

# Health Insurance

**Roundtable debate:**



# Stress in the workplace

*in association with*





# Welcome

**S**tress intrudes into the workplace in many ways. It can be caused by many differing factors and is felt more strongly in some than in others making it hard to measure and therefore difficult to predict or understand. However, the impact of workplace stress on company profit can be alarming. Where as past generations may have just got on with it or it reached for the valium, today's stressed out employee, according to recent research from vielife, is likely to have double the sickness absence than those with good stress profiles. Not surprisingly, stress is a hot topic of debate...

The Health Insurance roundtable debate into workplace stress discussed:

- The prevalent issuing off sick notes for stress
- The definition of stress
- Responsibility for absence management
- The future of mental illness such as chronic stress
- Stress, litigation and legislation
- The positive aspects of stress.

Health insurance would like to take this opportunity to thank our sponsors, Norwich Union HealthCare and Standard Life HealthCare without whose help this debate would not have been possible.

**Sylvia Waycot – Editor**

## A glimpse into the future

### Micro-economic studies prove the benefits of corporate health & well-being management

There is significant evidence in the US to prove that total healthcare expenditures are attributable to modifiable health risk factors:

- 25% of total healthcare costs are attributable to modifiable health risk factors: Stress, Tobacco, Obesity, Poor exercise (Health Research Organisation – HERO)
- 108% increase in healthcare costs among those who move from 1 to 3 health risk status, compared with 10% who remained low risk (Edington, Yen, Witting)

Proactive employer led health promotion programmes deliver meaningful improvements in health status, healthcare costs and productivity improvements:

- vielife/IHPM research shows that people with 'good' health status are 20% more productive than those with 'poor' health status
- Most studies to date are US centric, but prove that on average corporate HWB programmes deliver an ROI of between 3 and 5 to 1 (Aldana & Pronk).
- A study by Citibank with 11,194 participants and 11,644 non-participants over 3 years, showed a return of U\$4.73 for every U\$1 invested in a corporate health management programme for their high risk population (Poole, Kumfer & Pett)

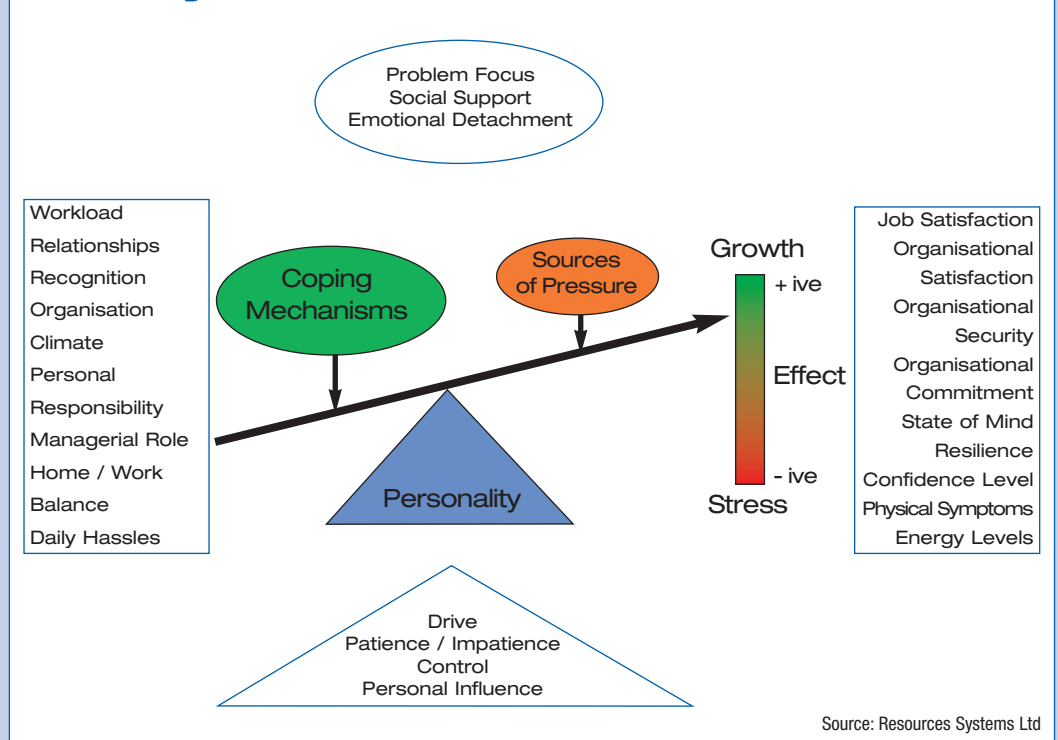
Singular focus on the disease management delivers diminishing returns. Preventative HWB programmes compliment traditional disease management

