Enterprise for Health –

A case study from Lower Saxony, Germany
Introduction

“When I first heard that the Sickness Fund was going to introduce a health promotion programme at our plant, I thought it would mean another person telling us to drink less,” says Mrs L, employee of an ‘enterprise for health’. “But, then they asked what really bothered us, and I told them I was anxious about losing my job, and that this anxiety gives me stress and often keeps me up at night.”

Health is not determined solely by our individual genetic composition, or our lifestyle and personal choices. Economic and social factors, education and social support are also strong influences on health, as are the conditions in which we work. Today’s businesses increasingly operate under conditions of global competition, flexibility, automatisation, mergers and downsizing. These conditions have important implications for health and work in today’s society.

Recognising the link between work environments, health and productivity, the WHO Regional Office for Europe launched a pilot project to promote worker health. It knew it had to do more than target individual behaviours like drinking, smoking and eating habits; it needed to influence the deeper causes of ill-health. WHO partnered with the regional association of Local Sickness Funds (Allgemeine Ortskrankenkasse) of Lower Saxony (AOK), Germany, to create an incentive for private enterprises to invest in health. AOK granted “bonuses”, or discounts in the amount of one month’s payment to the government’s social security health insurance (in both employee and employer payments), for those companies willing to commit to workplace health promotion.

“It is about time we identified healthy policy options. I can learn from this project, because, within our decision-making mechanisms, we do not always consider health. To follow a pragmatic approach to see that business becomes business for health, is exciting.”

- Ms Merck, Minister of Social Affairs, Labour and Women, Lower Saxony

Working closely with the Ministry of Labour, Social Affairs and Women, the AOK/WHO “Bonus Project” aims to create change within and beyond the pool of enterprises with which it works directly. The project tries to connect the different policy levels and sectors that influence workplace health, and ultimately to demonstrate how health promotion can address not only behaviours but conditions that place peoples’ health at risk.

A tailored approach

WHO and AOK began by recruiting 37 leading companies with strong records of organisational development, organisational culture, project management, know-how and quality management. They only selected organisations with some certainty that further improvements to workers’ health could be made. To be selected, companies had to demonstrate a commitment to position health as a main goal within their business strategies, expertise in promoting health in their company and a willingness to learn.

Over the past five years, the Bonus Project has established a sound infrastructure to support each company. With a budget of US$28 million (50 million Deutsch-Marks), the project provides:

- An AOK project manager to support and advise each participating enterprise as they work to improve health
Ongoing support and an external perspective during the self-assessment and evaluation process

Assistance in creating an action plan to tackle areas of weakness and to identify specific health improvement programmes.

AOK/WHO helps each company set its own priorities, according to where health gains can best be achieved. Thus, the specific programmes in each company vary considerably. In general, the Bonus Project aims to go well beyond those health and safety measures mandated under law. Indeed, the emphasis is to shift the focus away from “sickness” and toward “health.”

Below are examples of what three companies have done to improve employee health, as a result of their collaboration with AOK.

**Company A** began as a small family-run food production business, but is now part of a large holding company. It has extended its definition of health to include physical and mental wellbeing. Management has analysed health hazards at work, arranged feedback of the findings to employees, and established “health circles” to define and tackle work-related health problems.

Company A also conducts regular employee opinion surveys, and the management aims to implement at least two thirds of the employee recommendations. Thus far, the company has allowed workers to select their own shifts, organized work to accommodate family arrangements and social interaction between employees, ensured work rotation, and made regular appraisals and training plans. Workers have access to company-supported recreational facilities outside the workplace.

During the course of the project, company A has seen sickness rates fall, a decline in overall health complaints of 0.2 percent, and a 3.2 percent drop in absenteeism. Staff morale has improved.

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**Company B** is a large, award-winning manufacturer of complex engineering products. It is already recognised for its high quality working environment, but the WHO/AOK project allowed the company to go further in tackling broader management issues with clear links to health. For instance, manufacturing processes were completely redesigned, so that self-managing teams now take responsibility for different stages of the production process. Flexible work systems have been introduced so that individuals and teams can decide the hours they wish to work. Special efforts are being made to increase the number of female and disabled employees; traditionally Company B has employed few women.

The new working systems have decreased the feelings of isolation reported by workers, while improving worker communication and job satisfaction. Today, half of all apprenticeships are offered to women. The number of accidents per year dropped by more than four percent between 1992 to 1998; days missed from work due to sickness or accidents fell by nearly 80 percent during the same time period.

