

Human Capital: The last piece of the workforce productivity puzzle

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Introduction: An overview of workforce productivity

Workforce productivity can be defined as the amount of services or goods a workforce produces within an expressed time and budget. Senior leaders, when setting their expectations and measures for organizational success, must factor in workforce productivity with respect to what influences it both positively and negatively. If this is not done, the risk for failure intensifies.

When designing budgets, senior leaders typically want to understand the measurable impact of any investment or disinvestment on the workforce, and the expected impact workforce productivity will have on financials. The absence of this information often can often delay or even prevent action.

Employee engagement has typically been the go-to metric to measure workforce productivity through job satisfaction. However, if this metric is not connected to organizational Key Performance Indicators (KPIs) such as customer index, absenteeism, disability, turnover, and financial results, then what is the true benefit with respect to understanding how engagement is impacting productivity?

If you do not know how to ask the right question, you discover nothing.

— W. Edwards Deming

For example, company ABC's engagement rate of 72% moved to 77% in the past 12 months. What

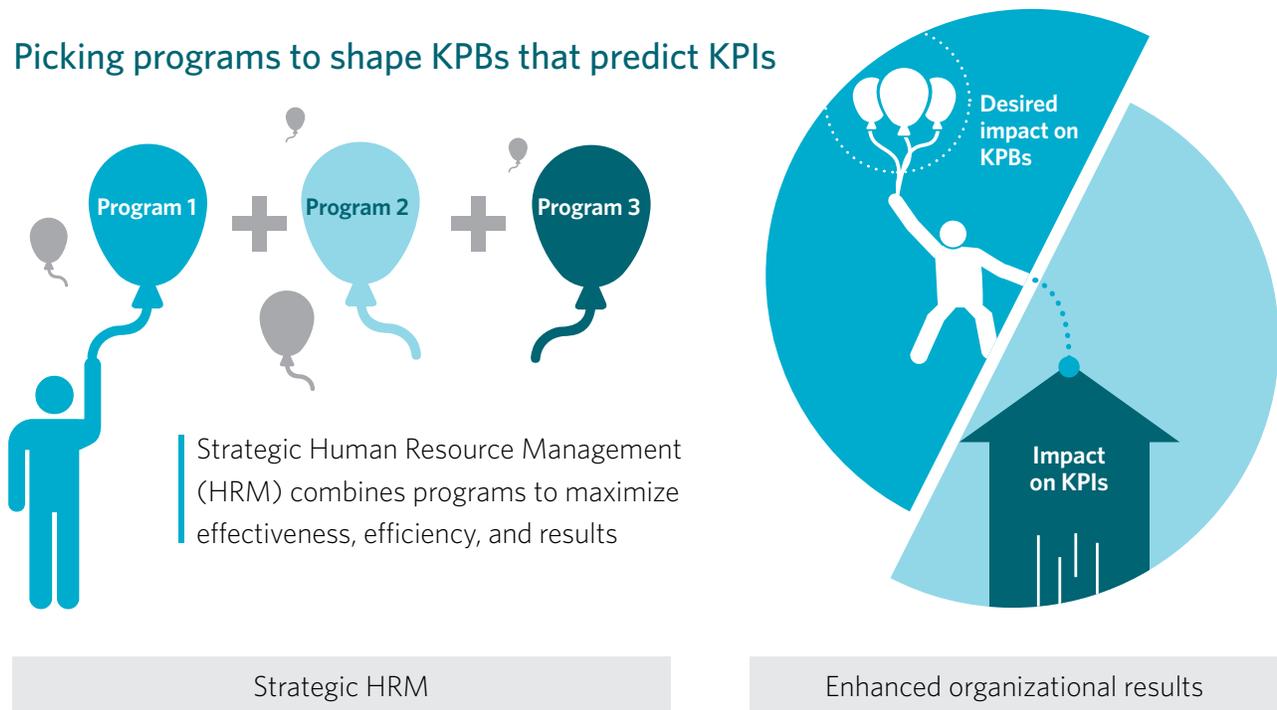
does this really mean? Though this 5% increase may net a manager a bonus, without clear evidence of the links between the engagement score and other key metrics it is difficult to determine the impact. For many organizations under examination, this is often a gap.

The gaps in measuring workforce productivity have led Morneau Shepell to look beyond engagement to measure the relationships between health, engagement and productivity. By examining this link between employees' key performance behaviors (KPBs) and financial results, leaders are in a position to accurately predict the behaviours that positively or negatively impact productivity.

In Morneau Shepell's white paper *The next evolution of strategic HR: Measuring program value through business results*, we introduced a new line of thinking around strategic HR. This white paper also introduced the role and importance of key performance behaviours for driving key performance indicators (KPIs).

Additionally, we introduced our approach for measuring programs' impacts with respect to how they can positively shape KBPs. The measurement model introduced is based on our methodology for calculating the value of investment (VOI) and the impact on workforce productivity.

Picking programs to shape KBPs that predict KPIs



Ultimately, workforce productivity is defined by the sum of every employee's individual contribution. The total collective effort of the employee base defines the human capital workforce productivity contribution factor. No two human beings have the same capacity, needs and motivation, and as such, the complexity for influencing human capital increases. Simply put, there is no silver bullet. There is not one single policy, procedure or program that will solve the challenge of how to get the most out of every FTE with respect to productivity.

