disciplines and functions, etc.: mental and physical demands made on employees to cope with the daily work have grown enormously and moved work-induced mental stress into the focus of industrial health management.

An increasing number of people experience their working conditions as a personal threat and develop a feeling that they are no longer able to cope with them adequately.

Assumptions in Germany are that some eight million people aged between 18 to 65 suffer from some mental disorder or other problem that needs treatment. In work incapacity statistics, mental disturbances have since gained the No. 4 rank, and the Techniker Krankenkasse (a German health insurance fund) in 2003 grossed up an estimated 18 million sick days a year across Germany from that source alone.

Difficulties to concentrate on the work, irritability, depression, destructive behavior, alcohol and drug abuse, hypertension and backache are all symptoms of work-related stress. The ability to positively cope with the demands of the workday is necessary to foster the workers' individual health and moreover boost their productivity. The challenge is to bridge the gap between health-oriented working conditions and competitive workplaces.

This is a central management task, considering that management is shaping the material and social work environment. Immediate supervisors largely influence the health of the workforce and the quality of the workplace. Management also takes a hand in equitably specifying work assignments and distributing the work, in promoting cooperation within teams, in enhancing the staff's willingness to embrace their work, and in promoting awareness of their personal significance and relative importance.

In their roles and responsibilities, management personnel themselves are under considerable mental stress exposure.

Management personnel, therefore, must master the art of generating in the staff sustained incentive tension commensurate with the work demands made on them to give them personal satisfaction and ability to perform. The goal is to tailor the demands of the workplace to comply with health needs so that health risks are minimized and the staff, while accepting the demands of competitive workplaces and working conditions, will remain healthy and active throughout their working lives. Toward that end, management personnel can draw on the following resources:

1 Healthy working conditions

In its effort to create healthy working conditions, MTU's approach currently is to address mental stress indicators such as absenteeism and conflicts. This essentially involves analysis and definition of remedies to eliminate the causes of mental stress.

Examples

- ▶ Integration and absenteeism management
- ▶ Return-to-work interviews
- ▶ Job analyses / health work groups
- ▶ Dealing with escalated conflicts / mobbing

Management's role in the conflict between individual health needs and competitive workplace demands

Martin Bürger and Rolf-Wilhelm Neuser

2

Management competence

The means available for enhancing leadership competence are on the one hand aimed at enabling supervisors – in the face of constraints – to exploit existing leeways to shape working conditions in a manner such that unnecessary stresses are avoided and job requirements can readily be satisfied.

On the other, the challenge is to strengthen soft skills such as appreciation, fair treatment and appreciation, communication style and what other characteristics make up employee-oriented leadership style.

Furthermore, management personnel shall be enabled to see when too much or too little is demanded and develop suitable communication and behavioral strategies for dealing with health-challenged staff.

Examples

- ▶ Workshop: Lead to promote health – reduce unwarranted stresses
- ▶ Workshop: How to spot and deal with health-challenged employees
- ▶ Workshop: Employee-oriented leadership – appreciative employee communication
- ▶ Strengthen leadership personality – social step
- ▶ Integration of "Coping with job requirements" in CIP

3 Coping competences

The development of individual and collective health potentials essentially aims at building and strengthening individual coping and problem solving competences or finding more health-oriented alternative approaches in dealing with unalterable demands. Here, again, the basic approach is to try and resolve problems where they can be resolved.

Examples of *individual* coping competences

- ▶ Health coaching
- ▶ Stress coping seminars
- ▶ Development of conscious compensation and balancing strategies
- ▶ Health center
- ▶ Personality development and problem solving

Examples of fostering *collective* health potentials

- ▶ Team workshop: Dealing with unalterable demands – discover and strengthen social resources
- ▶ Psychosocial counseling
- ▶ Team development
- ▶ Conflict workshops

The findings of an employee survey made under an absenteeism project pursued at MTU corroborate scientific insights: It is not changes in the work organization and the work environment that are front and center in health-oriented dealing with increased mental demands, but rather it is soft skills like equitable treatment and appreciation by supervisors, non-offensive communication, constructive conduct in teams, social and functional support options, enjoyment of work and not least the desire to satisfactorily cope with challenges that do the trick.

Down the road, the decisive factor will be to what degree we are able to shape the various work characteristics so that stable subjective experiences, as of the significance of one's work, of the importance and appreciation of one's person, and of the accountability for the results of one's own work, are generated among the staff. Regardless of all intensified work demands, this will produce personal health and performance through satisfaction and motivation.

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Health management at work – is your company well enough?

Eberhard Ulich

In its 1987 declaration, the World Health Organisation (WHO) defined health as "the ability and motivation to lead an economically and socially active life". The inclusion of 'economically' indicates a view of health which has important implications for company health management. In the "Ottawa Charter" passed not long before, in which special significance was attached to the organisation of work and the design of working conditions, the work connection is expressed even more clearly (box 1).

"Health promotion targets a process of permitting everyone to achieve a higher degree of control over their living conditions and environment and therefore enabling them to strengthen their health ... People can only develop their health potential if they can also exert an influence on the factors which govern their health ...

*Box 1:
Extract from the Ottawa
Charter of the WHO 1986*

The way society organises work and the working conditions should be a source of health and not of illness. Health promotion generates living and working conditions that are safe, stimulating, satisfying and enjoyable."

This clearly shows that the WHO has integrated the relationship between quality of working life and an individual's general quality of life into its concept of health. At the Copenhagen conference (1991), the following was formulated as WHO objective 25 on the health of the working population: "By the year 2000, the state of health of workers should have improved in all member states through the creation of healthier working conditions, a reduction in work-induced illnesses and injuries as well as through the promotion of the well-being of the working population."

This objective has obviously not been achieved. Admittedly, there has been a distinct reduction in time lost and therefore costs due to work accidents; here, positive consequences of occupational safety and health activities have made themselves felt just as much as the elimination of hazardous facilities as a result of technological developments. However, the picture regarding work-related illnesses has not improved, as the following demonstrates.

Costs of work-related illnesses

Studies over the last 10 years show that illness-related absence can not only cause organisational problems for companies but also considerable costs. They also highlight the fact that work-related illnesses – and accidents – are not just an individual, family or company problem, but a factor in macroeconomic costs.

Table 1 illustrates the position from years 2001 to 2005. The proportion of work-related illnesses in the total number of days lost due to incapacity to work is estimated to be roughly 30% (Kuhn, 2000, p. 103).

Year	Employed workers in m	Illness and accident-related		Production loss in € billion	Loss of gross value added in € billion
		days of absenteeism in m	Average absenteeism per person in days		
2001	34.8	508	14.6	45.0	70.75
2002	34.6	491.05	14.2	44.15	69.53
2003	34.1	467	13.7	42.5	66.4
2004	34.7	440.1	12.7	40.0	70.0
2005	34.5	420.5	12.2	37.8	66.5

Table 1: Illness and accident-related days of absenteeism and economic costs from 2001 to 2005 in Germany (from information supplied by the Federal Institute for Occupational Safety and Health and reports by the federal government)

The number of work and accident-related days of absenteeism in this period shows a steady decline. The number of days lost in each case of absence has decreased over the period by 2.4 days.

However, falling sickness rates do not necessarily mean that the health of the workers has improved. So-called presenteeism, i.e. presence at work in spite of illness, could play a role in this respect. "The results of a recent survey among 2000 employed workers on the subjective assessment of their own health and their behaviour when ill, document once again a high degree of presenteeism in German companies" (Zok 2008, p. 141).

In fact, results from the fourth European Work Conditions Survey (Eurofound, 2007) conducted in 2005 with the inclusion of a representative sample of the working population in the EU 27 and four other countries, are remarkable as they show that musculoskeletal disorders (MSDs) "related to stress and work overload are increasing" (Eurofound 2007, p. 2). An extract from the correlations between stress and MSDs is shown in table 2.