Traditionally organisations have focused on managing 'sick' employees, as the 20% who are 'sick' account for 80% of health costs

Early results indicate that there is a link between health & performance in the UK, replicating long-standing US findings.

**Research data: vielife/IHPM**

### The Dynamics of the Stress Process



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## **Clive Pinder, Managing Director, vielife**

Clive brings to vielife over 23 years of international marketing, branding and operating experience in North America, Europe, Africa, Asia and the Middle-East. Prior to joining vielife he was Managing Partner and CEO of Metrius Europe, an independent and separately branded subsidiary of KPMG. His career includes a leadership role with Viant, a 'hyper-growth' internet/e-business professional services firm which was recognized by Fortune as one of the US's 'Best Managed Hi-Tech Companies' in 1999. Prior to that, he was COO for Scala, and the youngest VP at DMB&B Advertising, a Top 10 global agency. His work has won numerous awards, including recognition by Time Magazine and ABC TV; he has contributed to 2 best selling books on the networked economy and is a frequent commentator to media including the BBC and the Financial Times.

## **Genevieve Glover, Client services at Business Health.**

With her HR and Corporate Fitness background Genevieve is able to bring a wealth of relevant experience when dealing with clients. Within her role as Client Services Consultant she is responsible for the project management and consultancy surrounding the delivery of Businesshealth's health and stress assessments in public and private sector organisations. The analysis of the aggregate data and working with the organisation in the identification of hot spots and action plans to address these in a targeted way.

In addition the liaison and sharing data with key parties including HR, Occupational Health and other benefits providers to develop a consistent wellbeing strategy in line with the priorities of the business.



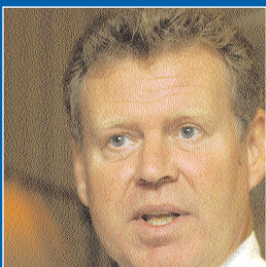
## **Larry Bulmer, Partner, Health Decisions.**

Larry started life as a sugar trader on the London Commodity Markets. From here moved into insurance with United Standard as a commercial underwriter and claims supervisor. Desire to get into sales led into a position selling advertising space on the local paper, an occupation he says that all people should try as it really toughens you up! Larry then spent almost 2 years travelling and working in the Far East and Australia, eventually ending up at BUPA. He started own brokerage in 1997, Health Decisions which has just changed to the ADVO Group and employs 12 people in Maidstone Kent. Larry is the retired chair of the AMII.

## **Dr Leslie Stuart Smith, Director, Premier Occupational Healthcare**

Les is a consultant occupational physician and accredited specialist in occupational medicine. He has extensive experience in occupational medicine, general practice, aviation and military medicine, travel and railway medicine, ex patriot and tropical medicine gained in a variety of busy commercial and demanding environments both in the United Kingdom and overseas.

Les is also a company medical adviser to a major blue chip company.



## **Mike Hall, Chief Executive, Standard Life Healthcare**

Mike took over Standard Life Healthcare (then Prime Health) as Managing Director in October 1998. He became Chief Executive in December 2001.

In total, Mike has worked in healthcare for over 25 years, his 12 years in the NHS and 16 years in the private sector placing him in an unparalleled position to head up one of the UK's largest Private Medical Insurance (PMI) providers.

Standard Life Healthcare was voted Health Insurance Company of the Year at the Health Insurance Awards 2003 for the third year running, as well as receiving several other awards. Mike chairs the ABI PMI committee.

## **Nick Homer, Product & Technical Manager for Income Protection, Norwich Union Healthcare (NUH).**

He has 13 years income protection experience. Nick joined NU Healthcare, from Friends Provident, in 1994 as an income protection claims assessor, moving into a product development role in 1996. He is a member of the ABI's Income Protection working party and chairs the Group Risk Development's (Grid) regulatory and governmental working group.



