



## Wellbeing in the Workplace

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Six Initiatives to Impact Presenteeism,  
Engagement & the Bottom Line

# Presenteeism

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Presenteeism is a growing phenomenon in the American workplace and most managers agree, it's bad for business. When employees come to work but are too distracted to focus on their jobs, their productivity suffers and accidents occur. Presenteeism can be just as harmful to an organization as its more well-understood cousin, absenteeism.

Whether workers show up but lack focus or miss work entirely, the result is the same: disengagement. Did you know that 70% of employees are disengaged? That's the finding in Gallup's State of the American Workplace report. The Gallup report concludes that companies with engaged workers experience 147% higher earnings per share.

70%

of Employees are Disengaged

Gallup's State of the American Workplace report

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## Six Ways to Impact Presenteeism & Engagement

**So, what's an employer to do? First, we must back up and look at the whole person – their overall wellbeing.**

Having wellbeing simply means that all, or most, aspects of a person's life are in balance: mental and physical health, relationships, finances, and so on. These areas of one's life strongly influence presenteeism and absenteeism. The good news is that organizations can help employees build a stronger foundation supporting wellbeing.

We looked at numerous studies on wellbeing from organizations like Gallup and AARP, as well as LifeMatters' outcomes from more than 4,600 cases for over 300 client organizations. We learned that there are six workplace initiatives that have the greatest impact on employee wellbeing.

# 1. Flexibility is King

## Employees who work from home are more engaged.

According to Gallup’s “State of the American Workplace” report, providing remote working opportunities improves employee engagement. Remote workers also spend more time working – 46 hours per week on average compared to 42 hours per week for employees working only on-site.

Employees who spend 35% of their time working remotely experience the greatest improvement in engagement. This is the Goldilocks zone where employees enjoy the best of both worlds: the flexibility of working from home combined with the personal relationships of an on-site workplace. Employees working more than 35% remotely see less improvement.

44%

of Employees Who Have Significant Flex Time Fared Higher in Wellbeing than Employees with None

Gallup’s State of the American Workplace report

Further, Gallup finds that flextime has the strongest positive correlation to overall wellbeing for employees. In fact, engaged employees who had significant flextime fared 44% higher in wellbeing than disengaged employees with no flextime.

# 2. Measuring Engagement Can Improve Engagement

## LifeMatters® EAP clients experience higher engagement and lower presenteeism.

Did you know that 70% of employees are disengaged? That’s the finding in Gallup’s “State of the American Workplace” report. And the same report concludes that companies who have engaged workers experience 147% higher earnings per share.

Measuring engagement is important. For employees who use the LifeMatters EAP program, engagement is a key metric. On average, we find that employees utilizing the EAP experience more than a 10% improvement in overall engagement, as well as nearly a 30% reduction in presenteeism. This shows a positive correlation between EAP usage and engagement.



Measuring engagement can also be done through targeted surveys and ensuring that managers are leading in a positive, motivating way. LifeMatters measures engagement for client organizations via a workplace culture assessment. On average, we see an engagement score of .66 on a scale of -3 to +3, meaning there’s lots of room for most companies to work on this key metric.

Knowing your organization’s engagement score is helpful in determining what interventions might be appropriate and which area of concern is of most importance.

### 3. Your Managers Have a Big Impact

#### Leadership coaching can improve emotional intelligence, a critical factor for effectiveness.

Managers have a significant impact on their workgroup, as well as the organization. They set standards for expectations, behavior and workplace culture. A bad manager can wreak havoc on productivity while a good one can motivate her or his team in even the most trying of circumstances.

Most managers gained their leadership position through technical abilities, not through their capacity to manage others. That's why it is important to provide the training and coaching that helps managers effectively lead a team.

While technical ability is important, emotional intelligence skills account for approximately 60% of a leader's effectiveness. Ignoring this crucial element of leadership can mean the difference between a manager who is leading and a manager who is just getting by.

At LifeMatters, our telephonic coaching program is geared toward frontline and mid-level managers. We find that simply putting managers through a leadership coaching program improves their emotional intelligence by over 15%. This type of training is an important, yet often overlooked, method for growing current and prospective managers.

60%

of A Leader's Effectiveness Stems From Their Emotional Intelligence Skills

Gallup's State of the American Workplace report

### 4. Your Culture Can Be Changed

#### Conduct a targeted culture assessment and zero in on your organization's unique strengths and weaknesses.

Workplace culture is like a fingerprint; it is uniquely your organization's own. Luckily, if your culture has become a speed bump to success, it can be transformed for the better. However, workplace culture cannot be accurately measured through standard engagement or satisfaction surveys. When we conduct workplace culture assessments, we measure an organization on seven key behavioral dimensions and then recommend customized interventions that address the areas of greatest need.