Most senior leaders have seen dollars wasted on random acts of wellness and other types of programs that have not had any major long-term effect, nor reached those who, in particular, have low productivity due to health or motivation factors. As a result, there may be a degree of skepticism or conservative thinking with respect to investing in human capital health and engagement to drive productivity. In fairness, they are looking for the evidence and the link between their investment and improved productivity.

Senior leaders will invest heavily in workforce productivity when they believe that there will be a real measurable return on the investment. Many leaders will not even consider an investment without seeing demonstrated case studies with results provided by other organizations.

The IT revolution has driven big investments with the hope that new, powerful IT solutions will improve workforce productivity. Interestingly, the impact of technology advancements in the workplace on human capacity were not thought out or anticipated. For example, the evolution of handheld devices brought with it an expectation of the 24/7 workplace, resulting in many employees feeling that they are chained to email. For them, IT has increased their perceived workload, the length of their workday and the weight of a real or perceived continuous demand on their time and energy.

Even with this knowledge and insight, IT continues to roar on. Organizations have invested billions, if not trillions, of dollars in IT to upgrade ERP and HRIS systems. With all the IT advancements in infrastructure, software, Internet, robots, and the evolution of the cloud, the common goal was to maximize workforce productivity. Perhaps a crude way to put it: How can organizations maximize their dollars so they can do more with less human capital? Why? Human capital is often viewed as expensive, complex, and hard to manage and maintain over the long term. Regardless, there will never be enough IT to remove all people. Organizations need people in order to exist.

Another area senior leaders have invested in heavily is reducing waste, driving efficiencies, and increasing workforce productivity through process mapping and improved documentation. As with significant investments in IT, organizations have invested billions of dollars in process management systems such as six sigma and ISO.

In addition to these hard advancements there have been changes in governance related to how human capital should be managed in order to positively impact the employee contribution, workplace experience and overall workforce productivity. For example, there has been a growth in the emphasis and commitment put on employees' physical and psychological safety, such as occupational health and safety (OHS), workers' compensation, human rights, and the National Standard of Canada for Psychological Health and Safety in the Workplace (the Standard). These are collectively influencing decision makers with respect to policies (e.g., mental health policy), procedures (e.g., harassment investigation), programs (e.g., EAFP, depression care and PTS support) and benefits plans (e.g., psychological service support).

The link between employees' health, engagement and productivity is becoming more and more evident. This is why Morneau Shepell, in partnership with *The Globe and Mail*, has created a new employer of choice award (www.employeerecommended.com) to add to this growing conversation. Promoting and supporting the benefits of employees' total health on productivity through early prevention and detection of chronic physical and mental health conditions can help decrease the associated hard costs (e.g., absence, STD/LTD/WCB, and drug costs) on an organization's bottom line.



There is no getting around it: business needs people

One last piece that will define workforce productivity is human capital. How successful an organization is at managing and influencing its employees is a critical element for predicting how effective and engaged the workforce is. Leadership who wants to effectively engage its workforce must pay attention to how their actions or lack of actions positively or negatively impact workforce productivity.

For example, Sam is a typical office worker who specializes in IT. He works from 9 am to 5 pm, has 60 minutes for lunch, and takes two 20-minute breaks. His active expected productivity is 380 minutes per day.