## **Paul Roberts, Consultant with IHC.**

Paul has over 15 years experience providing solutions to corporate clients in the private health industry. He has worked with UK organisations of varying size and functional design in the private and public sector.

He works with a belief that tangible results provide clients with a lot more than theory. Paul developed a total healthcare model at the world's largest insurer, Cigna and realised that workable health solutions can only come from working with corporate clients towards their business goals.

Paul has particular experience in occupational health design and delivery and protection policies in the workplace. He regularly speaks on the subject of health and well-being.

**Sylvia Waycot:** To open the debate, I would like to ask the question: "Are sick notes the new valium and are doctors addicted to writing them?"

**Nick Homer:** Norwich Union's 'Health of the Nation research' recently covered sick notes. The survey questioned several hundred GPs and their conclusion was of the 22 million requests they receive each year they suspect potentially up to 9 million could be bogus. This shows many people desire sick notes and from a GP's perspective they're in a difficult position because there is clearly only so much time to assess the validity of someone's condition. Also a sick note is given on the basis that someone can't perform his or her job. But do doctors really investigate what the duties of that job are?

**Dr Les Smith:** Have you got any comparable data going back in time, you're looking at a polaroid picture of 2004. Have you any data from the 60's or the 50's?

**Nick Homer:** No, although incapacity benefit records show that mental illness and stress related conditions were significant but a fraction of the number that we see today. All other conditions seem about the same in number. There's a view that it's now socially acceptable to be ill with stress. Previously people just got on with it. However, one person's stress is another's challenge.

**Clive Pinder:** Isn't that one of the biggest problems? That we don't have a definition of stress outside of the medical one and another is measurement. Today, everyone is talking about obesity which is much more prevalent than it was five years ago. What people forget to mention is that the World Health Organisation changed the definition of obesity three years ago. So are people getting fatter? Yes. But it's lies, damn lies and statistics. The biggest problem from an employer point of view is that very few people measure stress.



**"Admitting to stress is viewed as quite healthy in American culture, it's not over here, it's seen as a weakness"**

**Mike Hall**



**"A sick note is given on the basis that someone can't perform his or her job. But do doctors really investigate what the duties of that job are?"**

**Nick Homer**

**Dr Les Smith:** We must be careful because there is the true medical conditions of anxiety and depression which are the commonest long term medical condition affecting one in four of us. But as a doctor I will say that GPs tend on sick notes to put the medical condition down as a best guess, sometimes they have to.

**Nick Homer:** Yes, certainly our experience bears this out. This is why it is so difficult for employers to highlight. In terms of sick notes, there can be a rotation of fairly minor ailments, tiredness, headaches, feeling sick, a pattern starts to form and at some point it starts to become exposed to something more. It is disguised for so long and is identified so late that it's often already an issue before it's addressed. Absence management is often out of HR hands, it belongs with line management now and I think in most cases that's the right place for it to be. But stress and mental illness can potentially be caused by the working environment, it's not a clearly diagnosed condition, and potentially could be a personality issue with the line manager and that's where it becomes difficult. Again, research that we did recently showed that only 1% of employees would discuss such a condition with their line manager, which kind of says it all because the issue probably sits there.

**Genevieve Glover:** Certainly from the clients that we deal with it's still with HR. But I must admit, from my perspective, it's a line management issue.

**Mike Hall:** It fascinates me because there's a degree to which I think it's probably a bit of a British disease. If you ask British workers what their morale is like they'll actually tell you it's not too good because we like to look on the negative side of anything positive. I do believe that, taking Clive's point, about what is the definition of stress, the only people who can actually determine whether they are or aren't stressed are the individuals themselves because different things impact different people in different ways. You need a more sophisticated way

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than just simply saying to them: "Are you stressed?" You need to arrive at that conclusion as a result of other questions asked.

**Larry Bulmer:** An incredibly broad definition of stress is feeling like you can't cope with what you have to do. The problem would be helped if people could get the work/life balance correct. Flexible working is one way that could help and in turn could negate stress. Also, some of our clients are introducing duvet days. So instead of staff taking a sickie after a heavy night drinking they take a duvet day. We're finding that clients adopting duvet days see it as incredibly profitable in terms of attendance.

