

HOUSTON BUSINESS JOURNAL

Strictly Houston. Strictly Business.

March 7, 2008

Employers need to come to grips with the ill effects of 'presenteeism'

BY JOHN ALLEN
SPECIAL TO HOUSTON BUSINESS JOURNAL

At the height of cold and flu season almost everyone knows of someone who's sick.

But when that someone is a fellow employee, everyone suffers.

Businesses have long weighed the financial impact of absenteeism — the lost productivity that results when employees are out. Now, however, research suggests that "presenteeism" can have a more damaging impact on a company's bottom line.

Presenteeism is defined as the lost productivity that occurs when employees show up for work but then perform below par either because they are sick or distracted by personal issues, such as a sick child at home or an elderly parent.

While the cost of absenteeism is relatively easy to measure — essentially 100 percent of a worker's productivity for each day he or she is not on the job — the cost of presenteeism is more difficult to track.

However, some experts report that presenteeism actually carries a cost seven-and-a-half times that of absenteeism. In fact, it is estimated that employees working at diminished capacity cost employers \$250 billion annually.

How is it possible that an issue that carries such a steep price tag has fallen under employers' radar for so long?

Somehow, presenteeism continues to pose a stealth threat to businesses despite the fact that its effects are happening right before our eyes.

Consider, for a moment, the chain of

events that can result when just one employee arrives at work sick.

The employee is likely to perform at a slower rate, certainly impacting his or her productivity. Perhaps the employee, feeling worn or tired, could even make a costly mistake. If that employee operates any type of machinery or drives a company vehicle, the slightest mistake could pose a safety hazard to the individual, his or her co-workers, the company's operations, or even the general public.

Then, of course, there is the issue of contagion, or the spread of the illness, among co-workers, vendors or customers. Obviously, the multiplier effect of transmitting infection or illness is enormous.

Employee illness, however, is not the only problem contributing to presenteeism. Personal problems, such as an ailing parent, a troubled marriage or depression, can cause stress and lead to distraction on the job. One report suggests that nearly 70 percent of employees take frequent "stress breaks" at work to talk with co-workers about personal issues.

So, what can be done to prevent presenteeism?

Healthy strategies

Human resource policies are an obvious place to start.

Some experts suggest that offering employees paid time off (PTO) rather than sick days can help with presenteeism, as well as absenteeism.

When employees have a bank of days to use however they wish, they feel freer to take time off to see a doctor for preventative exams or before an illness intensifies.

They also may feel less encumbered taking a personal day to address a family issue because they need not explain the reason for their absence or try to categorize it as

either a sick day or vacation time.

If sick days are used, a rollover policy that allows some portion of unused days to be carried over from one year to the next can help address presenteeism. Where illness is concerned, everyone has good years and bad years. If an employee has a few extra sick days during the year, he may not feel as pressured to conserve days and show up for work when he should be home recuperating.

Employers also can encourage wellness. Whether through health care plans with lower premiums and co-pays to facilitate preventative care or employee assistance programs EAPs to alleviate stress and promote mental health, companies can help support their employees' physical and emotional well-being.

Finally, employers can foster a culture that discourages presenteeism and promotes productivity.

When a supervisor recognizes an employee is suffering, he or she should recommend that the worker go home.

When an employee calls in sick, a supervisor should express concern or compassion without condemning the worker or instilling a sense of guilt.

If an employee is dealing with a longer-term illness or recovering from an injury, a supervisor can identify opportunities for the employee to work from home until they are fully recovered and ready to return to work.

The attitude an employer projects can have a tremendous influence on employee behavior, and the most beneficial behavior an employee can demonstrate is being both present and productive.

JOHN ALLEN is president and COO of G&A Partners, a Houston-based HR and administrative services company, www.gnapartners.com.



PEOPLE
PERSPECTIVE

JOHN
ALLEN