Details on stress	Back pains	Muscle pains
No stress	11.2	9.1
Stress	71.1	68.4
Total	25.6	23.8

Table 2: Back and muscle pains as a function of reported stress for 2005 (Eurofound, 2007) (figures in %)

Health management at work – is your company well enough?

Eberhard Ulich

Health promotion and work design

Although the importance of 'circumstance-directed' interventions, usually prompted by changes in work design, is again being emphasised, the focus of most workplace health promotion activities is still on people-related interventions, such as changing their behaviour. However, cost estimates of the Federal Institute for Occupational Safety and Health, for example, show that a considerable proportion of work-related illnesses are caused by working conditions. Even though behaviour-directed and circumstance-directed strategies are interactive to some extent, the principle nevertheless applies that "in the inherent logic ... behavioural prevention always remains subordinate to circumstantial directed prevention" (Klotter 1999, p. 43). A holistic concept of company health management, with the integration of behaviour and circumstance-oriented measures, is given in the Luxembourg Declaration (box 2).

1. Participation: The entire workforce must be involved.
2. Integration: WHP must be integrated in all important decisions and in all areas of organisations.
3. Project management: All measures and programmes must be oriented to a problem-solving cycle: needs analysis, setting priorities, planning, implementation, continuous control and evaluation of the results.
4. Comprehensiveness: WHP includes both behaviour-directed and circumstance-directed measures. It combines the strategy of risk reduction with the strategy of the development of protection factors and health potentials.

Box 2:

*The Luxembourg Declaration – WHP
Guidelines (1997)*

The following features of work design which promote personality and health are listed in the European standard EN 614-2 (box 3).

"In the design process, the designer must

- a) allow for the experience, skills and abilities of the existing or expected operator population....
- b) ensure that the work tasks to be performed can be recognised as complete and purposeful work units with a clearly identifiable start and end and do not represent individual fragments of such tasks....
- c) ensure that work tasks performed can be recognised as an important contribution to the overall result of the work system....
- d) permit the use of a reasonable range of skills, abilities and activities....
- e) ensure a reasonable amount of freedom and independence of the operator....
- f) ensure sufficient feedback, purposeful for the operator, in relation to the performance of the tasks....
- g) permit the operator to apply and further develop existing skills and abilities and acquire new ones....
- h) avoid underchallenging or overworking the operator which may result in unnecessary or excessive strain, fatigue or mistakes....
- i) avoid repetitive tasks which may lead to a one-sided workload and therefore to feelings of monotony and saturation, boredom or dissatisfaction....
- j) avoid the operator working on his own without any opportunity for social and functional contacts....

These features of well-designed work tasks of the operator must not be infringed in the design of machinery."

Box 3:

Features of well-designed work tasks according to DIN EN 614-2

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The importance of company work design can be shown, for example, through musculoskeletal diseases. These disorders are the main causes of illness-related absenteeism in all European countries. The reasons for this can be found, on the one hand, in a lack of movement and one-sided physical loading - as can be seen in numerous cases such as VDU work etc – and on the other hand in factors such as lack of autonomy/latitude in performing the activity and completeness of the tasks, which can lead to a build-up of tension and stress which in turn has been shown to be a contributory factor for musculoskeletal problems.

For example, Lundberg (1996) was able to show that musculoskeletal diseases occur less frequently in group work structures where employees have more autonomy than in work structures based on the division of labour where the same products or services are repeatedly made or provided. It was shown that physiological workload reactions – and classification by the workers themselves of the fatigue experienced – increased in the structures based on the division of labour over the course of a shift, reaching their peak at the end of the shift. In the more flexible group work structure, "a moderate and more stable level throughout the shift" was found (Lundberg, 1996).

Furthermore, Melin et al. (1999) found that, in a study of workers who assembled the same product in different production structures, more favourable physiological characteristics were recorded from the start to the end of a shift - and a better ability to recover after the shift – in partially autonomous groups, compared with situations where work was broken down into individual elements.

The following also applies: A work design which promotes personality and health is, at the same time, also an 'ageing-appropriate' work design.

Ageing-appropriate work design

It has been observed for some years that the willingness to continue employing, promoting or even recruiting 'older' people has decreased in numerous companies. There is now talk of actual age discrimination (Naegele, 2004), illustrated by the following patterns of behaviour:

- ▶ Younger people are systematically given preference as new recruits; older people always have fewer chances.
- ▶ The empirical knowledge which older people have is only appreciated to a small extent; as a result, important resources remain unused.
- ▶ Older workers are increasingly assigned less demanding tasks; in fact, the influence of demanding work activities on mental performance still increases with age.
- ▶ Older workers are involved less than younger ones in vocational and further training programmes; their employability therefore also decreases over the course of time.
- ▶ Older workers have fewer chances of promotion in a company than younger ones; this also indicates a lack of respect.

As a result, older workers have been turned into a problem group which some employers try to solve through measures such as early retirement or early invalidity.

The causes of such behaviour are founded in a lack of knowledge and in prejudices regarding the performance potential of older people. In fact, numerous studies show that ageing is in no way linked to an automatic decline in performance. Ageing does have negative effects on vision and hearing, physical strength and speed of movement, reaction times and speed in learning and processing complex information. However older people frequently have strategies which can readily offset these disadvantages (Ilmarinen and Tempel, 2002, Semmer and Richter, 2004). Owing to their experience of life they can frequently understand complex relationships more easily and can differentiate the important from the unimportant better. Even though they cannot always cope with load situations as well as younger workers, many older people have learned, on the basis of their work experience, how to avoid the occurrence of such situations with foresight. It is therefore a fact that older and younger people do not necessarily differ from one another in their overall performance, even though individual differences in their physical and mental capabilities become greater with increasing age.

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The scatter of performance potential, which becomes greater with age, is, on the one hand, attributable to differences in health and, on the other, to differences in training and experience. For example, the results of various studies confirm that the positive influence of demanding work activities on mental performance still rises with increasing age. This confirms at the same time that work design which promotes personality and health in early years is comparable with ageing-appropriate work design (Ulich, 2005). Features of work design which are not ageing-appropriate can mainly be found in companies with structures largely based on the division of labour, the resultant one-sided workloads and without any possibility of developing through informative work activities. In this connection there is also talk of "man-made" ageing (cf. box 4).

"Living and working conditions can accelerate ageing (you can age prematurely) or ideally delay ageing, too... Accordingly, a difference must be made between the calendar and biological ages. Working conditions detrimental to health, for example neurotoxic gases in the air we breathe, accelerate ageing. Therefore, 30-year-olds exposed in this way can have the biological age of 45-year-olds not exposed and their small physical and in some cases mental capabilities. Vice versa, health-promoting and training work processes could, in principle, also delay ageing-correlated declines in performance; at present, working conditions which age people prematurely still appear to predominate in the majority of work processes" (Hacker, 2004, p. 164)

Box 4:

Biological and man-made ageing

The fact that the design of some working conditions accelerates ageing processes is still not widely recognised enough. For that means that companies themselves – not knowingly and even less intentionally – possibly contribute to premature ageing by the way in which they design the working conditions for the people they employ. In practice, this may lead to avoidable premature ageing among workers, with the people affected even being dismissed, sent into early retirement or made invalids owing to the resultant drop in performance. "Because there are possibilities of externalisation, companies can afford to design workplaces and careers so that they subject work ability to premature wear..." (Behrens, 2004, p. 495). These companies obviously damage their own interests in the long term. It cannot be a good idea to prematurely age those from whom a continued skilled contribution is expected.

Conclusion

The significance of the issues referred to above make a strong case for health management to become an integral part of the company management and an important element of "Corporate Social Responsibility" – and reported on as part of the company's overall performance. This in no way obviates the responsibility on individuals to lead healthier lives as far as possible, while recognising that professional support will be needed as appropriate.

