Brave New Working World?*

Europe needs investment in Workplace Health Promotion – more than ever before

by

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Social and economic structural changes are posing new challenges to industrial societies which can only be overcome with "healthy" employees. However, the reality is often different. An increasing number of employees in Europe are finding that work is having an negative impact on their health. Fighting work-related illnesses is not only a moral and legal obligation. These illnesses incur high economic costs to businesses and national economies in Europe and threaten their ability to compete and innovate. Workplace Health Promotion (WHP), or health-management, can contribute to solving this problem. So far, many businesses still show little interest in this approach. This could however change in the future.

Despite differences that exist in terms of social and economic development, the accelerating structural changes mean that all the European states are having to face very similar problems. Against the background of global competition, technological advances and the growth in the service sector, businesses almost everywhere in the old world are being forced to produce better quality products and offer services at a faster pace and at a lower price. As a result, the labour markets and social security systems in almost every country have come under

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mounting pressure. The working world has also had to bear the consequences of these developments. Employees throughout Europe are suffering from increased stress and diminishing well-being at the workplace as a result of downsizing, new types of work and employment conditions such as tele-work, casual or freelance work, new information and communication techniques and of course the pressures of time, production and competition. The effect has been a reduction in the ability and willingness to work and a marked decline in the ability of businesses and national economies to compete and innovate on the whole.

The health situation and its costs

It is not easy to measure exactly how seriously health is being affected by work in Europe. On the one hand, the national health systems operate differently and the legal directives such as the registers of recognised occupational diseases are often widely diverse. On the other hand, it is particularly important to take into consideration those health strains at work that do not usually rank as work-related illnesses. The effects of health on social and economic development in Europe is therefore probably significantly higher than commonly believed[1]. And – last but not least – owing to the differences in national evaluation methods for establishing costs of work-related illnesses (for example in Germany production losses are recorded in terms of work incapacity[2]), the damage to the national economies in Europe can be only roughly estimated. According to calculations made by the Munich Institute for Economic Research IFO, loss of production due to illness amounted to 4.2% of the GDP in 2000 in Germany alone; in monetary terms, the equivalent of 85 billion €, and the revenue lost to businesses resulting from employee burnout, mobbing, or lack of motivation is not included in this calculation. According to estimates from the European Agency for Safety and Health at Work in Bilbao, the cost of workplace-related illnesses in Europe amounts from 2.6% to 3.8% of the GDP. 600 million working days are lost per year in the European Union from work-related absenteeism.

This negative trend is set to continue in the future. Although the significance of traditional work-related illnesses is steadily declining, new forms of work-related illnesses as well as stress, bullying, and burnout, are emerging to take their place and will increase significantly as a result of the psychological strains of working life. According to a survey carried out among 20,000 employees by the European Agency for the Improvement of Living and Working Conditions, 60% already feel that their health is affected by their work. Only 1% of those questioned felt that their work has a positive impact on their health.[3] According to new estimates, 40 million employees across Europe are affected by stress alone. Already today the total costs of lost working time and healthcare have reached 20 billion € annually[4]. The latest health report by the World Health Organisation (WHO) also paints a dark picture for the near future of increasingly psychologically ill and depressed societies in the industrialised countries. The entry of new member states to the Community will bring a further rise in the occurrence of traditional health risks at workplaces. Working accidents in these countries are more frequent than average in the old union[5] due partly to the higher degree of specialisation in sectors which are traditionally regarded as high-risk.

Ageing workforce

The ticking of the demographic time bomb is aggravating matters. Eighteen of the twenty countries world wide with the highest proportion of old people are in the WHO European Region[6]. At the same time, more and more employees in these countries are taking early retirement for health reasons. The average age of retirement in the Union in 2001 was 59.9 years[7]. At the same time - contrary to what the currently high levels of unemployment would suggest - the trend in ageing will lead to a further lack of skilled employees both on the middle and long-term. The average age of staff will increase and companies will have to recruit and retain new people while at the same time utilising older employees in roles that are suited to their skills. For companies in countries such as Germany, Spain and Italy this will pose more of a problem than for their competitors in France and Scandinavia, where birth rates are higher. The consequences are

therefore more serious for the businesses in these countries. And because of the developments in the pension and sickness insurance funds, companies are even forced to pay twice over in cases where the social security systems are based on 50/50 contributions. Extending the length of working life, which is among the proposals put forward as a solution to the problem by some of the Member States, will be ineffective if people are unable to reach retirement age in good health.

