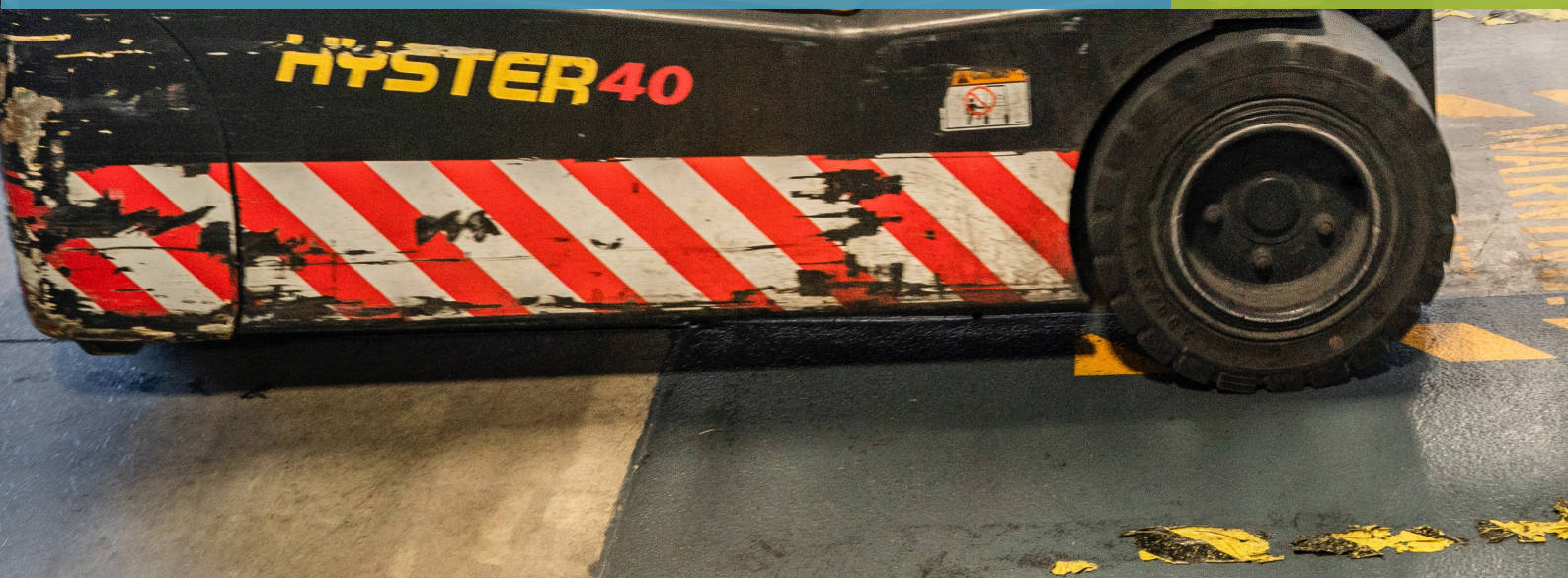




A Risk Management
approach to
Employee Health
in the post COVID-19 Workplace



Foreword

In the workplace today, employee health and wellbeing is becoming of greater focus for business. In particular, since the start of COVID-19, employers have been forced to adapt their businesses and think about employee health in new ways, with the need to introduce measures such as working from home and social distancing to continue operating their business.

This in itself is raising new health concerns which will have long term consequences for employees, such as health and safety at home, anxiety, stress of isolation, and lack of job security. But there is also a big payoff for employers that adopt new approaches to health and wellbeing in the workplace, in terms of increased productivity, reduced absence, and a greater improvement in the overall health of the workforce.

But how does a business go about implementing a long-term approach to employee health in the workplace in a post COVID-19 world? And what exactly would employers and employees expect out of such a program? This whitepaper seeks to shed some light on risk management as applied to employee health in the workplace, and discusses the factors that contribute to real health and wellbeing. I hope you find it valuable.

Paul Hopcraft

Managing Director
Work Health Checks

Methodology


This whitepaper is based on the findings of research undertaken by Preventia Group and The Monash Centre for Occupational and Environmental Health (MonCOEH) which has been delivering improved health and safety outcomes across Australian workplaces for almost a decade, bridging the gap between research, policy and practice.