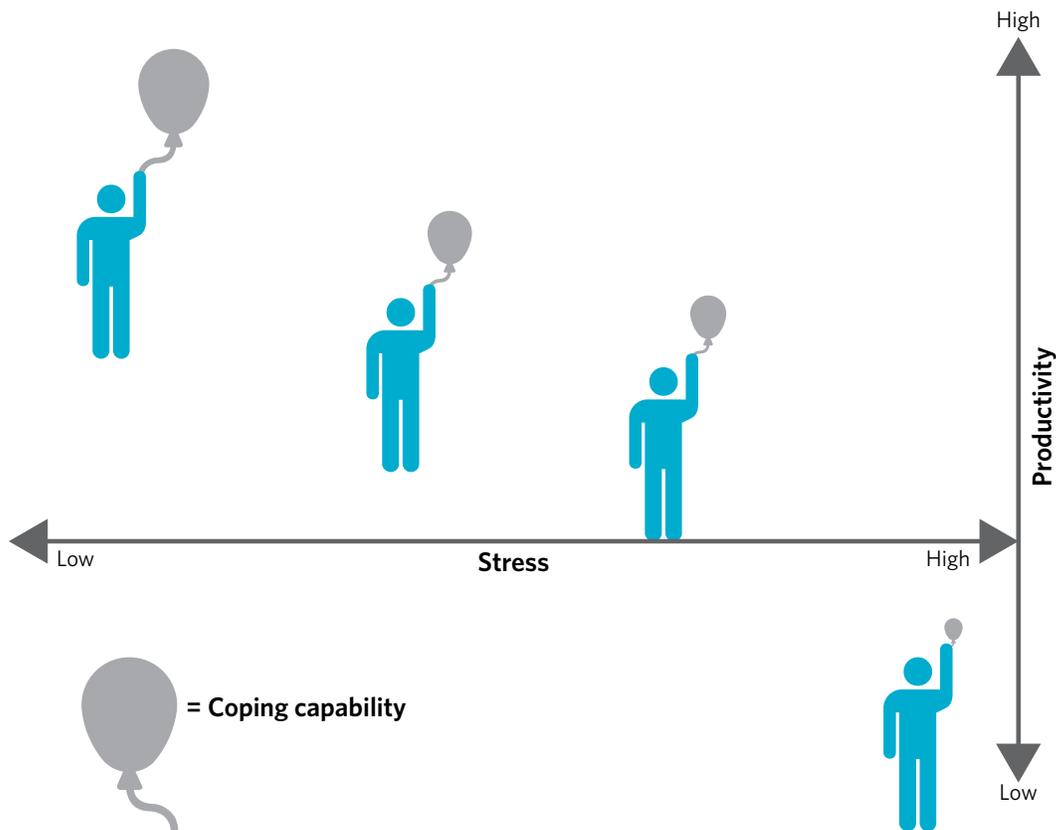


Sam is a typical office worker

- Specializes in IT
- Works from 9 am to 5 pm,
- Has 60 minutes for lunch,
- Takes two 20-minute breaks.
- Active expected productivity is 380 minutes per day.

If managing people were only this easy. To influence workforce productivity is to understand what factors positively and negatively affect Sam’s workplace experience. Sam’s perceptions of his workload expectations have resulted in Sam feeling stressed and worried about his current work demand.

Like most employees, the longer Sam experiences stress without relief, the higher the risk that his productivity will be negatively impacted. That can be costly, because his inability to cope with stress may result in increased presenteeism and absenteeism.

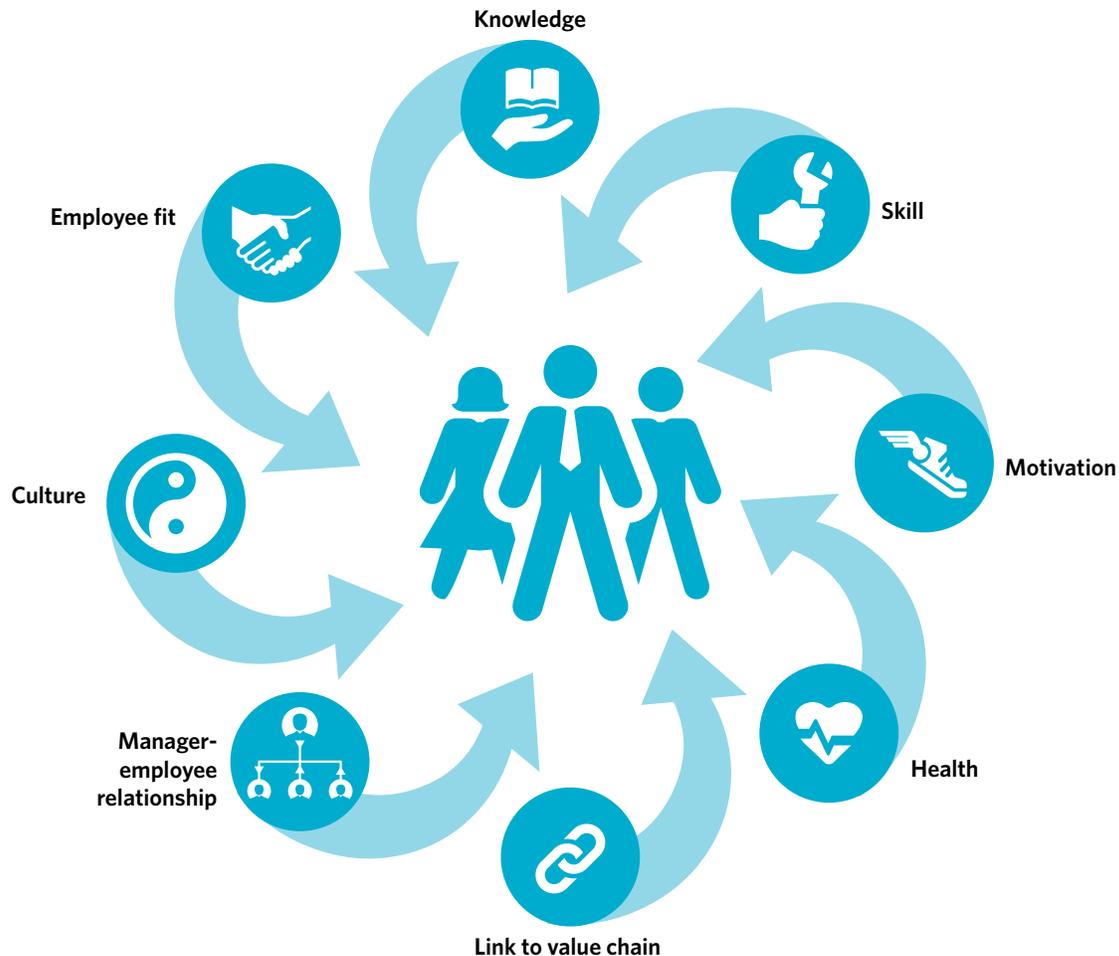


Stress, Coping Capabilities and its effect on Employee Productivity

Many internal and external factors influence Sam’s productivity. Yes, Sam has 380 minutes to be productive each day, but unlike a software program that runs the same way every time, each person is different. Employees can become distracted by the words their manager says, events that are happening at home, or internal conversations such as self-talk about their job satisfaction.