Changing values in society

While having to face the challenges of internationalisation or globalisation, companies are also confronted with the speed in which society's values are changing. Employees are increasingly seeking a better quality and purpose of life. Rather than striving for a career, they are now seeking to find a healthy work-life balance. Women are playing an ever increasing role in working life. Companies will be obliged more than ever to become an "employer of choice" in the "war of talents" if they are to secure high level performers for their future and will find themselves having to adapt to individual needs and provide flexible working conditions.

These trends all show a growing need for a strategy that makes it possible for companies to lower their work-related costs, to recruit and retain qualified employees more easily and to increase the willingness and ability of their employees to perform well on the long term, if they are to remain customer-oriented, flexible and innovative and therefore able to compete and operate in the future.

Health-management and WHP in Europe

These strategies began to develop in the 80s when the concept of health was expanded from meaning the prevention of illness, to include the promotion of physical and psychological well-being and personal behavioural choices. At the same time, the workplace was discovered as a setting for influencing healthy

behaviour and health patterns. Company health policies were no longer understood as the repair or compensation of damage to health. To adjust employees and companies to the new challenges of working life, it was considered important to use the existing health resources in companies and to increase well-being at the workplace. This can be achieved by improving working conditions as well as by influencing individual behaviour. Despite the many national differences in economic and social development, the concept of WHP was thus created in Europe complementary to traditional occupational safety and health. WHP is a comprehensive inter-disciplinary approach involving both employees and human resource and organisational development.

WHP initiatives are now carried out all over Europe, although the nature of methods, and the scope and success of the programmes vary from state to state. In those countries where the classical meaning of safety and health at work has a strong tradition, WHP was accepted more readily because of the better developed understanding of safety and health.

- This applies to countries such as France, Spain, Italy, Greece, Switzerland and Liechtenstein, but particularly to the *Scandinavian countries* in which resource-orientation was understood and accepted as a useful supplement to traditional risk-factor-oriented occupational safety and health[8].
- In *Sweden*, where the influence of safety and health services and unions has a strong tradition, laws were passed assigning more responsibility to employers for the health of the workforce, such as for example annual controlling to improve the working environment[9].
- Again in *Finland* WHP led to the introduction of extensive measures enabling employees to remain longer at work, counteracting the strong trend of taking early retirement. This ‘Maintenance of Work-ability’ Programme has shown an improvement in the ability and willingness of older employees to work[10].
- In other countries such as the *Netherlands* and *Portugal*, however, it was the public health institutions, such as medical foundations who initiated WHP projects. Particularly in the Netherlands, a country with traditionally strong

social policies, the status of WHP has been strengthened. In 1990 a treaty was signed between government and social partners resulting in successful projects that provided evidence of the benefits of health promotion at the workplace. The Centre of WHP in the Netherlands was founded in 1995, and has contributed to a wider spreading of the concept[11].

- WHP has also increased widely in the Anglo-Saxon countries, i.e. in Ireland and parts of *Great Britain*[12].
- In *German speaking* countries WHP has benefited particularly from the involvement of the health insurance companies. In Germany the health reform in 2000 provided them with the opportunity of *"implementing workplace health promoting measures to supplement occupational safety and health"* (§ 20, Clause 2, Social Security Code V). Health Circles at the workplace have been a widely used instrument that has been recognised by both the social partners and political bodies. In these temporary project groups, employees and other stakeholders work together to find practical solutions for unhealthy working situations.

The national initiatives were complemented at European level:

- Already in the guideline EU 89/391 EEC, that followed the new comprehensive prevention approach, it was laid down that employers were responsible for guaranteeing the health and safety of their employees in every aspect[13]. This guideline was subsequently transferred into national law by all Member States. WHP was also placed on the agenda by the relevant EU authorities such as the *Agency for the Improvement of Living and Working Conditions* (Dublin Foundation) or the *Agency for Health and Safety at Work* (Bilbao Agency), to give support to the dissemination in the Member States.
- In 2002, the Commission went one step further by publishing a common strategy to be followed until 2006. One of the aims of this new concept was to include the new types of health risks at work in the EU policies and guidelines in the field of work and health. It also aims to establish a stronger prevention

culture, particularly relating to the new risks that are occurring as a result of the changes in working life, such as mobbing.