The purpose of this whitepaper is to explore employee health and wellbeing as it applies to risk management principles and the impact this has on the workplace. We will also provide recommendations on how employers can better implement and benefit from a risk management approach to employee Health and Wellbeing.

Specifically, this whitepaper explores:

- The emerging area of risk management applied to employee health
- The impact of not managing the health of employees in the workplace
- Key elements to implementing a risk management approach to health and wellbeing in the workplace
- Health and wellbeing as a risk mitigation strategy

Organisations that implement health assessments can reduce their employees' health risk factors by up to 56%.



Out of 1,200 employers surveyed across Australia, 81% said that in relation to employee health they were in a reactive mode rather than proactive.

92% of employers said they had no risk management strategies for employee health but acknowledge employees as their greatest physical asset.

KEY LEARNING #1:

Organisations should consider ways to monitor the health of their workforce in addition to standard informational Health and Wellbeing programmes. For such a programme to be successful, organisations must ensure that there are follow up systems in place to allow appropriate interventions to support employees.

KEY LEARNING #2:

Employers must do more when it comes to supporting the health and wellbeing of the workforce. Whilst many organisations understand the value of supporting employee health and wellbeing, employers must avoid making the mistake of simply establishing a workplace wellness program and expecting it to be successful without any further attention or guidance of health and wellbeing focus.

A 2015 aigroup (australian industry group) survey report estimates that absenteeism directly costs organisations approximately \$578 per employee per absent day. Counting direct costs alone, the annual cost to the Australian economy is in excess of \$44 billion. Meanwhile, the costs of presenteeism (productivity losses as a result of workers attending when unwell) are in the vicinity of \$35 billion.

KEY LEARNING #3:

Examine the evidence that supports the case for managing employee health and overcome barriers to implementation. If a lack of senior management support is preventing a company from establishing a health programme, other organisational leaders must outline the potential consequences of not managing employee health – such as high turnover rates, greater exposure to workers compensation claims and absence – and encourage the examination of studies that show that the cost of not having such a programme is higher than the cost of implementing one. For a business with 100 employees, one worker's compensation claim could cost up to \$100k per year for three years.

\$61.8 billion – the cost of work-related injury and disease to the Australian economy



Because most employers do not know the health status of their workforce they are playing a game of hope. “Hope I don’t have a problem”. By this definition then, they are not identifying or managing risk when it comes to employee health. This also means that most employers are exposed to areas such as workers’ compensation claims, absence and other matters that can lead to health concerns. In addition:

- Workcover authorities around Australia are predicting a surge in workers’ compensation claims post COVID-19 due to economic factors and lack of job security.
- Most claims and absence cases have a causal lead up factor from other issues in the workplace, including work performance and psycho-social problems such as drugs and alcohol.
- Most claims and absence cases can be prevented through early identification and management.

“All employers should carry out regular checks of their workforce to identify if there are physical or psychological risk factors with individuals and at an organisational level (risk identification) and take steps to implement solutions to control risks (risk management).”

70% of all workers compensation claims costs are unnecessary and most have lead up factors that if recognised early could have prevented the claim

“Companies are rapidly moving their workforces to home. And this period of disruption is expected to have long-lasting impacts on the industry”. Health and safety of employees at home is becoming a topic of concern for employers as most do not have adequate systems in place.



When considering a Risk Management approach to worker health, employers should consider the following questions:

What is the purpose of an Employee Assessment?

There is little being done by employers to monitor the health of employees beyond an initial pre-employment medical assessment. Under the OHS ACT's, there is a clear requirement to monitor the health of employees in an ongoing manner, thereby ensuring a healthy and safe workforce.

What if the employee does not want to complete an Assessment?

The Self Assessment is simply a non medical process which allows both the worker and the employer to have a clearer understanding of the worker's current health status which could alert to any interventions needed to ensure a worker is free of risk of injury, and is well at work. Should a worker choose not to do an assessment that can be seen as failing to comply with a reasonable directive.

Does this open up to workers compensation claims?

No. In fact, figures show that early intervention and monitoring health and wellness programmes such as Self Assessments result in fewer claims, and reduce absence by around 40% owing to the ability to address any minor medical concerns through early intervention. A large number of Workcover claims are the result of longer term conditions not being recognised by the worker or the employer and place workers at greater risk.

What happens if a claim is lodged?