Indeed, employees have many intangible factors that come into play and collectively influence their contributions. Below are eight factors that provide a view as to how complex human capital workforce productivity can be to influence. These factors that strategic HR plans target include: *Knowledge, Skills, Motivation, Health, Link to value chain, Manager-Employee Relationship, Culture and Employee Fit.*

Overview of the Eight Factors for Influencing Human Capital



Knowledge

Mastery requires both implicit knowledge (e.g., rules and policies) that can be trained relatively easily, and tacit knowledge (e.g., organizational intelligence, subject matter expertise and experience) that takes time. For knowledge workers, it can take up to between eight and 12 months to get them to 100% capacity. High turnover of knowledge workers is hard on an organization.



Skills

Skills represent the mastery of doing an assigned function to the degree that will achieve targeted results. This happens only when employees have both the tacit and explicit knowledge required to perform the skills within the organization. This is why learning and development is a critical tool for employee productivity. In addition, organizations are mindful that policies, procedures and tools can impact how employees do their work and the output.



Motivation

Motivation is the voluntary inspiration to do one's best work daily. This is often referred to as discretionary effort (DE). The employee perceives an internal benefit (e.g., sense of accomplishment) for doing their best work that is often above and beyond expectations. Most organizations who are interested in shaping employee motivation understand the role of engagement and why it is important to pay close attention to employee perception with respect to what the organization does well and what it can improve that will enhance the employee's workplace experience, loyalty and commitment to the organization's success.



Health

Employees in good physical, mental and financial health are in a position to be more sustainable over the long term. Strained employees are at risk for coming to work in an unwell state and as a result are capable of doing only the minimum expected – or less. This is referred to as *presenteeism*, which facilitates the involuntary motivation to come to work. The root cause can often be traced to early stages of or a developed chronic disease (e.g., chronic pain, mental illness, physical health challenge). Not all employees who are unproductive and meet the criteria of presenteeism are lazy. For the most part, these employees are unwell and doing the best they can with the resources they have to cope. While there are lazy and unmotivated employees who are bored or come to work only for a paycheck, this is a different issue related to job fit or attitude. Employee health also plays a role in predicting attendance. Employees who are experiencing mental health challenges for example are at more risk for missing work. There is a direct relationship between employee total health and attendance.



Link to value chain

Most organizations are in a constant state of change that often creates additional ad hoc and project work, or a continuous shift in priorities. As a result, some employees become unclear on the scope of their role, how their contribution fits and how they add value. Employees will be more effective and engaged when they are clear about how their day to day contribution is linked to the organization's objectives and goals. Take the time to ensure each and every employee is clear about how their role and contribution impacts the organization, how success is evaluated and provide feedback that acknowledges employees' contributions.



Manager-Employee relationship

The manager-employee relationship is critical for providing feedback, direction, support and coaching. How each employee perceives their manager and the degree of trust they put in them impacts the employee's loyalty, attendance and commitment to the organization. This relationship is the DNA of workforce productivity. When it's not working, employees are not productive. Employees benefit when they understand their goals and objectives and how their manager will both correct and praise their work.



Culture

The environment that employees work in can shape their attitudes and beliefs. The conversations and stories employees hear and observe every day with respect to how they are treated and protected, and the degree of conflict or recognition that exist are all factors that influence each employee's perception of whether the workplace is a positive or negative place to be each day.



Employee fit

The degree to which the job the employee is doing meets their career plan, incorporates their personal talents, and meets their professional needs impacts their perception and the value they put on their role. Further, the employee's compatibility with the organization's values, core competencies and operating style also defines their degree of fit. Employees who come to work because they love what they do start each day with a different mindset than those who come only for a paycheck. Having an employee in the right role increases the likelihood they will find purpose and meaning in their work, which will feed their internal motivation. The type of external feedback employees receive from their managers about their performance will also shape their motivation.

How Sam perceives and navigates the above eight factors will shape and influence his work productivity. To make the point, consider a scale of 1 to 10, with a maximum score of 80, Sam's score for each of the factors. A score of 30 would suggest that with more support and competencies Sam has potential for much higher productivity. Now consider a workforce of 1,000 employees, each with their own score. This perhaps is why workforce productivity with respect to influencing human capital workforce productivity is so complex. With so many variables at play, there is seldom one easy answer.

Employees are, indeed, expensive. The biggest-ticket item on most P&Ls is payroll, along with the additional costs that come with people, such as benefits, pension contributions, office space, equipment, supervision and training.

The next section introduces the *Morneau Shepell Total Integrated Health Consulting approach*, a structured approach organizations can take that is flexible enough to adapt to their needs.

