



Making Health the CFO's Business

FINDINGS FROM THE INTEGRATED BENEFITS INSTITUTE'S 2011 CFO SURVEY

In summer 2011, IBI and CFO Research Services (the research arm of CFO Publishing LLC) conducted a third survey into the attitudes, beliefs and experiences of CFOs about the employer's role in managing health, absence, productivity and disability. While the survey addressed a number of issues, this report focuses on findings relating to health as a cultural or financial priority in CFOs' organizations; the relationship between employee health and the bottom line; and the types and sources of information that CFOs value and use for assessing the link between health and organizational performance.

Principal Finding: CFOs appear poised to recognize the established links between workforce health, productivity and financial performance. A large share of the 313 CFOs surveyed described poor health as having a *significant impact* on financial success through factors—such as opportunity costs, sick leave and turnover—that influence productivity. They understand that workforce productivity impacts financial performance, with 45% calling it *one of the most important factors*. As to the impact of health on workforce productivity, 30% of CFOs rated health as a *very important* contributor, with an additional 62% rating it as *moderately important*. What's more, eight in 10 CFOs reported that they play a role in their organizations' healthcare benefits decisions.

Human-Capital Productivity Opportunity: Still, CFOs unsurprisingly ascribe more importance to traditional productivity-enhancing factors, such as a skilled workforce, appropriate staff size, employee satisfaction, reduced turnover, employee training and capital investments. The good news is that going forward, CFOs who grasp the considerable human-capital potential from health will have a competitive advantage over those who rely only on more-traditional productivity-management efforts that already are broadly accepted.

Credible Information: To understand how best to influence CFOs, we asked what information is most credible in their decision-making regarding workforce health investments. Not surprisingly, they view their own claims costs as *most credible*, with medical and wage-replacement benefits costs ranked as *most helpful*. Respondents told us that they find employee surveys—often the only source for information about employee satisfaction, lost time and well-being—credible as well, followed by other information sources internal to their companies, including pilot programs, medical screening and recommendations from an internal benefits professional. That's not to say that outside sources *aren't* valued; only one in three CFOs said they would consider *only* objective measures from inside the company in assessing health improvement needs.

H+P Leaders: We used three questions to identify CFOs who demonstrated an especially strong perspective on the importance of workforce health as a cultural or financial priority in their organizations. These questions related to priorities around building a culture of health, promoting healthy behaviors and offering comprehensive healthcare coverage. Three in 10 respondents gave high ratings for these priorities; we termed them "Health + Productivity Leaders." Interestingly, we found that their answers were unique to their own beliefs and experience about their companies' health role and not reflective of the size or industry of their organizations. H+P Leaders were more than twice as likely as other CFOs to believe that improving employee health is *very important* to workforce productivity. These H+P Leaders also were almost twice as likely to see the *significant* impact of poor health on financial performance than other CFOs, and were more than twice as likely to consider internal company information *very credible*.

Next Steps: This report offers survey-based advice to CFOs and benefits professionals alike. It advises benefits professionals to determine whether a CFO partner is an H+P Leader and to focus information appropriately. It suggests that benefits professionals determine the metrics and performance goals valued by the CFO and use them in conveying their own program results and goals. CFOs are encouraged to ask for the information they value and need from benefits professionals and suppliers. Based on the survey's findings, such information is likely to be available and useful, but CFOs must make their needs known.

Members can access the full report at www.ibiweb.org/research_cfo2011.

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