**Paul Roberts:** I know a client who's research says that stress mainly comes from home. What they're doing to alleviate stress in the workplace is bringing everyone back into work with support. They're talking with their line manager and OH team and are managing each individual case. They are saying, "Okay, work is your solace, let's, within the confines of privacy, help you get that other bit of your life sorted out. But come to work for a few hours, get some head space."

**Dr Les Smith:** You're quite right Paul. If you look at the health profile of a person in work and a person out of work, the health profile is always much better, work is essential to their psychological and physical wellbeing. Not so much physical in a sedentary work environment but certainly it is essential.

**Mike Hall:** Do you not think one of the problems is that the British aren't good at baring their soul? Admitting to stress is viewed as quite healthy in American culture, it's not over here, it's seen as a weakness. Admitting to a weakness is not something that the British are good at. We have, as do Norwich Union, helplines available to staff and customers. But they get relatively little use. And yet research would suggest that people's experience of stress is massively greater than their willingness to seek any help and assistance.

**Clive Pinder:** EAPs, it really is symptomatic. What did leadership do when stress started raising its ugly head? Outsourced it to EAPs. Average participation rates anywhere between five and 15%. What's the real problem? Management, leadership, they didn't take it on board, they didn't fully engage. If you have a fully engaged population you have free dialogue, you have people who are comfortable speaking about things.

**Genevieve Glover:** It goes back to how stress is defined, how it's communicated in the press. There's a lack of understanding as to what the difference is between stress and pressure. Stress can have

a positive side, a certain amount of pressure can be good, bringing out the best in people.

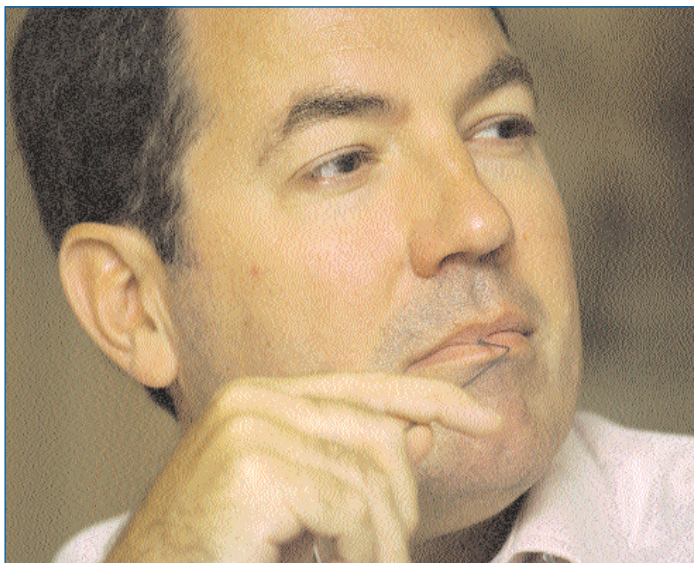
**Clive Pinder:** Stress is actually good for any high-performing organisation. It's distress that's bad. If you don't understand, the pressure curve, and most people don't, then you can't manage stress and from an HR perspective you can't manage what you can't measure and nobody measures any of this stuff.

**Nick Homer:** It's a good point. Some companies introduce EAPs. Really they're thinking about fulfilling their legal obligations rather than genuine engagement.

**Paul Roberts:** What if you took sick notes away, took them away completely, what would you do then? You'd have to engage with your people. We are working with clients who are doing just that and they're saying it's almost back to the old days of welfare where you're having a conversation. They are asking, "Why are you off? Can we help?" They have a huge value in their human capital so it's important that person is at work. But they're turning the tables. They're saying, "Out with sick notes, let's look at the individual."

**Nick Homer:** Certainly in our income protection assessment process we haven't asked for sick notes for years. Because we want to engage, we want to understand the individual circumstances and the appropriate evidence and support or make decisions around that, but sick notes are absolutely out of our process.