Morneau Shepell's total integrated health consulting approach

The purpose of this section is to introduce the Morneau Shepell total integrated health consulting approach, which has been designed to influence key performance behaviours such as discretionary effort and presenteeism, and support human capital strategic HR plans.

This model begins with the premise that improving employee productivity requires proactively influencing four key areas: physical health, mental health, workplace health and life health (includes financial and relationships) through promoting a two-way accountability model.

This two-way accountability model suggests the following:



Figure 1- Morneau Shepell's two-way accountability model for health-engagement and productivity.

- Every employee owns their physical health, mental health and life health, and their motivation, decision making and behaviours influence their level of risk for health issues.
- The employer is accountable for facilitating a positive workplace experience by removing workplace hazards (e.g., bullying); facilitating psychological and physical safety; providing meaningful talent management (e.g., onboarding, training, performance management and career planning); providing adequate work space, resources and equipment to do the job; ensuring leadership effectiveness; providing rewards and recognition; and communicating effectively.
- The employer can play a role in facilitating and supporting employee physical, mental and life health by fostering an environment that can help employees cope better.

For this model to be effective, leadership needs to commit to it and accept the notion that the employer can play a role in shaping employee total health through the decisions they make. However, every employee ultimately owns their own health and career.

This is a shift from the traditional model where the expectation is that the employer's role is to fix everything - to an employer-employee partnership model. This two-way accountability model requires focus, time and effort. However, through education and change management, employees typically see the links and understand why the employer cares about employee health. Employers are paying for 100% of employees' time at work and as a result expect something in return. Employees who come to work unwell, miss work or are unmotivated are expensive. Organizations require healthy and engaged employees for long-term sustainability.

Morneau Shepell's Plan-Do-Check-Adjust approach to total health consulting

The next layer to discuss after the two-way accountability model is how this approach is aligned to the Plan-Do-Check-Act (PDCA) framework. This cycle, originated by Walter Shewhart and made popular by Dr. Edward Deming, has been adopted by ISO 9001 standards as the framework for continuous improvement. The model facilitates and promotes quality control and is viewed as the standard for change management. This model effectively supports change implementation; however, it is most effective when repeated year over year and results are compared. Organizations that adhere to this process have a greater opportunity for achieving desired results.

Our total health model has been designed with the ability to be linear as well as flexible in that there are different starting point options.

In Figure 3, the arrows indicate potential entry points into this model. There are five key stages: *Defining the problem, Investigation, Strategy Development, Implementation and Evaluation.*

The total integrated health approach incorporates the PDCA model. This approach is supported by our subject matter experts (SMEs), as well as their programming and solution infrastructure.

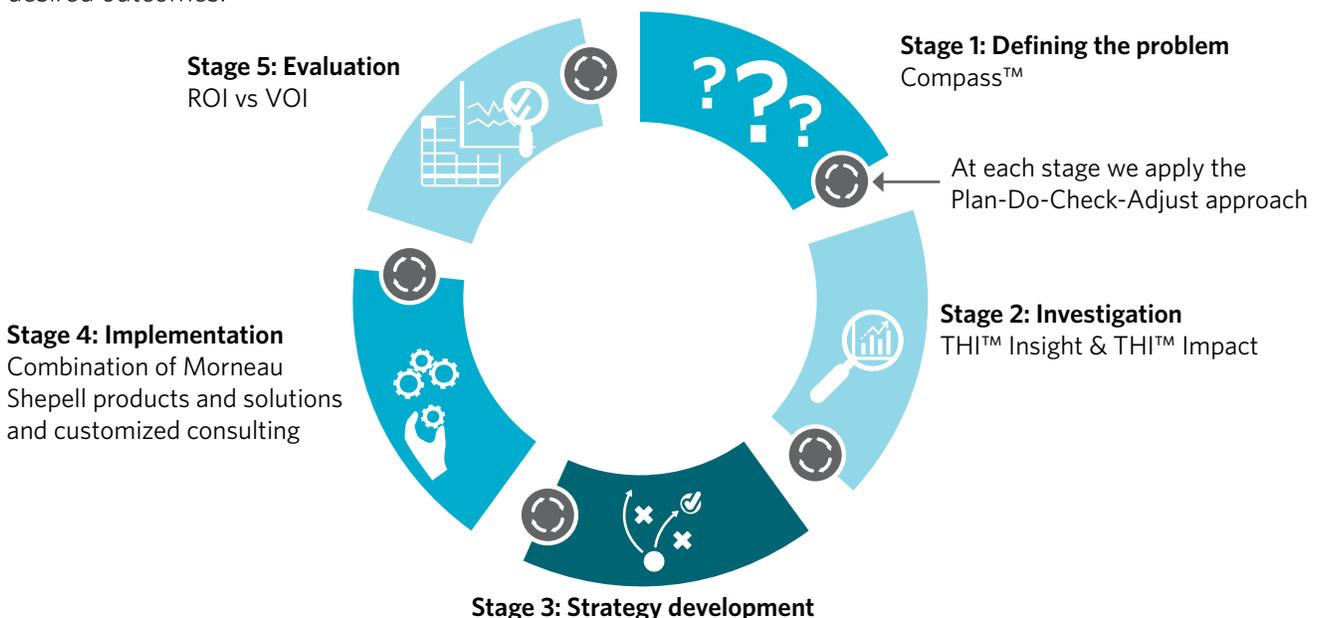
All Morneau Shepell consultants adhere to the model. However, the SME expertise influences the kinds of conversations they can facilitate.

