



PepsiCo Canada's focus on improving employee health and productivity results in operational efficiency and savings

ORGANIZATION

PepsiCo Canada

CHALLENGE

Implement operational efficiency in a manner that supports employee health and safety

SOLUTION

Design and implement a harmonized and integrated disability management/leave administration program with a single vendor, Morneau Shepell, for increased efficiencies and earlier absence support

RESULTS

Multi-million dollar direct savings in the first year of the program through a proactive, early, integrated and holistic approach to absence management, better case management, and improved employee support:

- Reduction in absence days and absence rate
- Increase in employees who learned about the EFAP from the attendance support line
- Significant reduction in workers' compensation days
- Strategic approach adopted for workers' compensation appeals
- Significant reduction in short-term disability duration
- Positive perception of short-term disability program by employees (91.67% overall satisfaction)

CHALLENGE

In determining where it could achieve operational efficiencies, leading food and beverage manufacturer PepsiCo Canada examined its absence-management practices. It found room for improvement and established specific goals:

- Improve the accuracy and timeliness of leave reporting
- Integrate occupational, non-occupational, incidental absence, accommodation services and the Employee and Family Assistance Program (EFAP) to ensure a broader range of support and seamless transitions
- Reduce disability durations, lower benefit costs, and improve outcomes
- Enhance the employee, manager and HR experience
- Harmonize disability and leave practices/policies
- Reduce the cost and improve the accuracy of leave-of-absence administration
- Assure regulatory compliance
- Build organizational accountability through measurements and programs that drive continuous improvement
- Improve workforce reporting and insights

SOLUTION

PepsiCo Canada opted to implement a harmonized and integrated disability management/leave administration program with a single vendor, Morneau Shepell. Instantaneous problem-solving behind the scenes has made a significant difference in both the outcomes and the workplace experience.

With respect to absence management, the vision was to harmonize administration of all employee leaves: short-term disability (STD), long-term disability, workers' compensation, maternity/paternity/adoption leave, jury duty, bereavement, and personal leave. The new PepsiCo Canada Leaves and Claims program provides employees with a single Attendance Support Line (ASL) number to call 24/7/365 to advise of an unplanned absence of any sort, as well as work-related incidents including illness or injury, vehicle accidents, PepsiCo property damage, crime and third-party claims.

When employees call the ASL to report they won't be in to work, they talk in real time with a representative who sees whether there is anything that can be done to help the employee. Sometimes this means an immediate "warm transfer" to the company's EFAP. This optimizes the EFAP at a critical moment for employees, effectively supporting those who may get the greatest benefit, and educates employees about EFAP. The goal is not only to track absence but to provide assistance to the employee at the first opportunity. The call also results in an immediate notification to the employee's supervisor to ensure that replacement resources are in place if needed.

On the fifth consecutive day of absence, the employee is automatically referred to the company's STD program. Seamless transfers and service triggers prevent costly delays. Early triage and non-medical return to work support begin immediately, followed by a comprehensive assessment at the start of the claim for early action planning. Attendance support case management is provided throughout the process and the employee is also encouraged to make use of the recovery and return to work support services through the EFAP.

Best practices from STD have been leveraged for workers' compensation cases with prompt coordination of strategic medical services, more streamlined workers' compensation reporting and modified work offers that prevent lost time.

Administration has also been simplified. Incident report forms are pre-filled, saving both the supervisor and the employee time and ensuring accuracy. When a leave necessitates a change in the employee's pay rate, information is automatically provided to PepsiCo Canada's payroll system.

RESULTS

PepsiCo Canada began experiencing multi-million dollar savings from the first year following implementation (2014). These positive results are attributable to the following key aspects of PepsiCo Canada's approach:

- Administrative efficiency through the central line and seamless connection points
- Accountability through centralized tracking and reporting
- Early comprehensive assessment with intervention starting before more typical programs have even completed the notification process
- A solution-focused approach centred on productivity and driven by expertise in absence behaviour
- One service team for absence tracking, administration and intervention for best practice program management

The benefits that PepsiCo Canada has realized, however, have been more than monetary:

- Employees understand that every absence matters, and that the company wants to help them address health and productivity issues
- Managers have less paperwork and real time access to information they can use to plan production, reallocate resources, and impact on productivity
- HR and the company have access to the business intelligence they need to pinpoint where to invest to reduce and prevent absence and improve productivity

"Morneau Shepell's insight, guidance and technology have resulted in accolades for PepsiCo Canada. We received the 2015 Benefits Canada Workplace Benefits award for absence management, and other Pepsi operations globally are considering implementing PepsiCo Canada's approach. However, the most meaningful return on our investment has been the positive feedback from our employees and knowing we have made a real impact on their lives."

Anastassia Melvaer
Director of Total Rewards, PepsiCo Canada

Morneau Shepell is the only human resources consulting and technology company that takes an integrative approach to employee assistance, health, benefits, and retirement needs.

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