Despite the existing imbalances and national differences, a common typology of WHP 'made in Europe', has developed over the past 20 years and can be characterised as follows:

- Great emphasis is placed on the design of workplaces and psychological factors, particularly on lowering absenteeism and muscular-skeletal diseases, unlike in the USA for example. The emphasis there is more on life-style and risk factors where productivity, health costs and employee commitment are the central consideration. In contrast to American individualism, European interventions are strongly consensus-oriented.
- There is a north-south divide in Europe in terms of dissemination. Obviously, WHP depends essentially on the social and cultural backgrounds of the north- and central European countries.
- In almost every country, the development of markets for WHP has been inconsistent. There are a multitude of public as well as private suppliers, however they are providing little transparency and little control.
- The common European understanding of WHP that now exists was initiated by the European Network for Workplace Health Promotion (ENWHP) which is co-ordinated by the Federal Association of Company Health Insurance Funds (BKK) in Germany[14]. According to the Luxembourg Declaration of 1997, the concept of WHP embraces an interdisciplinary approach which actively involves employees.
- In the meantime, a significant European pool of knowledge exists, to which the ENWHP has contributed by establishing, documenting, and disseminating models of good WHP and by developing quality criteria that are uniform throughout Europe.

WHP - challenges for the future

It must also be said, however, that European WHP as such has not yet been accepted or implemented on a wide basis in Europe, despite the wide variety of activities and large number of successful case studies and in spite of the scientific and economic findings.

The cardinal problem regarding WHP in Europe is the lack of awareness. Although numbers have increased, there are still far too few businesses and organisations which have found the arguments for the economic benefits of investment in health management convincing. Although all companies follow plans to deploy their production capital as efficiently as possible on a long-term basis, many of these enterprises neglect their most important assets. Only very few pursue health promotion strategies which would help maintain their human capital and secure their ability to be productive on the long term. Too many companies in Europe still think of investment in health as a costly "goody" for the staff for which there is no return on investment. This applies particularly to small and medium-sized enterprises in which the majority of Europeans work. WHP is often mistaken here for traditional occupational safety and health and is viewed as a regulation imposed by the state, although it has been proven again and again that quality-oriented WHP:

- results in a decrease in illness-related absenteeism,
- improves employee motivation and the working climate,
- is an image factor that raises the profile of the company for clients, partners and the public at large, and therefore makes the company more attractive as an employer,
- enables a higher net product by contributing to a higher quality of products and services, more innovation and creativity, and increases in productivity within the company.

Arguments for increased productivity, particularly, have gained far too little attention in Europe. In contrast, health management has been widely accepted in

the USA as “Health and Productivity Management”. The value of employees as a competition factor has been adopted more widely by US American companies, and has consequently moved on to taking employee health into consideration in productivity analyses. Although the measures they take are geared mainly towards individual behaviour and to a lesser degree on working conditions, WHP has been accepted on the other side of the Atlantic as an integrated management concept through the strategic involvement of health.

Due to a multitude of differences, however, American standards cannot simply be applied to the conditions in Europe. They do, however, offer comparable evidence for the necessary change in awareness. This calls for a marketing strategy to provide convincing answers to the following questions for specific target groups: What is the return on investment in WHP? If there is a return: how can WHP be applied successfully in practice? The necessary requirements for providing answers to these questions are:

- A collection of arguments that prove the return on investment in WHP
- Documentation of suitable methods for interventions
- A collection of models of good practice, listing successful examples for benchmarking

The European Network has applied itself to this role. In a project funded by the European Commission the ENWHP is currently working on establishing a European pool of arguments and a “European Toolbox” with suitable instruments.

However, political involvement is required as well. In view of the common European targets to further consolidate a culture of health promoting behaviour, the following different political tools are conceivable options:

1. On the one hand, nominative pressure could be increased on companies, i.e. by producing legal guidelines to prevent the health risks in the new working world. The argument that undesirable developments should be dealt with at their source - in the enterprises themselves - speaks in favour of this step.

Lower implementation of WHP means the externalisation of more business administration costs which creates a higher burden for social systems. WHP could help in preventing early retirement and illnesses. On the other hand, WHP should be designed as a consensus-oriented process that is based on the voluntary support of all stakeholders. Moreover, the concept of occupational safety and health has already suffered from the problem of being able to convince only a few employers of the economic sense of its actions. For this reason it was also concluded by a commission of experts appointed recently for Germany by the Bertelsmann-Foundation and the Hans-Boeckler-Foundation, that legal guidelines should not be imposed[15]. At the moment when many enterprises are facing economic problems, and against the background of public debate that is calling for more deregulation, enforcing norms appears to be politically and economically unrealistic. This does not of course mean that national governments should not provide guidelines, agree on minimum standards with the social partners, or take on supporting roles in negotiations.