It is of value to note here that organizations can use this model without using solely Morneau Shepell solutions or programs.

This enables us to support clients on their journey with or without some combination to achieve their desired outcomes.



Figure 2 Plan-Do-Check- Adjust Model.



Overview of Morneau Shepell's total integrated health model



Stage 1: Defining the Problem

Frame employer's current situation, needs and desired outcomes and why it is of value to take action now.



Stage 2: Investigation

Use THI Insight to uncover employees' perceptions. Survey tool uses predictive analytics and social science to identify drivers that are impacting workforce productivity.



Stage 3: Strategy Development

Present results of THI Insight. Determine needs and objectives of the organization.



Stage 4: Implementation

Outline programs and solutions to support the organization.
Programs such as: Absence management, Substance abuse, Fitness coaching, Employee & family assistance programs and Coping skills

Solutions such as: Workforce sustainability, Wellness, Mental Health, Psychological safety, Leader effectiveness, Toxic workplaces and Coping skills



Stage 5: Evaluation

Determine methodology that will be used to determine return on investment (ROI).



Stage 1: Defining the problem

To begin the process, the employer typically has an idea of a desired outcome from some defined organizational challenge or sees an opportunity for improvement. To support these conversations in the discovery phase it is valuable to frame the potential issues and why it is of value to take action now.

The purpose of this discussion is to understand the employer's current situation, needs, and desired outcomes before a formal engagement has been established. This will support our approach in facilitating a more efficient and effective experience.

An important aspect of the "why now" is to understand leadership's current motivation and level of support for addressing this problem. Typically, before leadership will focus attention on an issue they need to understand the costs associated with the opportunity, as well as the cost of doing nothing. It is important to note that decisions are not always based solely on financial reasons. They can also be made because of a belief that it is the right move for the workforce.

The main point here is that without leadership buy-in, it is difficult to get the resources and support needed to make substantive change.

To support this conversation, the consultant may elect to use *Compass*[™], a quick on-line needs assessment that asks questions about an organization's current problems, programs and support. The sole purpose of *Compass*[™] is to act as a quick assessment of where the organization is today, what it's doing, what's working, areas of concern, what the organization is thinking about exploring, and some of the drivers for taking action now. This conversation can help the SMEs understand the perceived degree of risk and what

can be done to improve workforce productivity. *Compass*™ will not replace the consultant’s own queries and needs assessment, which will be driven by their expertise and will help define the scope of an engagement.

In cases where *Compass*™ sparks discussion, questions and interest in discovering more insights about the root causes of the problems, this can lead to the next stage of the total health consulting process called *THI Insight*. This is the process where an evidence-based baseline is obtained, and the data acquired is used to create and design an action plan.

Once again the completion of *Compass*™ is not a mandatory step; it is optional and meant only to support the client and the SMEs in having a meaningful conversation. In some cases, based on their own observations and available data, leaders may have a sense as to the issues or direction. However, they may still not have all the insights on the root cause of the presenting challenges or where to start to solve them, and this may be the driver to move right to stage 2.

If the current need and desire for action are clear, leadership may elect to skip stages 2 and 3 and move right to programming.

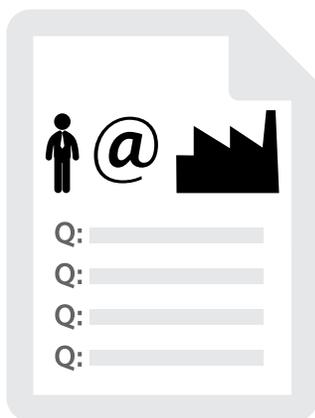
This is how our model is flexible and can adjust to fit the client’s needs. Each step within our model is designed to encourage a quality control feedback loop using the PDCA framework.

Stage 2: Investigation



It is common for most organizations to use engagement surveys to uncover employee’s perceptions. *THI Insight* looks beyond engagement and measures much more than traditional assessment tools. Looking beyond engagement also measures and reports on the interaction between employee reported engagement and health as depicted in the figure below.

OLD THINKING: Facilitates one-way accountability - onus is on employer. Sees survey results as a 100% indication of productivity.

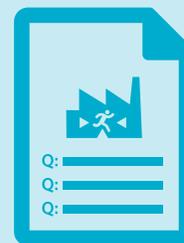


High Engagement Survey Results=
High discretionary effort=
High productivity

NEW THINKING: Facilitates two-way joint accountability. Considers internal and external stressors as well as internal and external supports



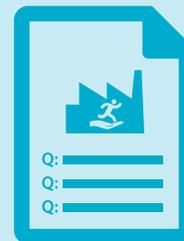
Identifies and measures employee personal stressors



Identifies and measures employee workplace stressors



Identifies and measures the individual’s physical, mental and life health and their ability to cope.



