



LINKING WORKFORCE HEALTH TO BUSINESS PERFORMANCE METRICS

STRATEGIES, CHALLENGES AND OPPORTUNITIES

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EXECUTIVE SUMMARY

Background

Employee benefits and human resources (HR) professionals have made a convincing business case for the competitive advantages of a healthy workforce. This is clear from the studies showing that a majority of large U.S. employers now offer programs to help workers improve their health, manage chronic illnesses, or return to work from a disability episode.

Despite the overwhelming research evidence that healthy workers provide a competitive advantage, benefits and HR professionals cannot afford to rest on their laurels. Many employers still make decisions about workforce health investments primarily on the basis of healthcare costs. This focus on the costs of illness neglects the ways in which healthy employees contribute to a company's value production process. As a result, continually rising healthcare costs may jeopardize employers' efforts to "bend the curve" through investments in workforce health promotion, lifestyle management and care management programs.

Comparing objective job performance outcomes for relatively healthy and unhealthy employees represents an obvious approach to making the business case for workforce health investments. Nonetheless, only a small number of occupations and tasks - call center operations and insurance claims processors, for example - have objectively measurable performance outcomes. Measuring sick day and disability absences and using validated metrics of self-reported job performance measures present viable alternatives but have their own drawbacks.

A more complete approach would incorporate health into top leaders' strategic vision of how human capital creates value for the company. Viewed as an important component of a high performing workforce, health becomes a leading indicator of future business performance rather than simply a cost driver. Linking available health metrics to business performance metrics top leaders already use provides the foundation for an evidence-based, business rationale for workforce health investments.

Practical steps that benefits and HR professionals can take to incorporate workforce health into their company's strategic plan are:

- Identifying their company's corporate strategy
- Mapping the strategy
- Compiling available health and business outcomes metrics, and preparing to fill gaps with new data
- Testing the framework
- Refining the framework as necessary
- Initiating action based on findings

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About IBI

Founded in 1995, the Integrated Benefits Institute (IBI) is a national, non-profit research and educational organization committed to helping business leaders and policymakers understand the business value of workforce health and recognize the competitive advantages of helping employees get and stay healthy. IBI is supported by over 1,100 member companies representing over 20 million workers.

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