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New forms of work organisation: the high road to innovation

Peter Totterdill

Policy makers, social partners and others have an interest in promoting types of work organisation which enable all employees to use their talent and creative potential to the full. For business this creates indispensable conditions for innovation and enhanced productivity through workforce motivation, retention and innovation.

For employees there is ample research evidence that such conditions enhance self esteem, health and satisfaction at work. From this perspective quality of working life is simultaneously a competitive advantage and a social good, addressing Europe's concerns with, for example, lifelong learning, the retention of older employees, and the reduction of long-term sickness. Moreover the potential for achieving such 'win-win' outcomes is not just apple pie wishful thinking. While a generalised statistical relationship between performance and participative work cultures remains elusive, there is ample qualitative research and case study material to demonstrate the conditions under which convergence can take place (see for example the Hi-Res study at www.ukwon.net).

The future of work and organisations

The past is an increasingly unreliable guide to the future. Changes in technology, markets, regulation, global politics, the environment, demographics, markets and the expectations of employees place adaptability and innovation at a premium – in business and public policy alike.

In this increasingly fierce global environment it has long been clear that "low road" strategies of cost leadership, speed and standardisation cannot build sustainable competitive advantage. Rather Europe needs to compete by utilising its innovative potential to the full. Increasing cultural diversity can be a source of creativity. Companies (including public sector institutions) need to reinvent their products and services on an almost continuous basis and in ways that can't easily be imitated by their competitors. The rate at which companies translate the creativity, experience and tacit knowledge of employees at all levels (and that of other stakeholders such as customers and suppliers) into a shared resource for innovation becomes a major determinant of competitive success. This "high road" alternative is often referred to as the "knowledge economy", the paradigm which has underpinned the EU's Lisbon Strategy.

Yet a successful transition to a knowledge economy should not be taken for granted. Companies are facing unprecedented challenges including a level of volatility in the global business environment which requires constant vigilance, versatility and innovation. Old styles of managing and organising work can't deliver such adaptability. Yet despite the claims of consultants and bookstall gurus, there are no blueprints or easy paths to sustainable organisational innovation. Indeed most change initiatives fail, arguably because they are focused too much on the quick fix. Sustainable change is messy and uncertain, involving the painstaking engagement of all stakeholders in a process of gradual learning, dialogue, experimentation, and trial and error. Yet there are some extraordinary stories of transformation emerging from European workplaces.

'High road' change is based on long-term innovation rather than the 'low road' of short-term cost cutting measures, and seeks win-win outcomes for management, employees and other stakeholders. The remainder of this paper focuses on the journey to the high road.

Towards the high road organisation

What evidence is there of the high road in European workplaces? UKWON and its European partners studied new forms of work organisation in 120 organisations across the EU (see the Hi-Res report at www.ukwon.net). Drawing on evidence from this study, as well as on our direct experience of change in several organisations, two interdependent "arenas" of organisational innovation can be identified. In this context "arena" implies a "design space" in which dialogue, experimentation and learning can take place, without a prescriptive blueprint to determine the outcome. Critically the task is not to try to catch up with 'best practice' but to develop a strategy firmly orientated towards the creation of innovative and self-sustaining processes of development. External knowledge, ideas and experience may inform learning and experimentation within individual enterprises, but it is unlikely that there will be indiscriminate adoption of external solutions without some form of adaptation and shaping by local stakeholders. Work organisation is a reflexive process – not an end state.

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Workplace partnership as organisational development

Partnership between management, trade unions and employees is increasingly recognised as a means of building effective employment relations. To some extent it is embedded in European regulation (for example the *European Works Council* and *Information and Consultation Directives*) as well as in the national legislation of some countries. Partnership arrangements vary widely within Europe, but are often based on formal agreements between management, trade unions and workforces and on the creation of structures (such as works councils) within which trust-based dialogue on strategic challenges and opportunities for the enterprise can be established.

There is increasing evidence of constructive dialogue between management and employee representatives around major restructuring (such as acquisitions, mergers and takeovers) in which negative consequences for employees are ameliorated and/or where principles of gainsharing are introduced. The benefit for management is that they gain access to the tacit knowledge and experience of front line employees so that outcomes can better reflect “what works.”

Dialogue can also transcend traditional employment relations concerns to become a motor for workplace innovation in ways which lead to benefits for company performance and for employees. Employee and trade union representatives can negotiate measures which, for example, improve quality of life through changes in job design to eliminate monotonous work. Such negotiations can also enhance employee engagement through the development of empowered teams (see below) or continuous improvement mechanisms, both of which can lead to improvements in quality of working life as well as competitiveness. Partnership bodies can also become guardians of the quality and sustainability of such workplace innovations, resisting tendencies towards “innovation decay.” Thus representative or *indirect* workforce participation can create an environment for the stimulation of *direct* employee involvement in day-to-day work.

Empowered job design and participative teamworking

Partnership from the high road perspective moves beyond representative structures and participation mechanisms to make a direct impact on the task environment. Building a workplace in which employees can develop and deploy their competencies and creative potential begins with job design. According to standards of job design developed in The Netherlands (the *WEBA* instrument) for example, employees at all levels should be able to assume responsibility for day-to-day decisions about work through co-operation or communication with others. Systematic opportunities should exist for problem solving through horizontal contact with peers. The ability of the employee to adapt the execution of work to changing demands, circumstances and opportunities is an essential prerequisite for occupational learning and reduces stress. The job should contain demonstrable opportunities for analysis, problem solving and innovation, in which the working environment is a place of learning. A high frequency of horizontal and vertical contact is required to support problem solving, learning and innovation, taking the form of ad hoc co-operation, formal and casual discussions, and possibly social contacts outside the work sphere. 'Distributed intelligence' throughout the organisation is also required to support problem solving, ensuring that knowledge and expertise are widely shared or readily accessible by individuals throughout the organisation.

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However, effective job design must develop within the wider organisational context. The key concept here is teamworking, one of the defining characteristics of new forms of work organisation with deep roots in European thinking about management and organisation. However 'teamwork' is used to describe such a diverse range of workplace situations that arguably the term has become meaningless. While teamworking may refer to a general 'sense of community', or a limited enlargement of jobs to enhance organisational flexibility, in a high-road sense teamworking will involve a radical re-appraisal of jobs, systems and procedures, throughout the whole organisation. What distinguishes a team in the sense used here from a collection of workers who merely work in the same department is the degree of autonomy enjoyed in relation to formal line management structures. However it is also necessary to consider the quality of dialogue and innovation which takes place inside the team. If teams are to be more than decentralised units for the production of a given product or service, all team members must have the potential for a high level of reflexivity unconstrained by internal demarcations and privileges. Teams in which the specific knowledge and expertise of each team member are valued and make a tangible contribution to product and workplace innovation meet important criteria for convergence between enhanced productivity and quality of working life.

Participative teamwork as a building block of partnership

Teamworking cannot be seen as a discrete set of practices within an organisation. Rather it is closely interwoven with the partnership practices discussed above. This is illustrated in Figure 1 (below) which demonstrates the relational pathway between teamworking, the enterprise and partner organisations. Team-based approaches can be designed according to both low road and high road rationales. Teamwork can mean little more than multi-skilling and job enlargement on the floor of a factory, office or clinic. At this basic low road level, functional flexibility achieved through job rotation can achieve tangible gains for the employer, though in many such cases job enlargement can result in greater pressure and stress rather than job enrichment.

Certainly the extent to which teams enjoy control over the work environment is critical. Thus high road teamworking achieves flexibility by enabling employees to take overall responsibility for the production of the product or service. Within the team this will involve significant latitude for autonomous scheduling and planning, as well as opportunities for reflection and continuous improvement.

