

HEALTH AND PRODUCTIVITY AT WORK

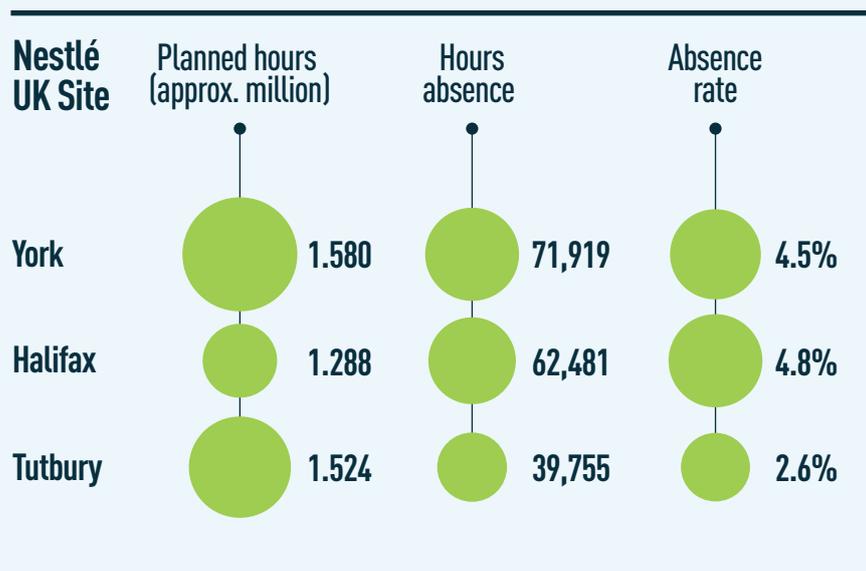
THE PRODUCTIVITY COSTS OF UNPLANNED ABSENCES

The costs associated with sickness-related absence are a significant drag on productivity. Nestlé managers estimate the costs equate to approximately 2.5 times the salary cost of the employee affected, taking account of the costs of replacement by agency workers and management time. The UK has an improving record in this area, having lost 131 million days to sickness absence in 2013, down from 178 million days in 1993. However, evidence still indicates some of this absence could be prevented through lifestyle choices, with associated benefits for productivity. The most common causes of absence in 2013 were musculo-skeletal pain and minor ailments. Advanced manufacturing can be particularly physically demanding and requires high

levels of focus and attention to detail. Similarly, the demands of shift-based work and limited flexibility require good habits of rest and support in and out of the workplace. Unplanned absences, especially if they coincide with periods of heightened demand take a heavy toll on productivity and costs. Companies can take greater responsibility for absence patterns of their people through structured return-to-work interviews and monitoring data to identify areas where patterns of attendance suggest there may be issues. However, a more ambitious approach is to invest properly in preventative healthcare information and staff awareness. Nestlé's partnership with Nuffield Health is an attempt to proactively manage and reduce

the risks of sickness-related absence over time and offers transferable insights for the NHS in how it engages with businesses, particularly small businesses in addressing long-term public health challenges. Recognition of the importance of mental health in wider society is also reflected in how employers think about their workforce. Aspects of modern work can be more stressful, particularly as people change careers more frequently. The impacts on productivity of absence due to stress are important, but equally there is a strong business case for improving diagnosis of mental health issues that can lie behind local productivity challenges.

MAKING THE BUSINESS CASE FOR EMPLOYEE WELLNESS INTERVENTIONS



-  Using agency staff to replace absent workers can have a negative impact on productivity.
-  Even the most able agency staff cannot substitute fully for people familiar with machinery and working processes.
-  Unplanned absences raise hourly wage costs by around 250%: compensating the absent worker plus the costs of agency replacements.

HEALTH AND PRODUCTIVITY AT WORK

Proactive approaches to wellness at work.

In 2014, Nestlé launched a three-year partnership with Nuffield Health, which was recognised with an award from the Royal Society for Public Health in 2015. This complemented existing 'back to work' policies with preventative health intervention, providing individual health checks and personal action plans for all 8,000 employees.

This includes 'triage' of individuals into low, medium and high risk categories and the provision of tailored coaching. Anonymised data from these checks has also been used to prioritise provision of public health information, for example the importance of hydration or mobility depending on the issues identified for particular lines.

NESTLÉ WELLBEING POLICY

Tailored advice for employees.
Additional follow-up offered to individuals considered high risk



Back to work interviews with those taking health-related absences



Anonymised data feeds back into **health advice** for employees, **tailored** to individual working environments



NUFFIELD PARTNERSHIP



8,000

Individual health checks and personal action plans for all Nestlé UK employees



WORKFORCE TRIAGE



Identification of individuals at medium and high risk of unplanned absence
Provision of tailored coaching

LEARNING FROM THE NESTLÉ EXPERIENCE



The workplace is a valuable potential forum for NHS services to reach people before they require care. Some NHS foundation trusts do offer workplace advice and preventative care such as 'flu immunisation, but the approach is not uniform and can often apply age-related or other criteria that can be divisive in the workplace.



Some form of charging for an NHS partnership could be considered – for example Nestlé's partnership with Nuffield Health required investment of £500,000 – but preventative health is also a potential way of reducing long-term burdens on the NHS so should not be seen as purely a private sector productivity question.



Anonymised Nestlé data from nearly 1,000 workers has been used to target information campaigns at Nestlé sites. A national programme to pool such data could be very powerful in targeting other forms of preventative intervention.