Employee Well-being and Productivity: Making the Connection

Kristin Tugman, PhD, CRC, LPC
Prudential
Tonyia Ragland-Davis, RN
Michelin
February 16, 2016

EXPERIENCE. PRUDENTIAL.
Benefit experiences that help create and protect financial wellness.
The Workplace Productivity Challenge Is Growing

Disability – Costs to Employers between 8% and 15% of payroll\(^{(13)}\)

Disability – Costs Increase expected to increase in the U.S. by 37% over the next 10 years\(^{(13)}\)

Global Issue
U.K. disability payments doubled in the last 30 years\(^{(16)}\)

Chronic Disease
1 in 2 adults has at least one\(^{(10)}\)

Chronic Conditions
1 in 4 adults has two or more\(^{(10)}\)

Sandwich Generation
requires workers to care for their children and aging parents resulting in stress leading to lost time from work\(^{(3)}\)\(^{(12)}\)

2012 Workforce
62% of the 55–65 year old population participated, projected to be 68% by 2022\(^{(4)}\)

Physical Changes
occur in workers over 40 leading to an increased opportunity for disability\(^{(7)}\)

Employees
over 40 are out of work on average 8–18 days longer than the younger worker\(^{(17)}\)

Median Age
for workers will be 42.8 years by 2020\(^{(20)}\)
Mental Illness: Its Prevalence and Impact on the Economy and the Workforce

► By 2030 depression will rank first in total economic burden among all high-income countries.\(^{(7)}\)

► Severe mental disorders such as schizophrenia account for approximately 1% of the population.\(^{(7)}\)

► In today’s service and knowledge-driven societies, the population’s mental capital is more valuable and more vulnerable to the effects of depression.\(^{(11)}\)

► Organizational, technical, and economic changes have had significant repercussions on the world’s mental health.\(^{(6)}\)

► Loss of productivity exceeds several billion dollars worldwide, according to the Organization for Economic Cooperation and Development (OECD).\(^{(7)}\)

► Health and mental health are undeniably intertwined.\(^{(6)}\)

► When employees were asked about days they were unable to perform their tasks, 50% said it was due to mental health.\(^{(6)}\)
Behavioral Health Considerations in Our Cultural Environment

► In 2015 a Gallup poll found that 32% of employees indicated they were engaged at work\(^{22}\)

► Presenteeism costs the United States approximately $150 billion per year.\(^{(1)}\)

► The current work environment will require employers to re-recruit their talent to new roles if they expect to retain and keep them engaged. Employers are not doing this effectively today.\(^{(2)}\)

► Research on the American auto industry has suggested executives and engineers must work 80 hours a week to get the work done.\(^{(15)}\)

► Ford turned one engineering job noted to be an 80-hour-a-week job into a job share at 40 hours each. \(^{(15)}\)

► Workplace stress—defined as lack of work/life balance, high workload, co-worker conflict—causes presenteeism. \(^{(1)}\)
Well-being and Productivity: A 2015 Gallup Poll

Employees that are highly engaged and experience well-being are more productive than employees who are just highly engaged and experience the following:

- 70% fewer days away from work due to illness in the course of a year
- 27% more likely to report excellent individual and organization performance
- 45% more adaptability to change
- 59% less likely to look for another job within 12 months
- 19% more likely to volunteer their time in the community
- 37% more likely to report as fully recovered from an illness or hardship
What Is Well-being?
There Are 5 Tenets

- **Purpose (Career)**
  meaning in life

- **Social**
  support and love in life

- **Financial**
  effectively managing the economic life to reduce stress and increase security

- **Community**
  pride in where one lives

- **Physical**
  having the physical health to be able to accomplish goals and daily living

Approximately 19% of Americans are thriving in 4 out of 5 areas.
An Employer Is A Microcosm Of Well-being

**Purpose**
meaningful work can drive a purpose

**Community**
pride in where one lives

**Social**
the workplace often mirrors family dynamics

**Financial**
Employers significantly contribute to total financial wellness

**Physical**
Employers contribute to physical well-being through benefits, prevention and conditions management programs

How can an employer connect the dots to overall well-being?
Connecting the Dots to Employee Well-being and Productivity

More with Less?  
High Volume, Low Control  
Raising the bar?  
100% or nothing RTW philosophy  
Cynicism?  
Managers – Technical experts or People managers or both?
Groupe Michelin

► 1832: Aristide Barbier and Edouard Daubrée open a farm machinery and rubber ball manufacturing plant in Clermont-Ferrand.

► 1889: The Michelin brothers (Eduord and Andre) set out on what was to become a great adventure in both human and industrial terms: putting innovation to work in developing modern means of transportation. From a detachable tire for bicycles to the first guide for drivers, Michelin has made significant contributions at every step in the automobile age.

► 1898: Birth of the Michelin Man

► 1914: First Michelin guide published

► 1946: First Radial Tire patented
North American Footprint

- 19 Plants/16 Locations
- 22,000 employees
- Manufacturing sites in AL, IN, OK, NC and SC as well as Queretaro MX and NS in Canada
- Passenger and Light Truck
- Heavy Duty Truck Tires
- RV Tires
- Agriculture Tires
- Aircraft Tires
- Bicycle Tires
Michelin Group Overview

A name recognized around the world

Recent Accolades:

- Thomson Reuters “Top 100 Global Innovators”
- S.C. Manufacturer of the Year from S.C. Chamber of Commerce
- Silver Edison Award for Tweel
- Consumer Reports Recommended Best Buy
- AARP “Best Employers for Workers Over 50”

Sales & Distribution:

- Brands distributed:

  - Michelin
  - BFGoodrich
  - Uniroyal

- Our distribution and service network is composed of 150 Tire Centers, LLC (TCi) and 20 TyrePlus Centers based in Mexico

The total value of the MICHELIN brand globally is $4.4 billion
Licensing and Products
Michelin and Employee Well-being

Return-to-work Program (Purpose)

Resilience support (Social)

Benefits package (Financial)

Community involvement (Community)

Health management, wellness and safety programs (Physical)
Well-Being and Development of Our Employees

1. Improved Medical Outcomes – Condition Management
   - Diabetes Management
   - Cloud Diabetes Glucose Monitoring Pilot

2. Autism Fund

3. Formalized RTW Program

4. Chief Medical Officer / Office Project
Questions?
References

1. 10 ways to reduce the threat of 'presenteeism'. (2013). HR Specialist: Compensation & Benefits, 8(1), 1-2.
References


Group Insurance coverages are issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ

© 2016. Prudential, the Prudential logo, the Rock symbol, and Bring Your Challenges are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.