**Clive Pinder:** One of the things we have to take responsibility for is actually engaging leadership. Providing reasons to believe that we can really add value to their organisation. It's not until we, as an industry, start to point out the effects on the bottom line that we're actually going to get taken seriously and that's a responsibility we all share. Too often in health, people management is seen as a soft side of business, it's not seen as strategic. We have to take a leadership role in this.



**"Stress is actually good for any high-performing organisation. It's distress that's bad"**

**Clive Pinder**

**Larry Bulmer:** How many people at work are just sitting there either not functioning effectively or not wishing to function effectively. How do you manage those people? There are an awful lot of people where there isn't any stress factor, they are purely using it as an excuse to do something else. Separating these two is the challenge for employers so they can then actually put the resources into the correct areas to manage and alleviate the stress problems that their employees have.

**Dr Les Smith:** Just talking clinically, nearly every aspect of an illness has a huge psychological impact. We're talking about getting people back to work, breaking down the barrier were the employee doesn't want to go back to work because he believes there's interpersonal conflict issues in the

workplace which have damaged his wellbeing. Getting the manager to understand that people can't just turn up for work on a Monday having been off sick for six weeks from the Sunday and expect to work at a high level. You need to be rehabilitated back into the workplace.

**Clive Pinder:** The truth of the matter is, when it comes to health it all starts with the medical system. We don't have a National Health Service, we have a national ill service. We deal with the 20% of people who are sick because medical economists say that 80% of the medical costs are associated with 20% of the ill.

**Dr Les Smith:** But going back to when I was a kid, I remember many people took long term valium and librium which GPs handed out. It was the prescription of choice for people locked in an unhappy lifestyle. Studies of modern call centre staff between 18 and 25 revealed, guess what? They're on prozac and seroxatine because they're unhappy.

**Clive Pinder:** The World Health Organisation reckons that within the next 10 years mental illness will be a second leading cause of death or disability, so it's clearly an issue. What we're saying is that the pressures have changed, what isn't there so much is the coping mechanism and that's the critical part of managing the pressure curve. It's the individual coping mechanism, which goes back to leadership and organisation and culture. An EAP is an important part of the coping mechanism but it's not the only part.

**Dr Les Smith:** Also, it's often not so much high pressure it's low pressure and lack of interest in the job with no promotion prospects. It's not just getting engaged with the work force, it's actually how engaged are people with their work. You have two people in an office, one person is giving 90% one person is giving 60%. How do you get everybody up to about 80% in that organisation?

**Clive Pinder:** Yes, it's amazing. We've managed to teach everybody to type. We've taught our entire workforce to type or to operate pretty complex machinery. But we can't teach people to eat properly, get reasonable exercise. I mean of course we can, we just choose not to. That's the massive change that's got to happen.

**Dr Les Smith:** I think you're moving into that sort of primary preventative bit of stress and pressure because we know that a good health profile generally is far less likely to develop a problem. So if you are going to plant some investment then that's where we know we've got to plant it, in prevention.

**Clive Pinder:** We know there are direct correlations between good stress, job satisfaction and effectiveness. But again we don't measure it.



**"What if you took sick notes away, took them away completely, what would you do then?"**

**Paul Roberts**

The Institute for Health and Productivity Management, which Standard Life Healthcare is sponsoring, can now prove a statistical link between good health and productivity. The difference between someone who has poor health and someone who has good health is 20% a week or one whole day. We can start to show the correlation between an improved health score and improved productivity and yes, about 60% of people who've been through the programme improve both their health and productivity scores by around 1.3% or 3 working days per year. Sample size, over 2,000, statistically significant. That's never been done before. From an intermediary's point of view, you can now go in and make your case as to why you need not wait for the new budget cycle to come round.

**Nick Homer:** Someone said to me: "If you had a machine that pumped out several thousand pounds a month, you'd polish it, oil it, insure it, make sure it never broke down. And we probably would all do that if we have a machine that printed money for us. But we don't do that for ourselves.

