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Presenteeism

What Is Presenteeism?

Presenteeism: Presenteeism means showing up to work but not performing at one's best. At one time this term was typically used to describe situations in which the employee is unproductive due to socializing, surfing the Internet, etc. However, concern that health factors cause a lack of productivity has grown due to the rising cost of health care has put the emphasis of this term solely on health related performance issues.

Definitions of *Presenteeism*

- “The problem of workers being on the job but, because of medical conditions, not fully working.”
- “Lost productivity that occurs when employees come to work but perform below par due to any kind of illness.” Levin-Epstein, 2005
- “The issue of employees who are physically present but not fully engaged.” Luan Heinen, 2007
- “Where people feel obliged to work longer hours than are necessary simply to impress management.” As defined by CIPD
- “Being at work ‘in body’ but not ‘in mind.’” Ann Cartwright, 2008

Today we will focus on presenteeism as it relates to employee health.

What Is Absenteeism?:

Absenteeism: Absenteeism means not physically being present or working at all.

Unlike absenteeism, presenteeism isn't always apparent. You know when someone doesn't show up for work but you often can't tell when – or how much- illness or a medical condition hinders someone's performance.

Some non-health related examples of *Presenteeism*

- The 'break-taker'
 - the person who take frequent breaks for coffee/tea/cigarette/toilet
- The 'chatterbox'
 - The person who spend all their time at work chatting and gossiping with co-workers face-to-face and/or on the phone
- The 'web surfer'
 - The person who sits at their desk surfing the net
- The 'jacket-leaver'
 - The person who leave a jacket on the back of their chair to make everyone think they are in the building and at work.

Other examples of staff down time

- Winding down for the holidays
 - Christmas, Bank Holidays, Personal Holidays
- Early starters – late workers
 - Arriving early but not starting work immediately

Some health related examples of *Presenteeism*

Medical Conditions

- Allergies/sinus problems
- Low back pain
- Depression
- Arthritis
- Migraine

Health Risk Factors

- Physical Inactivity
- Poor diet
- High Stress
- Trouble Sleeping

Direct Versus Indirect Health Care Costs:

- Direct health related costs:
 - Progressive conditions Like:
 - Cancer and heart disease
 - Premiums and claims paid
- Indirect costs:
 - Illnesses people take to work with them.
 - Have lower direct costs.
 - Usually account for greater loss of productivity.
 - Often go untreated.

Unseen Costs:

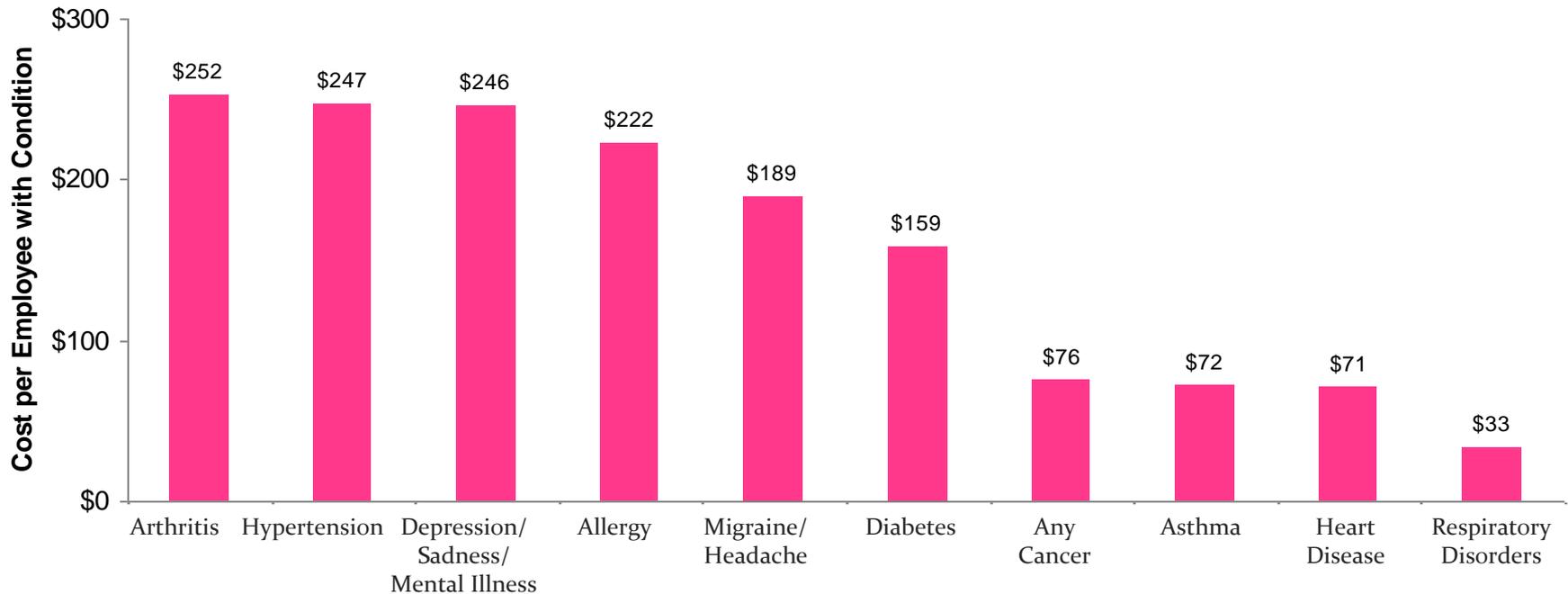
- *The Journal of the American Medical Association* reported that depression set U.S. employers back some \$35 billion a year in reduced performance at work and that pain conditions such as arthritis, headaches, and back problems cost nearly \$47 billion.
- Presenteeism appears to cost companies substantially more than they spend directly on medical treatment and drugs.