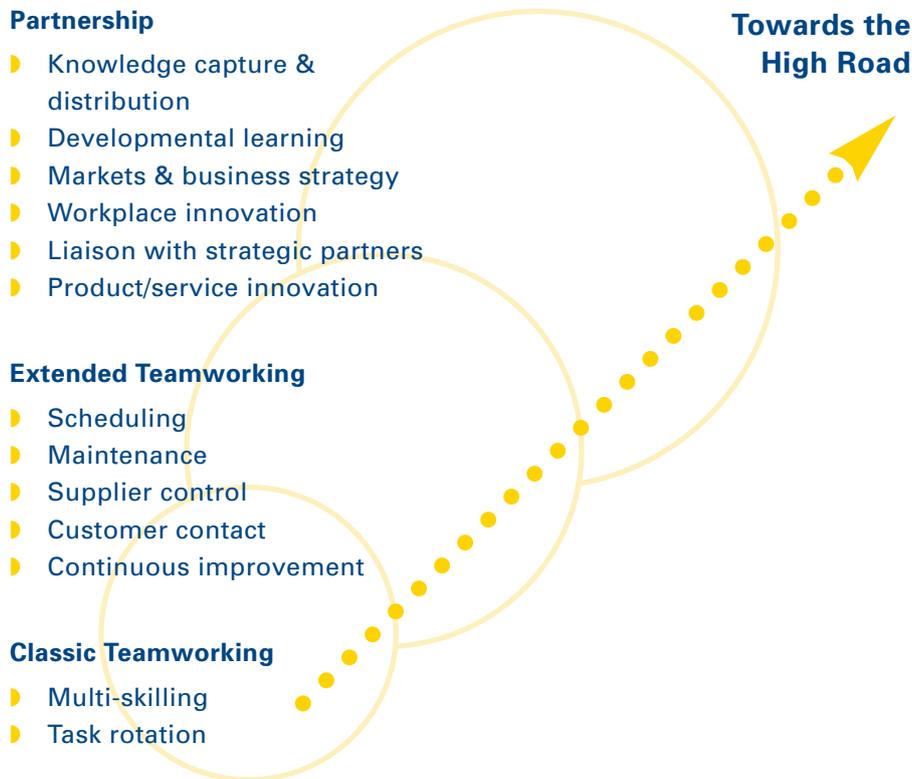


Figure 1:
From teamworking to partnership

As Figure 1 shows, the high road may also lead to “extended” teamworking including external problem solving and innovation through direct involvement with customers, suppliers and other parts of the supply chain, rupturing the organisational boundaries of ‘classic’ workgroups (Hague, den Hertog, Huzzard & Totterdill, 2003). Inter-organisational teamworking between customers and suppliers is likely to increase with the emergence of complex product networks facilitated by ICTs and involving frequent horizontal collaboration between employees at all levels.

Internally, the boundaries of teams may become more fluid – in contrast to the definitions cited earlier – as organisational structures evolve responsively around client or product needs rather than reflecting traditional demarcations. For example ABB Cewe, a Swedish manufacturer of electrical switchgear, took clear action to close the gap between design and production functions by relocating development engineers onto the shopfloor. A distance of 30 metres along the corridor, it was argued, was sufficient to prevent adequate flows of information and knowledge between the two areas of activity. Direct involvement of production employees in the development process reduced lead times, reduced production difficulties and enriched jobs.

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Characterised by dialogue and trust, extended teamworking offers a positive trajectory for quality of working life, offering scope for personal development through self-direction, building wider relationships and participation in both operational and strategic innovation.

Figure 1 shows that teamworking blends with partnership through the medium of productive reflection, knowledge creation and innovation. The Tayloristic separation of day-to-day operations from development functions has long been understood to extend the trial and error cycle in the introduction of new products and services, inhibiting flows of information between operational and developmental functions and preventing the tacit knowledge of operational employees from being utilised within the innovation process. Building on, but moving beyond continuous improvement, high road models seek to integrate production and innovation. This has been called “High Involvement Innovation” in which the systematic involvement of employees at all levels in the continual reinvention of products and services is integral to “the way we do things around here.” Critically there is a clear link between overall corporate strategy and its deployment down to the various problem-solving teams. High Involvement Innovation is also part of individual behaviour: people define innovation as a core part of their job and not an add-on. Individuals seek out opportunities for learning and personal development through active experimentation and by setting their own learning objectives), while the organisation captures and shares the learning of individuals and groups. Employees are often involved in several different activities from work-group teams to cross-functional and even inter-organisational teams. The whole ethos is one of change: constantly searching for ways to improve things and not leaving things as they are unless there is a good reason.

Integrating partnership and teamworking through dialogue

We have presented partnership and teamworking as the principal, mutually reinforcing dimensions of the high road organisation. On the one hand partnership creates the context and the safeguards for the empowerment and engagement of front line employees. Research and experience abound with failed attempts to empower frontline staff in the absence of a partnership culture. Empowerment threatens traditional ways of managing, from the top of the organisation to the frontline supervisor. It is as though the organisation develops antibodies to protect its established order against infection from new practices. Managers accustomed to playing a policing role feel threatened by empowerment, and can consciously or unconsciously subvert change. In short, partial change is a recipe for innovation decay. Change needs to be reflected throughout the system. Empowerment at operational level needs to be monitored and protected by a partnership structure characterised by strong nodes of communication with the frontline and the authority to enforce its values throughout the line management structure.

At the same time, partnership itself thrives when it is supported by an engaged and empowered workforce. Academic critics of partnership point to studies which show a divide between employee or trade union representatives on partnership forums and workers at the frontline, citing this as evidence of tokenism or incorporation. Indeed the position of representatives, and the nature of representative participation itself, can be fraught with ambiguity, especially in companies where the organisation of work does not provide opportunities for productive reflection and dialogue. However team-based working practices can generate the reflection and insight capable of informing partnership dialogue at the strategic level of the organisation. Issues and opportunities that cannot be addressed by teams themselves or by horizontal collaboration between teams may reveal the need for systemic action at corporate level. Partnership structures can provide the means of gathering and assimilating such intelligence, instigating strategic dialogue around solutions that achieve positive outcomes for the company *through* employee involvement and creativity.

The glue that binds representative partnership at the corporate level of the enterprise with direct participation at the frontline lies in knowledge sharing. Boards, senior managers and sometimes partnership forums may enjoy a sophisticated level of knowledge and insight into the threats and opportunities that face the company, enabling them to make informed strategic choices. However these choices often have profound implications for day-to-day working practices, even though the strategic decision makers' knowledge of "what works" on the ground is likely to be limited.

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The tendency from the corporate level is often to see the organisation as a “black box” which is meant to deliver the required outputs in response to directives from the top. Delivery failures are seen as dysfunctional – rather than as a potential cause of reflection on the nature of the directive itself. Frontline employees, in contrast, tend to know that management instructions need to be interpreted and adapted in order to make them work in a practical way. This process of interpretation and adaptation is grounded in the tacit knowledge that employees gain through experience, often learnt through extensive trial and error and the sharing of ideas with peers. Even in the most strictly regulated and Tayloristic work settings, the use of tacit knowledge is rarely absent as a means of improving practice or solving unexpected problems. Participative teamworking is a way of recognising and celebrating tacit knowledge as the ingredient that keeps most organisations going. However the practice of teamworking in this sense must incorporate spaces in daily working life that enable workers at all levels to stand back from the task in hand in order to question established methods. Dialogue must constitute a core value of organisational culture: the aim should be to prize the force of the better argument over the force of hierarchical position.

Partnership and participative teamworking should therefore be seen as a double helix, one in which tacit knowledge and strategic knowledge combine as a means of enhancing the workability of corporate decisions and of aligning team activity and reflection with wider business goals. On this basis the high road company can be represented as a virtuous circle (Figure 2, below).