**Mike Hall:** You end up going full circle back to the issue we discussed some time ago about leadership and creating the right culture and environment. I actually think that a large proportion of UK management should be stood against a wall and shot. It is a passion of mind. I call it my child abuse syndrome. Most of us don't start life as managers. We start life subjected to management. Most of us at some point have worked for the manager from hell. And most of us, say, "If I ever get to be a manager, I am never going to be like him or her." So, where do all those bad managers come from? The answer is because some metamorphosis takes place when you give people power. People who are abused by managers are more likely to become abusive managers themselves. The answer is engagement. Since we introduced V-Life's Health and Wellbeing Programme for all of our staff, we've seen a 5% increase in productivity and 25% fall in staff turnover.

**Sylvia Waycot:** We have talked about how managing and measuring stress can affect bottom lines, but of those companies that choose not to, is litigation on the increase?

**Nick Homer:** We all know you can't help someone who doesn't want to be helped. This attitude to potential litigation can hinder the work we all do if someone, at the back of his or her mind thinks, "I want to optimise my payment around this situation." A part of the problem is people think that if they start back to work in a reduced capacity, it will weaken their case.

**Mike Hall:** Generally, as a society we have become more litigious and I suspect stress has the potential to become the new backache. It

is one of those things that it is very hard to prove that you do or don't have. Employers have no idea what the level of stress may be within their organisation and ignorance of the knowledge won't get you off the hook.

**Larry Bulmer:** How do you deal with a job that could be described as inherently stressful. I mean, if you are going crack open somebody's chest on an operating table that, is inherently a stressful thing to do. And what if you are in the police force, could the police force be responsible for exposing an employee to stress, where that is the inherent part of the job?

**Genevieve Glover:** I think the HSE guidelines say no job is inherently stressful, it is down to the individual. For you the thought of cutting somebody open is enormously stressful but for the surgeon its fine, a challenge. No job is inherently stressful, as long as the individual has chosen the correct career.

**Dr Les Smith:** You're right. I have looked after some ambulance services. There is an acceptance that the job is going to have some traumatic experiences relating to it. But what you find when you map a company's pressure sources may be nothing to do with that, it could be with the impossible deadlines they are given to get to the scene of an accident - 7 minutes in the UK. It's looking at the total picture continually and the sources and management of pressure again.

**Clive Pinder:** People believe that they have a right to work in a stress-free environment, which is patently impractical. I am all for the issue of stress becoming a public agenda item, mainly because it is a critical part of good health. But I am worried that when the government gets involved, all it does is to push the issue into a legislative framework. CEO's, then see it as a problem for the Occupational Health Department and legal team to deal with and not as a strategic issue.



"How do you deal with a job that could be described as "inherently stressful."

Larry Bulmer



"one of the preventative aspects goes right back to good management style, good culture, good climate again and dare I say it having a stress framework document or a stress policy"

Dr Les Smith

**Mike Hall:** I think you are right. The positive aspect of stress is getting out of bed every morning, it is the desire to want to go off and do something and achieve something whatever that is. High achievers challenge themselves more, set tougher targets for themselves and they get a kick from the achievement of doing it. For some people that would be one big barrel of negative stress.

**Clive Pinder:** Can I ask, from an the intermediary point of view, if you have a legislative driver is it actually good for sales? Because, my understanding is that all of a sudden that's what drove EAPs. But in the long term, I would argue, it is bad because EAPs are not seen as strategic. So from your point of view, is legislation good or bad for getting health on the agenda?

**Larry Bulmer:** I think it can be good for getting it on the agenda. I think the challenge for us now as intermediaries and also as product providers is to not just say: "There is a legislative loophole, throw an EAP at it." But it is actually to take a step back and say: "Yes, you have a legislative requirement but within the context of that there is a much wider remit." One legislative requirement is that every employee in the country must have a written term of contract. Around 75% of those working for SME's do not have contracts of employment. Which means SME's are failing through not complying with the legislation. If you say that an EAP fulfils a legislative loophole, does that mean that every company that doesn't have an EAP is falling foul of the legislation, not necessarily because there may be other aspects of identifying and treating whatever the EAP is designed to do in that company. So yes it is good in that it helps you engage in conversation, it makes people think about their responsibility. From there you can spring into more strategic sort of alliances that you hope to build. Because really, with the greatest respect, sticking an EAP into a company is not exactly a huge money earner, is it?