Identifies and measures how effective the workplace is in supporting individuals

← **Two-way joint accountability** →

THI Insight is grounded in applied research completed by Dr. William Howatt. *THI Insight* is a behavioural-based survey that uses predictive analytics and social science to help employers gain insights about the

specific drivers that are impacting workforce productivity, both positively and negatively. *THI Insight* asks questions not only about the employer; it also asks questions about the employee. This further promotes the two-way accountability model. Unlike traditional tools, after completing the 15- to 20-minute survey, every employee gets immediate feedback, along with the aggregated THI report for the organization.

The THI may appear at first glance to be a survey tool that measures employee total health and provides the employees with access to a total health portal aligned to the organization's resources. However, the THI experience moves beyond a survey by providing employees access to a wellness portal that can be used to facilitate and measure the organization's total health strategy.

The THI portal is open for 365 days to support the PDCA model. This enables employees to use the tool on demand, and complete the survey to monitor their progress over the course of the year or benchmark themselves against others in their demographic (e.g., age, gender). This promotes an *awareness - accountability - action* behavioural-change framework. The framework's goal is to encourage behavioural change at the employee level through information and recommendations. The premise is that every employee owns their own health. Employers often layer in their programs and support systems and, based on the THI findings, add programs and strategies to encourage engagement and participation.

THI results support the creation of strategy and action plans

Every item used in THI is aligned to a defined scale (e.g., depression), that falls under one of the four pillars of mental health, physical health, workplace health and life. The score for each scale is rolled up into a pillar index score, and the aggregate of the four pillars creates the THI index. Each of these scores is broken into five categories, from optimal health to at-risk health. Through the in-depth analytics of the THI report, SMEs are able to connect the dots of how the four pillars interact. These outputs can be used as KPI baseline metrics that link directly to KPIs.

The first THI baseline obtained is referred to as the seminal baseline and called test 1. Based on the findings, action planning and program, the impact can be measured with a follow-up THI called test 2. This provides the rigour and discipline required to ensure that what is being done is measured and evaluated. We suggest that employers consider a three-year approach to influencing human capital workforce productivity, as it is difficult to get a trend line within a shorter timeframe. Influencing people is different than a software upgrade. Seldom does one action alone net the results desired. However, by taking an integrated view of employees, and linking KPIs to KPIs, senior leaders will be able to use evidence-informed decision making when implementing key actions an employer and its employees can take to positively impact human capital workforce productivity.

The results from *THI Insight* provide the foundation to begin understanding how key elements are impacting employees' health, engagement and productivity. However, considering organizational dynamics such as the current program in place, participation levels, their impact, how they are being evaluated, and other strategic HR or organizational design questions, the consultant - in conjunction with the employer - concludes what should be done before moving on to the next stage. For example, the employer may determine that there is value in conducting focus groups to gather more specifics, or to evaluate or audit programs in place before taking any further action.

The goal of this step is to get the best available facts through the eyes of the entire workforce. There are two approaches. *THI insight* as described above uses behavioural data directly. In some cases another option - *THI Impact* - uses historical data to look at cost drivers (e.g., short-term disability, health costs

and experience and program participation). This can help make decisions around where to focus and spend money. Both approaches can be done at the same time or separately. However, by combining the two approaches, an employer will be able to more accurately predict future trends.

Regardless of the selected method, the objective of the diagnosis is to discover the root causes that are positively and negatively influencing the people factor of workforce productivity. Understanding these elements will help an organization identify what levers can be pulled, and what factors are within the control of the employee or employer.



Stage 3: Strategy development

This stage can be directly linked to stage 2 (Investigation) or completed as a standalone process. When *THI Insight* is done, this model within the price structure has a built-in rapid, structured, four-hour consulting process consisting of two, two-hour meetings with senior decision makers.

The results of *THI Insight* are presented in an executive summary that provides decision makers with preliminary part 1 recommendations. These recommendations are meant to facilitate a conversation that identifies

the one or two key actions the employer and employees could take over the next 12 months. At the end of this first meeting, the decision makers are given the *THI Insight* technical report. The period between the two meetings is referred to as the “soak period.” This allows decision makers to read the report, ponder the part 1 recommendations, and compare them to their strategic objectives or determine directionally what potential resources and budget may exist to support them. Within a few weeks, our consultant will regroup with the employer to discuss the organization’s stage of readiness and finalize recommendations in a second meeting.

The goal, upon completion of the *THI Insight* process, is for the employer to have an action plan. The goal is to move from data to action as quickly as possible so that the employees and employer can realize a meaningful benefit. In cases where there is a need for design and consulting before making a final decision for action this will be determined in the consulting process.

The ultimate purpose of this stage is to determine what is required to understand the needs and objectives of the organization and what it is willing to commit (e.g., resources, budget, etc.) in order to achieve a result and to establish a timeline and success criteria (e.g., KPIs to be improved).

Case Study – Company ABC – part 1

The purpose of this case study is to provide an example of Morneau Shepell’s Total Integrated Health Model in action. As you review the framework, this short case study can provide some context to help envision how a client may move through our approach.