In the event of a claim being lodged, in the first instance, the completed prior self assessments can be used to send to the insurance agent and to the worker's doctor to have an available history of the health and fitness of the worker. If a worker had previously assessed as clear and it is evident the condition is long term, the claim may not be accepted.

When should I have my staff complete Assessments?

As a rule, a self assessment should be done upon commencement, regularly, say every two months and any other time when the worker's condition changes or there are concerns. This could be, for example, when a medical certificate is received, after a high absence rate is noted, or any other concerns. An assessment should also be completed upon exit to ensure they are leaving free of any potential work related stress or condition.

Can I do Assessments for the entire workforce?

Yes. This clearly indicates an organisation's intention to improve on its OHS performance. As a first step this would include an assessment to get a benchmark of the health of the workforce.

In these days of telehealth solutions employees can be sent online assessments as required. These assessments can then be reviewed by medical personnel and reports provided back to employers. These assessments vary and generally cover the employee life cycle from New Starter to Exit. Other assessments could include stress, mental health, 50+ and injury.

KEY LEARNING #4:

By the time you factor in high turnover rates, employee absenteeism and presenteeism, injuries and general employee morale and energy levels, not having a way of monitoring and managing the health of a workforce can be very costly.



When addressing risk management to employee health there are three main areas: physical health, psychological health, and lifestyle.

A psychologically healthy and safe workplace is one that promotes employees' psychological well-being and proactively endeavours to prevent harm to their psychological health.

Considerable research demonstrates that certain work-related factors impact upon employees' responses to work and work conditions creating a risk of work-related stress and potentially causing psychological health problems and injuries.

Work-related factors, otherwise known as psychological risk factors, include the manner in which work is carried out (deadlines, workload, and work methods) and the context in which work occurs (including relationships and interactions with managers and supervisors, colleagues and co-workers, and clients or customers).

Employees exposed to these psychological risk factors in the workplace are more likely to develop stress responses and mental health conditions. In addition, workplaces that do not address the psychological risk factors have the potential to make employees' existing mental health conditions and stress responses worse.

Furthermore, workplaces that address psychological risk factors and create a psychologically healthy and safe workplace will have healthier, happier employees, and are likely to benefit in terms of performance, productivity, client satisfaction and retention of employees.

93% of employers said they had little understanding of the mental health status of their workforce yet recognised this is a significantly important factor to ensure a psychologically healthy workplace.

“Running a business with unhealthy and unhappy employees is like trying to drive a car with a bad engine. It may eventually get you where you want to go, but the trip will be difficult and you'll waste time and resources.”

Risk management applied to employee health is becoming a topic that is critical to business performance right now. OHS and Wellbeing Managers' roles will now become frontline strategic roles. Organisations which invest time and resources into these programs now will be better positioned for future success. Reducing exposure to areas like absence and workers' compensation claims has never been more important.

The keys to implementing a risk management approach to employee health include:

- Ensuring the programme is sustainable and operational both at the time of launch and on a day-to-day basis
- Measuring employee health trends and applying interventions at an organisational level
- It is important to be consistent when implementing, ensuring that, for example, all new starters will do an assessment, not just some
- Understanding the costs of not managing health and wellbeing issues
- Giving responsibility and ownership of the program to people outside the HR department, and ensuring senior leaders play an active role

Organisations that implement health risk management strategies can reduce their employees' health risk factors by up to 65%.

About Symmetry

Symmetry Human Resources provides experienced qualified warehouse, factory and industrial staff across Australia.

Our flexible staffing approach helps you reduce costs and improve productivity by balancing your workforce with seasonal demand, rather than needlessly over or under-staffing.

We are a unique blend of a large company that supplies personal service. You'll find our response to your staffing issues refreshing in the speed and professionalism with which we operate.

Our technology and industry expertise enable us to find the right staff, quickly. Our recruiters have either worked in a Manufacturing or Warehousing environment or have over 5 years recruitment experience as a minimum.

Symmetry Human Resources currently has seven offices located in Melbourne, Sydney, and Brisbane. We can also service clients in Perth as required and we are working toward establishing our aim of fourteen operational offices around Australia.

Contact Us

To discuss this whitepaper, your employee health needs, or your organisation's recruitment needs in more detail, please contact:

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We can also offer a free sample employee healthcheck so you can see how it works. Get in touch if you would like to know more.