Conclusions

Research evidence confirms that convergence between sustainable competitiveness and healthy working is possible, but also makes clear that there is no one route to the high road, and that the journey is inevitably complex and messy. Can the approach outlined in the previous section lead to convergence? No model can guarantee positive outcomes for all stakeholders: such results depend on the quality, continuity and integration of dialogue at all levels. The above approach provides a framework in which high quality dialogue can be achieved, quality in this sense embracing the inclusion of all stakeholders and the provision of spaces in day-to-day working life for productive reflection. Likewise learning from successful cases is valuable as an inspiration for change but can never provide a blueprint for different organisations with diverse histories and contexts.

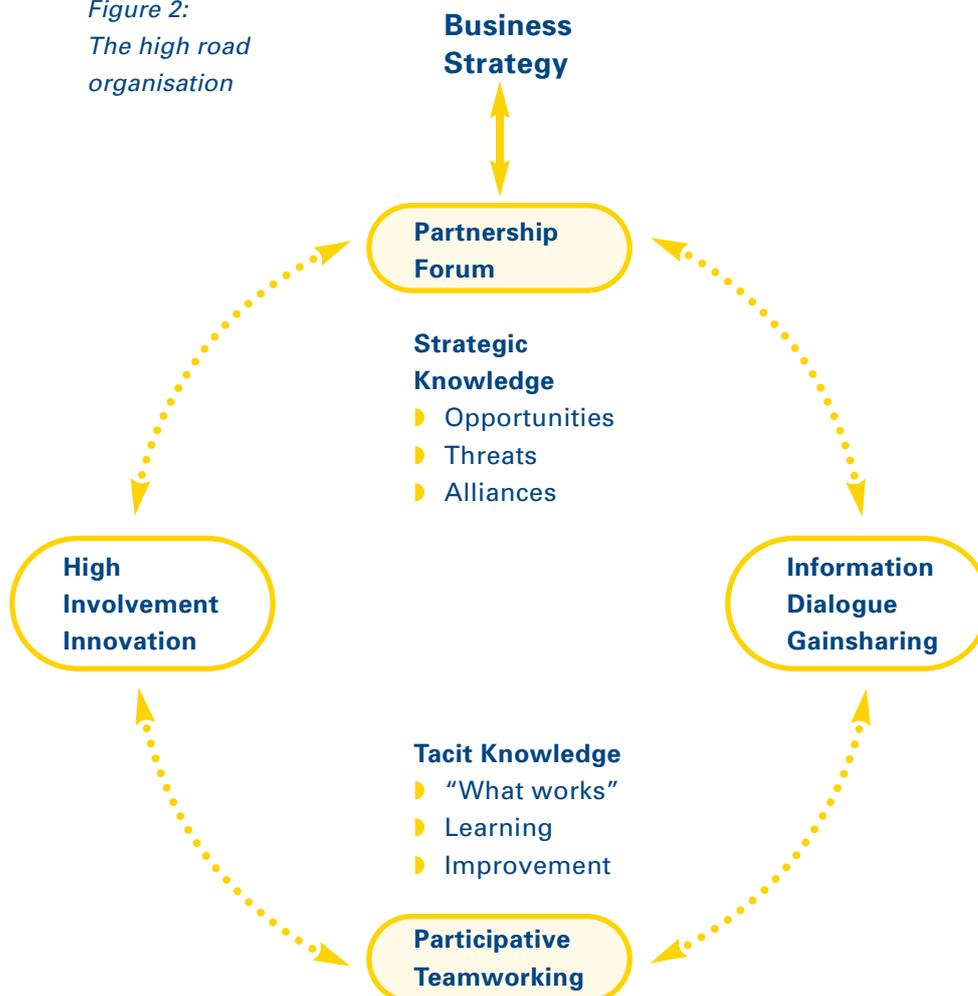
However the commitment, capacity and competence of managers, employers' organisations, unions, employee representatives and employees are also crucial determinants of outcome. Healthy working within a sustainably competitive economy involves choices for individuals and for wider European society: we cannot reach the high road one workplace at a time.

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Figure 2:
The high road
organisation



The author is a founding member of the UK Work Organisation Network (www.ukwon.net), established in 1998 as a consortium of social partners, business support organisations and universities. UKWON has two principal objectives: (i) to explore the future of work and organisations; (ii) to address the substantial gap between leading-edge practice and common practice in the organisation of work within enterprises. Our aim is to address a key European dilemma: how to change the organisation of work in ways which improve performance and productivity and enhance quality of working life for all employees? This question is central to Enterprise for Health in making the business case for healthy and participative corporate practices.

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Health & work: the global challenge

Jean-François Caillard and Gregor Breucker

Surveys, medical statistics and reports in the media continue to paint an increasingly gloomy picture about the state of people's health in many countries. Across Europe, governments, agencies, medical practitioners and other groups recognise the struggle they face to check the downward spiral into illness, incapacity and obesity.

It is a battle we must win – at stake are not only economic prosperity, but quality of life and the maintenance of the social support systems we have come to take for granted.

The general state of health, when measured by body weight, alcohol and nicotine consumption and the exercise habits of the population, is deteriorating. And that not only applies to adults, but increasingly to younger generations. Paediatricians and teachers are reporting that the physical performance of children and teenagers is showing below-average development. The primary public focus for this is physical inactivity and our eating habits.

Both areas of health behaviour are now high on the political agendas of national and European health policies. The EC's green paper "*Promoting healthy diets and physical activity: a European dimension for the prevention of overweight, obesity and chronic diseases*", started the health debate in 2005. At present, the Commission runs an EU platform for action on diet, physical activity and health (http://ec.europa.eu/health/ph_determinants/life_style/nutrition/platform/platform_en.htm) and last year presented a white paper on a European strategy to combat overweight and obesity (Commission of the European Communities 2007).

In the EU in 2006, 30% of people were estimated to be overweight – an alarming statistic with consequences for a host of chronic diseases such as cardiovascular problems, high blood pressure, type-2 diabetes, strokes, certain types of cancer and even a number of mental illnesses. In the long term, this will have a negative impact on the life expectancy of people living in the EU and reduce the quality of life of many people (Commission of the European Communities 2007).

Chronic diseases on the advance – worldwide

Reports from the World Health Organisation confirm a global upward trend in the burden of disease. In 2005, some 60% of the world's mortality was attributable to noncommunicable chronic diseases. An estimated 35 million people worldwide died of these diseases and the five most important are cardiovascular diseases, strokes, cancers, diseases of the respiratory tract and diabetes (WHO 2005).

According to the estimates of WHO experts, this trend will intensify in the near future with chronic diseases spreading most rapidly in emerging countries. Moreover, it is a mistake to assume that chronic diseases mainly affect older generations: Almost half of the deaths attributable to chronic diseases involve those aged under 70 – and therefore the workplace has emerged as an area of major importance in efforts to tackle this largely "unidentified epidemic" (World Economic Forum 2007).

In Europe, the trend is even more apparent: Chronic diseases were responsible for some 77% of the overall ill-health burden and 86% of mortality in 2005 (WHO Europe 2006).

Group of causes (selected leading NCD)	Disease burden (DALYs) (000s)	All causes (%)	Deaths (000s)	All causes (%)
Cardiovascular diseases	34421	23	5067	52
Neuropsychiatric conditions	29370	20	264	3
Cancer (malignant neoplasms)	17025	11	1855	19
Digestive diseases	7117	5	391	4
Respiratory diseases	6835	5	420	4
Sense organ disorders	6339	4	0	0
Musculoskeletal diseases	5745	4	26	0
Diabetes mellitus	2319	2	153	2
Oral conditions	1018	1	0	2
All NCD	115339	77	8210	86
All causes	150322		9564	

*Table:
Burden of disease and deaths from NCD in the WHO European Region, by cause (2005 estimates)*

DALYs: disability-adjusted life years.

