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High anxiety, low productivity

Employees bringing financial fears to work pose growing challenge for employers in keeping staff focused, motivated and on the job

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As layoffs rise and stock prices sink, the questions are coming fast and furious at Julie Bellani from employees fearful about their finances. Ms. Bellani, vice-president of human resources at 800-employee Novartis Pharmaceuticals Canada Inc., based in Dorval, Que., has worked in HR for the past 15 years, and says she has never before seen this degree of concern in the workplace about personal financial well-being. "Questions range from what is my pension plan to what will happen with the falling stock market -we're seeing a lot more of that, more than I've seen in my life," she says.

It's a trend a lot more employers are witnessing as anxious employees bring their increasing financial troubles to work with them, posing greater challenges for employers in keeping staff focused, productive, motivated and on the job as the recession deepens.

"We're just seeing the tip of the iceberg," says Karen Seward, senior vice-president of Shepell-fgi, the country's biggest employee assistance program provider, which this week issued a report noting the connection between financial distress, health and productivity.

"We're seeing early indicators but what we know from previous history is these things will escalate."

Companies such as Shepell are seeing a spike in calls for employee assistance. Shepell's overall call volumes jumped 15 per cent last year over the year before, "mainly in the back end of year," Ms. Seward says.

With studies showing that personal finance is the top among five key stressors in life, queries related to financial counselling -on concerns ranging from bankruptcy to divorce - are rising even faster, at twice the rate of all other assistance services, Shepell says in its report, based on data from about 250,000 people.

The study also found women are twice as likely to seek help as men, and that employees in Prince Edward Island, Ontario and Quebec are using these programs at a higher rate than other parts of Canada.

Ceridian Canada, which offers employee assistance programs to about one million Canadians and their families, also notes that cases related to financial counselling have jumped 65 per cent in January from a year earlier.

Stress stemming from financial issues can hurt employees in many ways, the Shepell report notes. It can cause distraction as many employees take time away from their work to deal with financial issues - from spending time on phone calls with creditors, lawyers, bankers and financial advisers, to heading out to face-to-face meetings, to talking with co-workers about their problems.

As well as spending excessive time at work dealing with financial worries, the Shepell study notes that workers with "poor financial wellness" are more likely to be absent from work more frequently, receive poor performance ratings, and drop in job productivity.

Another concern for employers that it notes: an increase in disability rates. Shepell has noticed rising disability claims, and so has at least one insurer.

“On the short-term side, we’ve seen an increase in stress and stress-related types of claims,” says Alaina MacKenzie, director of case management services for Medavie Blue Cross, which offers group insurance plans in the Atlantic provinces, Quebec and Ontario.

Chronic stress “relates to decreased productivity and increased likelihood of disability,” says Carolyn Dewa, associate professor in the University of Toronto’s department of psychiatry.

Employee-assistance programs, which offer advice and provide referrals, tend to run at about \$4 to \$10 a month per employee, and can be a cost-effective way to alleviate some stress, says Rick Csiernik, professor of social work at the University of Western Ontario who specializes in employee assistance programming and addictions.

“As work forces become smaller, these programs are going to be even more important,” he says, adding that “anything you can do to support employees and keep them on the worksite” will be key.

Employers that alleviate that stress, and help prevent people from taking stress-related disability leaves, could see benefits go directly to the bottom line. Prof. Dewa calculates that each short-term disability leave lasts about 60 days and costs an employer about \$14,000. Acting early -by ensuring an affected worker has access to special services - can get them back to work 15 days earlier, or save \$3,450 per episode, she says.

Employers are beginning to take action out of concern for their employees’ well-being and ability to stay focused on the job. Ms. Bellani says that Novartis put extra information about its pension and benefits plan on its intranet site. And it recently left a memo on desks to remind workers to use their employee-assistance programs if need be.

More employers are focusing on alleviating stress before it escalates into a disability leave.

“We want to nip it in the bud,” says Leanne James, vice-president of human resources for Toronto-based Apex Public Relations, which also sent a reminder to staff to access their assistance program if needed. “It’s preventative medicine. We want to make sure if someone’s struggling, we can offer this to them,” Ms. James says.

What employers can do

Here are some tips culled from employee-assistance provider Shepell-fgi and Banyan Work Health Solutions, a disability management service provider: Help employees understand Offer workplace-based financial education programs. Encourage use of employee-assistance programs.

Enhance engagement Increase communication, offer employees more input in decision-making, provide regular feedback and recognition, enhance teamwork, provide employee empowerment programs.

Empathetic managers

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Help workers stay healthy

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