Company ABC is a privately held corporation with 3600 employees. Senior leaders asked for assistance because of an increase in mental health STD claims, absence, LTD and prescription drugs. After completing the *Compass™* needs assessment and a discussion with the THI consultant, the senior leadership team decided to obtain a base line using *THI Insight* to discover what the employer and employees could both do to improve employee mental health. The findings from the THI analysis pointed out several factors that indicated that an employee’s coping skills and their relationship with their manager was correlated to an employee’s mental health scores and risk. A presentation was provided and the decision makers were given the THI report to review along with preliminary recommendations.

For example, employees with lower THI coping skills (KPBs) were found to be more at risk for mental health and attendance issues, compared to those with more effective coping skills. The targeted KPI to improve in this scenario may be to lower the number of STD claims due to mental health issues by 10% YOY. This example links a KPB to a defined KPI to a financial impact.



Stage 4: Implementation

The next step is to create and start the implementation plan, which outlines the initiatives, solutions or programs and the rollout approach. In essence, the implementation plan outlines when and what will be done, as well as who is responsible. The implementation plan may include introducing programs or solutions that are built to the organization's needs, are new, or are being piloted to be fully tested, developed and ready to scale.

Examples of the kinds of resources we have to support an organization are: employee assistance family program (EAFP), trauma care, depression care, fitness coach connects, health challenges and attendance management support (AMS). In partnership with University of New Brunswick, Morneau Shepell offers a senate-approved, on-line training and certification through a leadership program, as well as a coping skills development course called *Management Essentials* and *Pathway to Coping*, respectively. These are but a few examples of the programs that are ready to support the organization to maximize its potential within human capital.

At times, the total health approach determined in the implementation plan may require further development or enhancement of current solutions and programs to fit the needs and culture of each organization. For example, a mental health strategy, wellness initiatives to curb chronic disease like diabetes, or the application of targeted micro skills to solve particular challenges such as sleep may have to be customized to the organization. Our consultants can support in shaping solutions to a defined scope, expectation, budget or desired outcome.

In some cases, we may have the solution or program an organization needs to support the change in behaviours they seek. However, an organization does not need to use our programs, as it is important to find the right option and approach (e.g., internal resources or another vendor) that not only align best to the needs and culture of the organization, but is most likely to achieve its objectives.

Case Study – Company ABC – part 2

At the second presentation the employer made the decision – based on THI results – to frame and define how the organization will support employee mental health in a way that includes: prevention, early intervention and treatment, that actively focuses on opportunities where the employer can positively impact employees intrapersonal coping skills (e.g. across the employee life cycle: selection, on-boarding, performance managed and career development), as well as on implementing training and development for managers to support employees with mental health risk. The business target is to reduce mental health by 20% within 24 months. The targeted KPI: cut LTD claims by 30%. For the past three years mental health claims have been the number one cause for LTD. In the last year there were 16 new claims. STD claims have been running at 6% with 40% being due to mental health where the average return to work claim is 48 days. The target goal is to cut STD by 4% with 30% due to mental health and where the average return to work claim is shortened to 35 days. The target KPBs are coping skills, presenteeism, discretionary effort, and mental health.

Regardless of which programs are being used, our SMEs can be retained to support the organization in ensuring every dollar spent on human capital workforce productivity is being maximized and measured. It is critical that each objective set has a metric and that the implementation of solutions is measured and evaluated. Our PDCA model offers organizations a clearly defined process that we can support at any stage.



Stage 5: Evaluation

Once the strategic plan has defined its resources, metrics and targeted results, the next recommended step is for the client to determine the methodology that will be used to measure return on investment (ROI).

This is why we use both Jack Phillips' ROI methodology and our proprietary VOI model called total health value (THV) scorecard which has been designed to provide the COO, CFO, CHRO and CEO the facts with respect to whether the money being spent to shape the human capital workforce productivity has worked or not. Typically, the P&L is a good benchmark to link human capital initiatives with respect to whether they are improving financial results that are observable, definable and measurable. When this is done properly, senior decision makers are more open and willing to invest if there is evidence of a return on their investment.

Case Study – Company ABC – part 3

The targeted KPBs, link to KPI and results were clearly defined. The 12 month strategy to positively impact mental health included a game plan that aligns all of the initiatives and creates a communication plan with employees on the THI results and the focus for the next 12 months. The implementation plan will include: on-boarding new employees with a program that provides micro skills to solve problems and cope with work demands; offering *Pathway to Coping Skills* training for employees whose THI score was below 60%; updating the EAFP program to include depression care; providing all managers with training on how to support employees; providing employees with tools for early identification about mental health issues and how to cope with stress; and providing micro skills that can support employees develop their total health. The THI will be repeated in 12 months to measure the impact. Additionally, a VOI score card will be created to measure and evaluate the impact of the investment.

Summary

The total health consulting approach adheres to the PDCA framework. The entry point is driven by the client's needs. Though the model is structured, it is not linear; it is meant to be dynamic. One critically important piece of this model is the value placed on measuring program impact and the financial impact of decisions made on supporting human capital health, engagement and productivity.

Dr. Seuss' *Green Eggs and Ham* is a story of the benefits of being flexible and creative. The objective of our total health approach is to adapt to and support an organization's needs with one end goal: to improve human capital workforce productivity.

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