



Creating Healthier Workplaces: 4 Steps Every Organization Can Take

Authored by Jeffrey Pfeffer, Thomas D. Dee II Professor of Organizational Behavior at the Graduate School of Business, Stanford University, and author of *Dying for a Paycheck*.

Between 1999 and 2019, the **proportion of the labor force** in the U.S. aged 55 or older approximately doubled from 12.7 percent to 23.4 percent, an increase that is projected to continue. Between 2010 and 2019, the **proportion of people** between ages 65 to 74 in the labor force increased from 24.8% to 26.8%, while the proportion of people 75 and older who were working grew from 5.7% to 7.2%. The demographic data are clear: **As longevity**—life expectancy at birth—has steadily increased, workplace labor supply was and will be increasingly comprised of older workers.

Ageing **increases the risk of ill-health** and associated health care expenses. Meanwhile, as survey **data** from the Kaiser Family Foundation, among others, demonstrates, the pandemic has increased stress and depression for all age groups.

Evidence going back decades demonstrates several facts. **Behavioral health and physical are connected**. Stress and depression both lead to unhealthy behaviors such as smoking, excessive alcohol intake, and overeating and also directly cause inflammation and endocrine issues. Poor behavioral and physical health **are costly** to workplaces and societies—both from increased healthcare costs and from the indirect costs of ill-health that include more missed work days, higher turnover, and reduced productivity. **Evidence suggests** that the indirect costs of ill-health are actually higher than the direct costs of treating disease. Workforce well-being is, therefore, a strategic imperative for policymakers and employers.

Here are four things every employer can and should do to promote a culture of health in their workplace.

Increase Access to Behavioral and Physical Health Benefits

Even though most employers, and virtually all large employers, provide health insurance as a benefit to their workforce, several policy choices unnecessarily restrict workers' access to both physical and mental health care. These restrictions result from employers' prioritizing cost reduction over health enhancement.

Employers have steadily shifted health care costs to their employees through higher deductibles, copayments, and greater out-of-pocket maximums. The result: health care costs have become a bigger burden even for insured employees. One study in 2020 **found** that about one in four Americans were skipping some form of medical care such as doctor's visits or filling a prescription because of cost. Notwithstanding the 2008 law mandating parity for mental health treatment, narrow networks, higher copays, the requirements of prior authorization, and a dearth of mental health providers resulted in less than **half of Americans** with a behavioral disorder receiving treatment.

Health benefits administrators actually work for—are vendors to—the employers they ostensibly serve. If a company's health administrator is not providing access to services—and many do not—find one that will, or, as an alternative, start and administer the company's own health plan, a course of action that is becoming increasingly common.

Keeping employees healthy, in part by providing access to necessary care, needs to be a strategic priority. The poor performance of benefits administrators is no excuse for not providing the care that keeps employees on the job and more productive.

Redesign Jobs to Reduce Stress and Increase Autonomy

In the case of health, much as in other domains, prevention is typically much less expensive and easier than remediation after the fact. It is possible to redesign jobs, taking an employee-centered perspective, to reduce the workload, increase job autonomy, and thereby increase employee well-being.

For instance, primary care provider One Medical is using automation and artificial intelligence to reduce the time medical care providers spend doing routine tasks such as authorizing prescription refills and ordering laboratory tests. The company has created committees of employees from various geographies and functions to redesign work around what employees seek from their work. Just as design thinking has affected the design of products and services, design thinking can be applied to make jobs more autonomous and also to make work more efficient, as lean thinking eliminates unnecessary task elements that do not add value to care even as they increase burdens on people.

Change Harmful Workplace Behaviors

Workplace stress is harmful to health. The sources of workplace stress have been identified and can be altered, particularly because many sources of workplace stress not only harm employees but do not benefit employers, either. The most important sources of workplace stress include: economic insecurity, arising from layoffs and people not knowing their forthcoming workplace schedules; workplace bullying and abuse, which includes harassment and discrimination as well as nasty bosses; long work hours; arrangements that do not permit people to cope with non-work obligations such as child and elder care, and an absence of job control and discretion about what people do and when and how they do it.

One study estimated that workplace stress and inadequate access to health care resulted in 120,000 excess deaths annually in the United States, and extra costs approaching \$200 billion. Employers can limit off-hour access to employees, provide more generous work-family benefits, curtail layoffs, mandate scheduling certainty, and fire bad bosses who bully and intimidate their workers. Employer decisions can create healthier, less stress-filled workplaces, and reap the benefits by so doing.

Measure Outcomes and Hold People Accountable

The lessons from the quality movement and, for that matter, from the effort to banish the scourge of smallpox are clear: what gets measured receives attention and typically improves. Conversely, what does not get measured often receives little or no energy or attention and therefore degrades over time. Therefore, the most important single thing employers and policymakers can do is to measure physical and mental well-being. The second most important thing they can do is hold people in positions of power and authority accountable for improving the measured results.

This measurement task is not that difficult. A **single item measure of self-reported health** prospectively predicts subsequent mortality and morbidity and has been validated in patient populations that vary by age and ethnicity. There are a plethora of **measures for mental health** and mental well-being that are available for use.

One reason sometimes given for not measuring physical and mental health status is that once companies know what is going on, they will face greater pressure to do something to make the situation better. Precisely. Just as there is growing pressure for workplaces to report on their environmental impacts and steps taken to improve the physical environment, there will be growing demands for companies and policymakers to measure—and report on—the physical and mental well-being of the people whose very lives and livelihoods profoundly depend on what happens to them in their work environments.

An aging workforce and the growing costs of ill-health demand that companies and policy makers take the simple but important steps to make the workplace a source of, rather than a detractor from, human thriving. The indirect and direct costs of continuing with the status quo are simply too high.