American Productivity Audit

- Year long telephone survey of 29,000 working adults
- Calculated total cost of presenteeism in the United States to be more than \$150 billion per year.
- Most studies confirm that presenteeism is far more costly than illness related absenteeism or disability.
- *JAMA* found in two studies that on the job productivity loss resulting from depression and pain was roughly three times greater than absence related productivity loss attributed to these conditions.

Common chronic conditions contribute to sizeable presenteeism costs...

Chart 9: Estimated Average Annual Cost of Presenteeism* per Employee with Condition

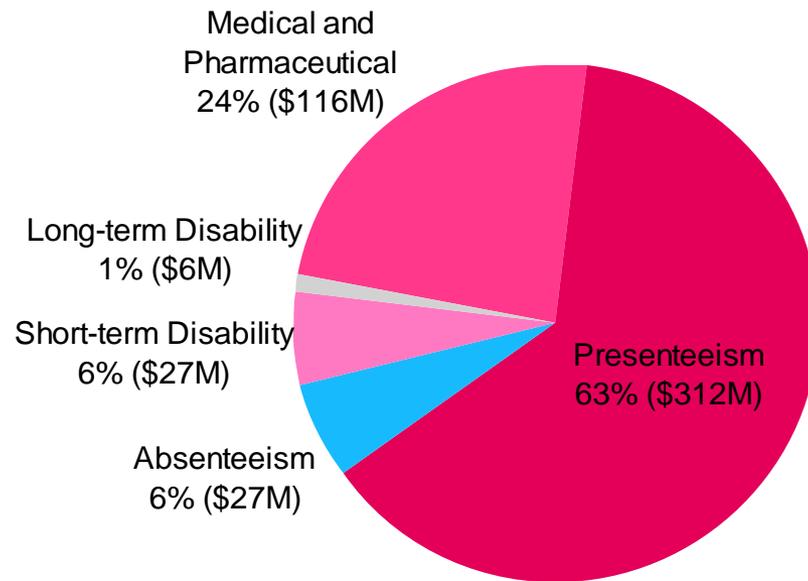


Source: Goetzel, R.Z., et al. (2004). Health, Absence, Disability, and Presenteeism Cost Estimates of Certain Physical and Mental Health Conditions Affecting U.S. Employers. *Journal of Occupational and Environmental Medicine*, 46(4), 398-412.

*Presenteeism: Individuals are at work but are not fully functioning because of illness or other medical conditions, resulting in decreased productivity.

...which can account for the majority of employers' total health-related costs.

Chart 10: Bank One's Total Health-related Costs by Expense Category, 2000



Source: Hemp, P. (2004). Presenteeism: At Work—But Out of It. *Harvard Business Review*, 82(10), 49-58.