Source: Preventing chronic diseases: a vital investment.
Geneva, World Health Organization, 2005

(http://www.who.int/chp/chronic_disease_report/full_report.pdf, accessed 30 August 2006).

A relatively small number of diseases account for a large proportion of this in Europe, notably cardiovascular diseases (23%), mental health problems (20%) and cancers (11%). On the whole more than half of all deaths are linked to cardiovascular problems.

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There is another trend impacting on the increasing spread of chronic diseases globally – and that is growing social and economic inequality, within and between countries. This inequality also extends to the unfair distribution of health opportunities. Chronic diseases and the factors causing them occur more frequently in the poorer and vulnerable population classes. People in groups with a low socio-economic status are at least twice as likely to become seriously ill and die prematurely than people in more privileged population strata (WHO Europe 2006).

Causes of the "secret epidemic" of chronic diseases – the search for answers....

On the face of it, the causes for this alarming prevalence of diseases seem simple: Almost 60% of significant health problems, estimated in DALYs (disability adjusted life years), is caused by only seven risk factors: high blood pressure (12.8%), tobacco (12.3%), alcohol (10.1%), high blood cholesterol (8.7%), obesity (7.8%), low fruit and vegetable intake (4.4%) and physical inactivity (3.5%). (Europe 2000). All major chronic diseases are attributable to these factors in different combinations and with different interactions. It immediately becomes apparent that our exercise and eating habits have a massive effect on the overall picture.

Given the clarity of the problem, then the solutions might also, at first, appear to suggest themselves: In principle, all the risk factors mentioned can be influenced by changes in behaviour, prompted by prevention and health promotion activities. Each individual could permanently lower his or her own risk of disease by changing eating and exercise habits. Personal health appeals backed by effective programmes and tools should, in theory, help to counteract widespread obesity and physical inactivity.

However, the current figures speak a clear language; education and information alone have not resulted in any lasting change in behaviour. Many anti-smoking campaigns have repeatedly confirmed that people expose themselves (and often others as well) to risks (even fatal ones) to their health in spite of improved knowledge.

The causes in fact go much deeper and are connected to a host of social and economic changes. Advances in modern medicine distort the view of many people of the impact of their behaviours on their health; while they may be aware of the dangers of certain activities – or inactivities – they appear to have a blind faith in their local health service to fix any problems. There has been a big rise in the number of individual health advisors in both nutrition and exercise. Fitness-oriented lifestyle advice has advanced to become an extremely profitable business – but regrettably with only limited effect.

Lifestyles describe patterns of values, attitudes, experience, interpretation and behaviour related to people, groups and populations. They represent the result of prolonged interaction and/or conflict between people (individually and collectively) and their respective living and working conditions. Lifestyles contribute to the formation of identity and are also influenced by socio-economic position as well as other status features, such as gender, age, ethnicity and religion and are acquired through learning and forming habits.

Max Weber, the German sociologist, conceived the difference between "life conduct" and "life chances"; life conduct embraces the attitudes, patterns of behaviour and preferences for which the individual is responsible, while life chances involve the relevant living and working conditions (Siegrist 1998).

In sociology, the debate is still going on about the relative importance of social life chances and individual life conduct, but there is consensus that both aspects have to be taken into account if lifestyles are to be understood and changed. And it is precisely this that may be the explanation as to why chronic diseases were apparently able to become so widespread unchecked. It is quite obvious that the interaction between individual life conduct and external social life chances creates a collective and even global orientation towards an unhealthy lifestyle.

Another aspect of today's understanding of lifestyle development also stems from Max Weber. Whereas class membership was influenced by the position of the individual in the 'production process', lifestyle was reflected preferences and patterns of consumption (Cockerham et al. 1997). European consumers exhibit strong nutrition trends which have influenced – and have been influenced by – huge changes in the industrialised production of food. For example, while the consumption of fruit, vegetables and grain products has declined, the consumption of – especially – unsaturated fats and meat products has greatly increased. Although food is offered in excess, access to healthy foods is severely limited for some population groups.

This extensive industrialisation of food production, in conjunction with a fast-food eating culture promoted by major marketing strategies, has had a substantial effect on healthy nutrition.

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Many examples could be provided of how the eating habits of broad population classes could be influenced through changes in the composition of food items and related advertising strategies. The new EU strategy in the field of nutrition, overweight and obesity is aimed at creating more options and possibilities for healthy eating choices (Commission of the European Communities 2007). One small example of this is the Commission's announcement that it will permit surplus production of fruit and vegetables to be passed on for consumption in schools. Measures to promote a more healthy composition of food (reformulation) are aimed in the same direction.

Similar efforts have also been made to get people to exercise more, including the promotion of physical activities through such things as organised sport and cycling to work, to active leisure pursuits. In this we are up against the exercise-reducing effect of "media mass consumption", especially among children and teenagers. The average time spent by adults and youngsters per day in front of the television or computer consoles by far exceeds the average time spent per week on physical activities. The Internet and multimedia may have brought huge advances in communication, productivity and leisure options, but the downside is they have also indirectly helped foster the spread of chronic diseases and thus undone the gains achieved through expenditure on health care, health promotion and, in the workplace, efficiency and productivity.

The contribution of a corporate health policy towards promoting a healthy lifestyle

Promoting a healthy lifestyle has long been an integral part of corporate health policies. Such things as healthy canteen food and company sports activities were part of broad programmes of prevention in major companies at an early stage, supplemented by routine occupational medical check-ups and safety analyses.

The economic and HR effects of the increase in chronic diseases are now gradually appearing on the radar screens of many company HR policies, particularly in view of demographic change. There is also an ongoing discussion in the world of work about what measures and strategy mix can be used to reverse present trends and usher in healthier lifestyles.

It is increasingly difficult for individuals to master the growing demands of their jobs in a period of decreasing efficiency and ageing workforces. One hurdle in the development and implementation of innovative strategies, however, is the traditional and predominant philosophy according to which health is a 'private matter' and part of one's personal autonomy.

This basic viewpoint is still a pronounced – if unspoken – element of the consensus in many sectors of society. The public debate about the consequences of health-endangering lifestyles is also made more difficult by appeals to the individual's personal responsibility.

A corporate health policy can make an important contribution here, in that it develops health as part of the corporate culture. This also includes fostering the employability of individual workers, a precondition for employment security, which either replaces job security or increasingly supplements it. Health is a key element in employability – and vice versa.

The partition lines existing between the world of work, ageing, education and the family tend to make co-operation across these phases of life more difficult. The alarm signals sent out by the current lifestyle development of up-and-coming generations show that companies simply cannot ignore these social changes unless they want to abandon the quality of future labour markets as a cornerstone of their corporate HR policy.

The demography-driven competition for tomorrow's young talents is forcing people to think and act across different sectors. The social responsibility of companies and their competition strategies are closely allied in this respect. Efforts to create a better balance between the world of work and other parts of their employees' lives are an important approach to boost health in society.

This also applies to the "difficult and sensitive" issue of social inequality. Changes in general living conditions in developed societies lead to different family environments. New risk situations arise which may result in an individual's marginalisation in society and particularly in work. Precarious family situations based on an accumulation of several risks (education, income, family status, children) give rise to precarious lives and, with the working.

Population on the decline, increase the precariousness of labour market segments, bring medium and long-term disadvantages for companies and also affect the competitiveness of whole economic regions in the global competition race.

A policy of the comprehensive promotion of healthy lifestyles is therefore becoming a key element in the strategy and action mix with which companies can successfully face up to global competition and the constant change it involves.

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Guidelines for company practice

Two key principles have emerged from the current situation:

- 1 Measures and programmes to improve individual health-related lifestyles should be aimed at a holistic healthy corporate development.
- 2 The health-related lifestyle issue goes far beyond the world of work and can only be successfully tackled by co-operation between a company and external stakeholders. Social responsibility and work-life balance are two key elements in this direction.