2. It is conceivable that national governments could encourage the necessary change in awareness by offering financial incentives for health-promoting behaviour. This has failed to happen yet in almost all the countries. In particular, financial incentives could be provided in the form of tax-benefits, whereby tax relief on investments in WHP is one solution. Or, in welfare systems based on 50/50 contributions, enterprises that save costs for the social insurers by operating health promoting programmes could be awarded with a reduction in insurance contributions. These types of incentive have been under discussion for some time in the field of occupational safety and health (working accidents and occupational diseases), or have already been implemented successfully. Health promoting standards could also be considered as a selection criteria for awarding public contracts. And in the end a regulatory effect could be achieved by introducing quality labels. These type of quality seals already exist in some countries, such as Austria, the Netherlands or England.

3. However, the most effective alternative to traditional legislation has proved to be the comparative perspective of the benchmarking approach, that

encourages innovative and practical courses of action. In order to establish "Best Practices" as a model for others to follow, thorough documentation and the exchange of experiences on European level are required. The EU has therefore devised an action programme for implementing its strategy in the field of Public Health and will undertake by 2008:

- to improve the knowledge and information basis relating to health matters, and
- to consider health factors (therefore including the working environment and lifestyle).

This programme allows decision-makers and non-governmental organisations to collate and exchange their knowledge on the various factors. The programme supports the work of networks, to push forward the exchange of knowledge on European level and to enable mutual learning. To fulfil this purpose, the European Network will support the creation of suitable infrastructures for WHP in the individual European countries while supporting the establishment of national forums and networks to enable an international exchange of experience.

Conclusion

With its strategic health policy and the action plan for implementation set in place, the EU has set milestones in European labour and health policy by naming explicitly for the first time the challenges to be faced through the changes in working life and is determined to rectify the crucial mistakes of the past in failing to create awareness.

- Whether the strategy will suffice for reaching the goal set by the Union to become the most competitive region in the world by 2010 is doubtful. The principles of subsidarity and proportionality mean the Union can only operate in areas where it has no exclusive authority, such as in Public Health, when its targets can be achieved more successfully on Union level. It is therefore up to the Member States to provide the impetus for interventions. In most of the countries for example, only a fraction of the health budget is used for health promotion. The nation states will also need to link their health targets

with those in other political areas to strengthen competitiveness. This is particularly true of social and employment policy, for example, where the employment potential could be developed to the full by including older workers and women. This is an area for example where national states could set incentives for improving the compatibility of work and private life (work-life-balance).

- It is also important that the reasons for investing in WHP should be seen by the stakeholders from a different angle, moving away from the fixation on health towards stressing the increase in productivity. It must be made clearer that WHP is a corporate strategy which will pay off in the long run. This applies not only to the company management who are keen for a quick return on investment in times of economic strain. Employee representatives and works councils must also be convinced that healthy productivity evaluation is also in the employees' interest as they often see productivity evaluation only in terms of social selective criteria which can be used at a later date for staff cuts. And because WHP also relieves the strain on the welfare funds, the support of the national welfare insurers for investment in WHP will be more necessary than has previously been the case.

The quality of working life (and safety and health at the workplace) will have a strong influence on competitiveness in the EU countries. However, economic success depends not only on the abilities of individuals to react appropriately to the challenges of the new working world. With the stronger economic integration of the domestic markets in Europe economic efficiency in the other Member States will become increasingly important. Europe is a community with a common destiny. The quality of employees' work and health in Europe is therefore in everybody's interest.

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[13] Kirsten, Wolf: Metric Measures – An European perspective on health promotion´s cost effectiveness, in: Absolute Advantage, Wellness Councils of America 2002, P. 69.
[14] At present member organisations from all 15 Member States, the 3 EEC countries, 5 Eastern European countries, Canada and Switzerland belong to the Network. The Network is chaired by the Federal Institute for Occupational Safety and Health (BAuA) in Dortmund. The German National Contact Office, the BKK Bundesverband administrates the Network Secretariat and manages the Network projects.
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