When assessing organizations, we typically see initial workplace culture scores in the following range:

→	Health .08	→	Resilience .97
→	Engagement .66	→	Emotional safety 1.17
→	Emotional Intelligence .76	→	Collaboration 1.26
→	Leadership .76		

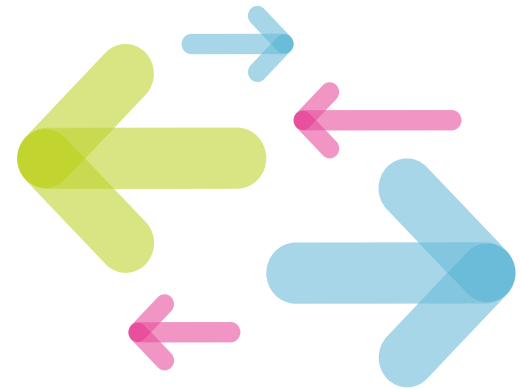
Workplace culture scores are based on a scale of -3 to +3

## 5. Measure Wellbeing to Make an Impact

### Track and improve wellbeing with an EAP program that targets outcomes.

Organizations recognize that healthy workers mean lower health care costs. Thanks to the wellness boom of the past decade, many organizations (and employees) now understand more about their employee population and their health risks than ever before. Nonetheless, it remains challenging to determine what to do about it. For example, simply telling an employee she or he is at risk for hypertension often fails to result in long-term lifestyle changes necessary to curb the problem.

Helping employees understand their biometric scores is important. However, if you haven't addressed the overall issues contributing to poor health choices, then it's difficult to make an impact. As detailed in the report, "Well-Being in the Workplace and its Relationship to Business Outcomes - A Review of the Gallup Studies", overall wellbeing greatly influences productivity and performance within an organization. For instance, the report outlines studies showing that more satisfied employees are more cooperative, helpful to co-workers and punctual, show up for more days of work and have longer retention than dissatisfied employees. Further, employees who have more positive emotional wellbeing are linked with higher performance ratings.



Wellbeing can be influenced in a number of ways. Addressing overall workplace culture can provide valuable information to an employer on how to improve employee wellbeing and engagement. Helping employees feel connected and important in their roles, while also providing them with opportunities for greater autonomy, is also beneficial. Finally, ensuring that employees have access to resources like an EAP program or caregiving program can help as well. LifeMatters conducts a pre and post-outcome survey for our EAP clients and sees impressive improvements in wellbeing for those members who use our services.

#### For instance, we find on average the following outcomes for program participants:

- 39% reduction in absenteeism
- 32% improvement in life satisfaction
- 12% improvement in work engagement
- 29% reduction in presenteeism
- 18% reduction in work distress

## 6. Caregiving is a Big Deal

### Look for specialized benefit programs to help employees manage caregiving responsibilities.

Caregiving responsibilities are costly to both employees tasked with caring for a loved one, as well as their employers. According to an AARP report “Understanding the Impact of Family Caregiving on Work”, 42% of U.S. workers have provided care for an aging relative or friend in the past five years. Further, a national caregiver survey by NAC/AARP indicates that caregiver health declines the longer they provide care. The study shows that 31% of these caregivers report stress, anxiety or depression; 70% report making work accommodations due to caregiving; and 53% say they have less time for other family and friends.

The cost of caregiving to employers can be significant. According to AARP’s report, U.S. businesses lose up to \$33.6 billion per year in lost productivity from full-time working caregivers. This translates to an average annual cost to employers per full-time working caregiver of \$2,110. Further, another study shows that employers paid about 8% more for the health care of caregiver employees compared to non-caregivers, potentially costing U.S. businesses \$13.4 billion annually.

With the continuing retirement of the baby boom generation, caregiving for parents is only likely to become more necessary. Organizations are addressing this gap with senior or elder care programs that cater specifically to this workforce need and conduct everything from in-home assessments to family plans and connecting with local resources and providers for needed care.

Creating workforce wellbeing is one of the keys to achieving optimal presenteeism and absenteeism. The team at LifeMatters would welcome the opportunity to help you design a strategy and deliver solutions that will help you measure and impact workforce wellbeing.

42%

of U.S. Workers Have Provided Care for an Aging Relative or Friend

\$33.6 Billion

The Amount U.S. Businesses Lose Per Year in Lost Productivity From Full-time Working Caregivers

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