Comment on the 1st key principle

The occupational safety and health and workplace health promotion fields have developed a wealth of programmes and activities on lifestyles. Many individual measures represent valuable tools on their own. The knowledge and experience of changing behaviour at organisational levels is extensive. The previously limited effect of such activities has less to do with the measures themselves than the lack of integration of philosophy and activities into the overall development of a corporate culture.

Fundamentally, it involves a new understanding of health. As long as the social partners, companies and workers regard health as merely a "private matter", we will not succeed in achieving sustained and substantial improvements. The economic consequences at the macro and micro levels are serious – especially against the backdrop of demographic change – and also jeopardise the further development of the European social model which still aims, as part of a programme, to achieve a balance between economic development and social justice.

The new understanding interprets health as an individual, collective and corporate skill to keep the constantly changing competition and work demands in equilibrium with the individual, collective and company-related resources. Health is more than just the absence of illness and goes far beyond the traditional understanding of natural science. In the world of work, the quality of leadership and worker participation are the key motors for a comprehensive healthy company development. The quality and latitude for action in the organisation of work tasks is largely influenced by leadership behaviour, everyday consultation between supervisors and workers and it also affects the degree to which the workers identify with the company. If demands and resources are in equilibrium here, this provides the best conditions for a healthy company development both economically and socially.

The lifestyle issue and the current rise in chronic diseases may also be understood as a symptom, among others, of a growing imbalance between demand and resources. The corporate health policy may evolve into a strategic factor in the company which helps to redress this balance and continually refine it. Healthy physical activity and food – the two key areas of the present health debate – should be fostered by the entire corporate culture of an organisation by creating general conditions and incentives as well as offers of information and changes in behaviour. Ergonomic workplace design and group-related offers of physical activity (from the exercise break at the workplace to company sports activities) are two sides of the same coin; they help to prevent musculoskeletal disease and almost all other chronic diseases.

Comment on the 2nd principle

When we enter the world of work as young adults, important behaviour and attitude patterns are already formed and anchored. As we grow older, we do not lose the chances to learn and acquire new skills but the effort involved increases. This simple experience of life justifies the need to integrate prevention and health promotion at an early stage into education and (vocational) training throughout the life cycle; subsequent "corrections" are expensive. For this reason, companies should not only take an interest in how efficient the educational and vocational training is to obtain qualifications but in particular in how well the key skills required for a lifetime are communicated. Health is included in this. In the same way, it is in the company's long-term interest to reduce the extent of precarious living conditions in society which, in many countries with high rates of training drop-outs, limit the flexibility of the labour markets of the future and will lead to competitive disadvantages in the long term.