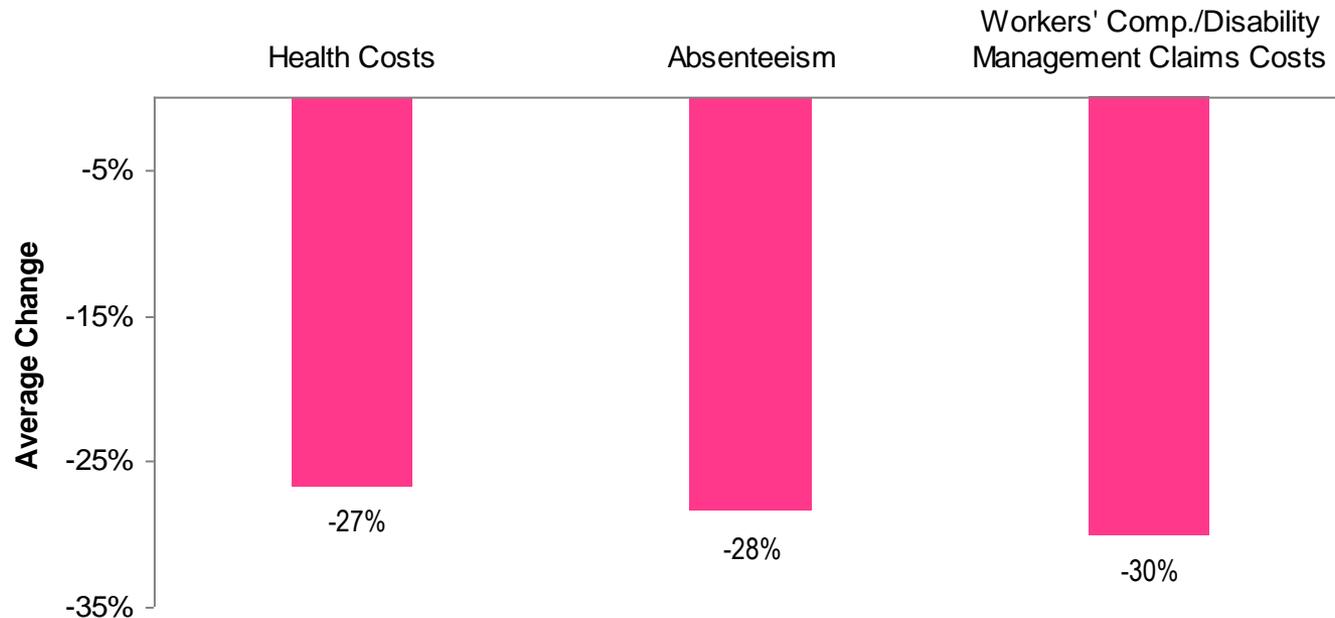
Note: Figures are based on Bank One annual data for 2000. Workers' compensation accounted for less than 1% of indirect medical costs.

Allergy Sufferers

- During the peak ragweed pollen season, one study showed that allergy sufferers' productivity fell 7% below the productivity of coworkers without allergies.
- In a pilot study on the effect of presenteeism at Lockheed Martin, the cost of allergies and sinus trouble was estimated to total \$1.8 million across a work force of 25,000.
- In the Bank One study employees with allergies using no medication were 10% less productive than those without allergies, while those using medications were only 3% less productive.

Workplace health programs reduce costs to employers...

Chart 12: Average Percent Change in Employers' Costs Resulting from Workplace Health Promotion and Wellness Programs



Source: Chapman, L. (2003). Meta-evaluation of Worksite Health Promotion Economic Return Studies. *Art of Health Promotion Newsletter*, 6(6).

An iceberg floating in the ocean. The tip of the iceberg is above the water line, and the much larger part of the iceberg is submerged below the water line. The background is a dark blue sky and a dark blue sea.

Workers' Comp and Health Care Costs

Health Care Costs

- Medical Care
- Hospitalization
- Pharmacy
- Diagnostic Testing
- Behavioral Health
- Physical Therapy

Lost Productivity

- Illness & Injury
- Travel to Off-site Provider

Subpar Quality

Temporary Staffing

Absenteeism

Employee and Customer Dissatisfaction

Turnover

Presenteeism

Replacement Training

Administrative Costs

Adverse Bottom-Line Impact



Small Group:

1. What experiences/successes have you had with this topic in relation to your worksite.
2. What do you envision the situation could look/feel like if healthy approaches were utilized or a focus on wellness was present in the workplace.
3. What possible solutions/action steps could worksites engage in or are already doing that is working.