**Genevieve Glover:** Whatever approach is taken, it has to be strategic, it has to take into account the cost of business, it has to fit

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with the business, with the numbers of people and the type of people employed. Until you know what those issues are, then it could be that an EAP does solve one of the problems in association with work-life balance, it's a case of understanding what they are on an individual basis and a company wide basis.

**Larry Bulmer:** Larger companies are more altruistic and will bring in dedicated strategic programmes but 90% of the working population doesn't work for one of the larger companies. The big challenge will be, companies who say, "I've got six employees, what can you do for me?"

**Clive Pinder:** You can't manage what you can't measure and if you don't know they have stress, then you are not going to deal with stress. But the problem that concerns them much more is, "Hell, if I find out I have stress, I am going to have to do something about it." Now there is leadership for you.

**Larry Bulmer:** If you have legislation that demonstrates they need to go a certain way down that road anyway, then the challenge is to use that to pull them all the way down the road.

**Paul Roberts:** There are very few successful court actions going through at the moment but let's be positive about this. It is bringing a well-being/health care issue and psychological wellness into the boardroom for the first time. And if legislation is the driver to do that, I don't mind quite honestly. I think it is wrong and there should be whole range of reasons, but as there aren't, let that be the driver.

**Dr Les Smith:** Coming down to the microclimate that I work in. I have never seen anybody who is happy at work complaining of muscular-skeletal disorder, I have never seen anybody happy with RSI. The other thing is when I see stress cases, it nearly always is: "I have given half my life to this company how could they do it to me?" Going back to what Mike has been saying all along the people who claim, the ones who are unhappy, are the ones who are dissatisfied with their role in the company. And one of the preventative aspects goes right back to good management style, good culture, good climate again and dare I say it having a stress framework document or a stress policy document, I think there has to be something that says: "We are trying to do something." I know it is a piece of paper that people read and often do nothing about but one of the preventative aspects to help against litigation is to have at least something in the organisation that says "We will address this issue of managing pressure of work." The other interesting thing is, I have been in medicine for 30 years and things come in cycles. When I started, it was noise, dust and chemicals and lo and behold what has recently become fashionable in Occupational Health and Safety? Noise. Now stress has had a good

innings. It has been around for a long time I wonder whether all we are talking about today may have gone off the agenda in a few years. Mental health issues will never go away but it is probably going to peak and trough. Good practises come in. Noise protection measures came in and noise was controlled. It has come back now because we have lowered the levels due to Europe.

**Paul Roberts:** The closest analogy recently is muscular-skeletal health. Everyone said: "I've got a bad back." There is now better, cleaner, faster diagnosis and there are also better treatment programmes too. Back pain is still with us but not to the same extent. Stress will become a non-word because it will be classified properly as the right psychological illness.

**Mike Hall:** I suppose the only issue is how much of a crescendo could it yet reach.



"There's a lack of understanding as to what the difference is between stress and pressure"

Genevieve Glover

**Paul Roberts:** I think it is already on the slide because litigation cases aren't successful anymore. Two/three years ago they were enormously successful, the biggest one I know of is 43 times salary paid out. Now there are less cases going through but don't be fooled. Some organisations are knowingly paying people off to get rid of the problem. Mediation is coming forward as a new solution to some of these very small, very interesting cases but I think the mass needs to continue and I think legislation helps to push the mass forward.

**Mike Hall:** I am a self-declared altruist. I am probably not meant for this world of business to be honest. I really do think that companies should engage their workforce because they want a

happy, motivated workforce. The benefits are things like higher productivity and lower turnover rates. The worst reason to do it is to avoid being sued because that is a purely defensive model isn't it?

**Clive Pinder:** If legislation is one driver, there are three other drivers. One is everybody knows that the country cannot afford the health system it has. The cost of health is now becoming everybody's problem. Secondly, we have now virtually full employment and population numbers are shrinking. Thirdly, this whole concept of productivity, as Mike referred to earlier. There is a direct link between health and productivity so that is another good driver, there is also a direct link between stress and productivity. The exciting thing is a place where two things naturally come together for the country as a whole - productivity is a big issue, cost of health is a big issue, they come together perfectly in the workplace. It's good for the people, it's good for the individual employee and it is good for the business. And if that isn't a positive good reason to get involved in this, then frankly you deserve to be sued. 