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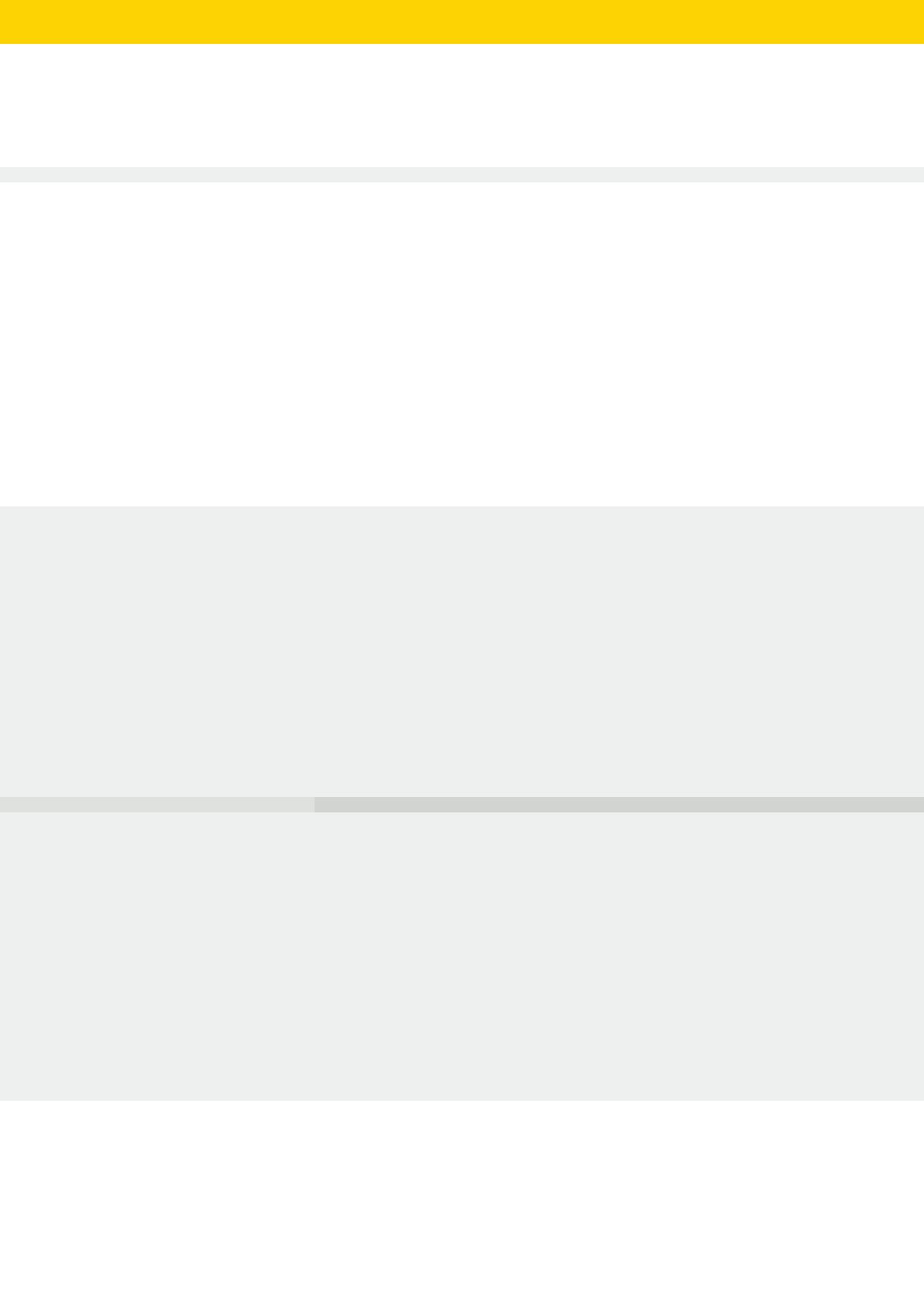
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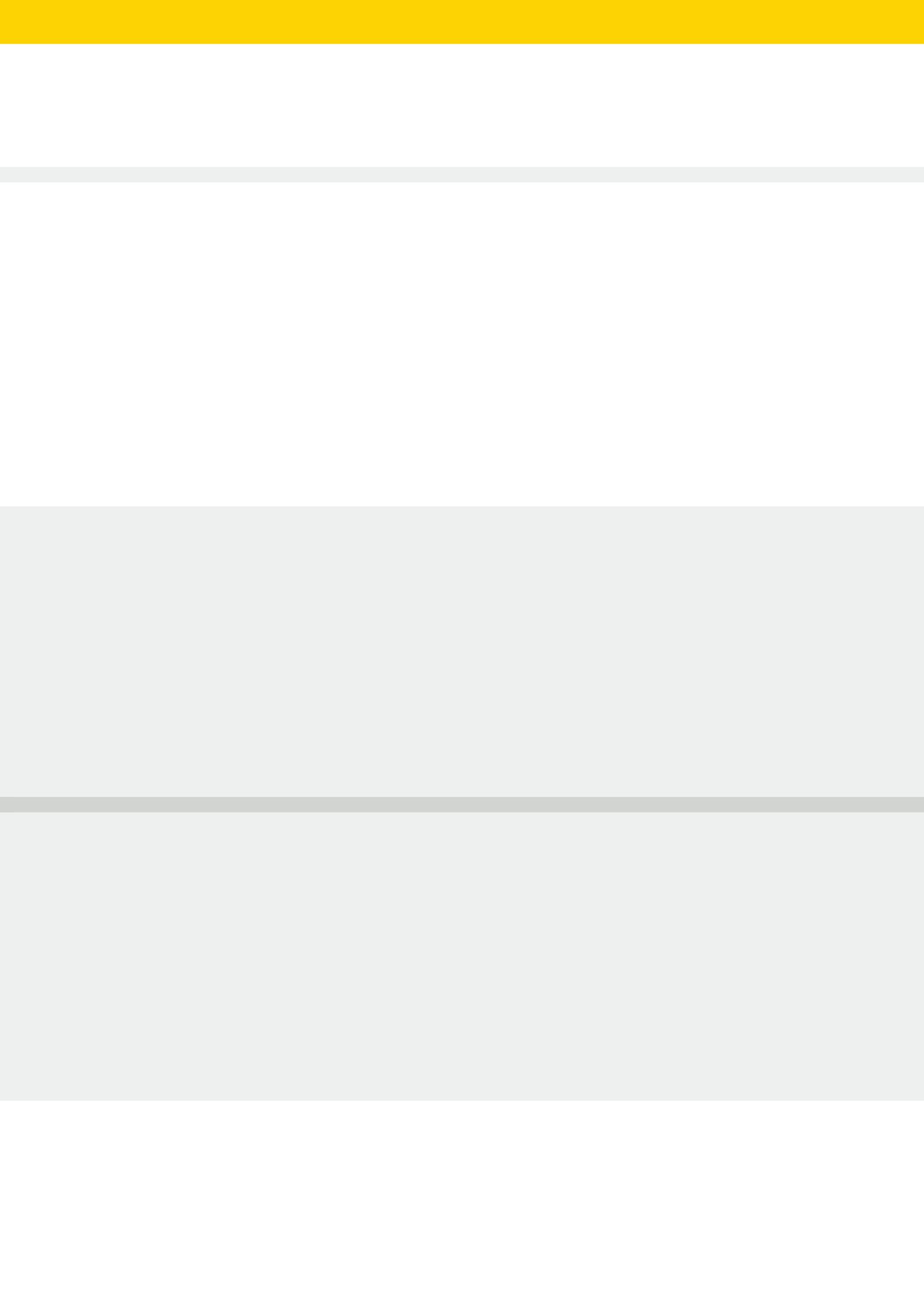
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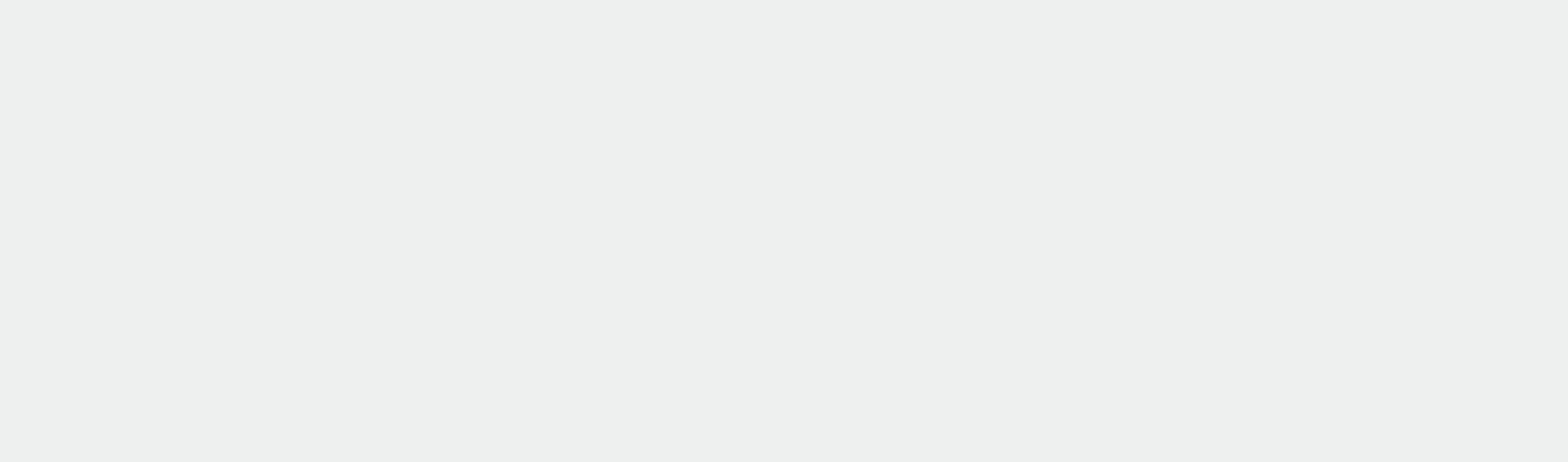
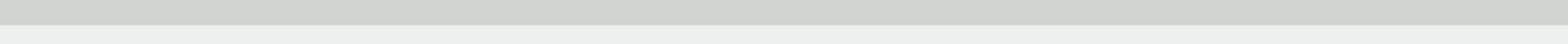
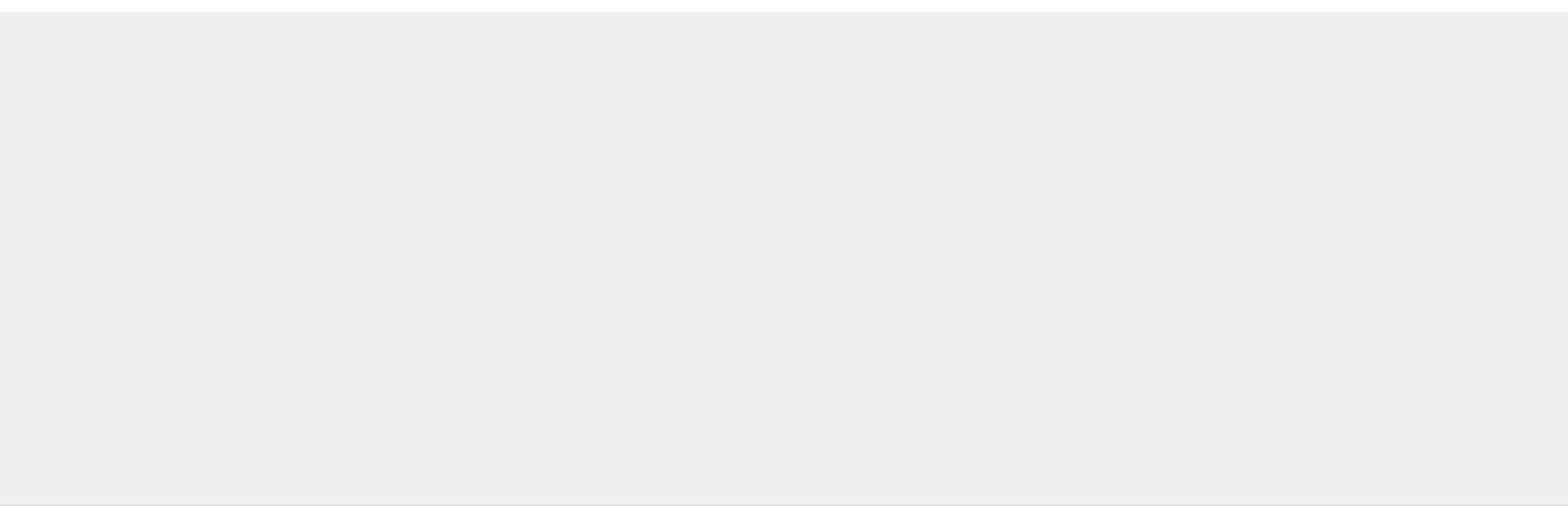
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