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Company C is a middle-sized chemical plant that produced small amounts of customized product on demand. It is an old but highly-automated facility which deals with hazardous, toxic materials. One employee testifies, “Our company now sets annual environmental goals for the entire production, including preparatory and post-production processes. By means of a strict ecological orientation we achieved a reduction in the use of environmentally hazardous and health-damaging substances. Let me provide two examples: The first is related to the emission of hydrocarbons as a result of the utilization of auxiliary substances in our production. Emissions dropped from 50.45 tons to 35.1 tons since the introduction of the scheme two years ago. The second example relates to the utilization of adhesives and paints containing health hazardous solvents. We reduced these substances by 50 percent, and the use of paints by 80 percent. These reductions were accomplished even with an increase in production from 134,000 units to 153,000 units in the same period.”

Company C found the project a bit cumbersome even though compliance resulted in savings for the company and the employees. Less paperwork would have been appreciated, they reported.

Though actions such as these could have been implemented without the involvement of AOK and WHO, the personnel officer of Kraft notes, “I don’t believe that we would have applied the various elements in a consistent way. The good thing about this project is that it views the different levels of intervention together.” Mr F, Chief Executive of an ice cream factory agrees, adding, “It is not as if we didn’t have organisational development methods at our plant before. But we now apply these consistently and with a specific health perspective.”

It was found during the initial stages of the project that, while many companies could identify health problems, actually solving them was not as simple. WHO is creating a data bank to provide suggestions and example cases to help companies devise their strategies.

Company Solidarity

An important characteristic of the project is inter-organisational learning. Companies share many of the same issues when attempting to improve worker health. For this reason, a “Companies’ Working Group” was established and meets on a regular basis to discuss what they have learned and to identify problems that can be addressed in more than one enterprise. The working group aims to increase individual and institutional capacity as well as company commitment, as the partnerships that are built over time are able to support individual companies during difficult times of change.

“Looking at productivity rates and quality management, I am convinced that a healthy workplace is good for business. But this means more than complying with government safety standards or providing employees with health insurance coverage. Often, the investment plans of policy-makers do not encourage us to make the health investment.”

Mr A, Chief Executive of a medium sized business

Another innovative aspect is to link the operational aspect of the project with policy development. An “Umbrella Group” was established comprising all relevant political stakeholders who may be instrumental in reducing identified “barriers” to the project’s implementation. The Umbrella Group’s mandate is to influence the political context to support the positive change in company practices. The group also brings together other potential stakeholders, such as the business partners, sickness fund managers and researchers. The benefit
of this partnership is that different perspectives are applied to workers’ health. This process clearly improves understanding and communication between the different players.

**Auditing Health**

AOK and WHO help each participating company assess their progress in a consistent and comprehensive way. The Department of Work Sciences at the University of Kaiserslautern coordinates, monitors and analyzes this aspect of the project. Using an adapted version of the European Quality Model, each company annually assesses their health-promoting capacity, and progress toward the goals they prioritized.

The assessment investigates each of the elements in Figure 1. A baseline assessment of “prerequisites” covers: level of commitment shown by management and whether managers serve as role models; amount of resources attributed to the project; degree to which health is taken into account in the development of overall plans and strategies; and degree to which staff development programmes are in place (for example, do employees actively participate in the process to put health high on the company’s agenda?). It also measures the company’s emphasis on health promotion in the broader community within which the company is located.

Criteria used to assess the “results” include: the effectiveness of company health promotion in relation to customers and suppliers; employee satisfaction; objective indicators for corporate health status; and the impact of company health promotion on the national economy. The self-assessment exercise is conducted every year, and provides the basis for companies to re-apply to the project and receive the annual financial incentives.

An external process evaluation of the project was carried out by a WHO expert appraisal team, which, in addition to company assessments, looked at changes in the political (regional and national) environment and the potential to reduce larger structural barriers to implementation. The appraisal included a wide variety of techniques, such as interviews, surveys, analyses, site visits and analytical review. The Investment for Health appraisal system can be described as an interactive decision-making process. The auditors obtain information, examine it for its completeness and appropriateness and determine if it is sufficient to assess performance.
according to the criteria. As a result of the appraisal, action plans were developed with all stakeholders to help the project meet its goals.

**Health Benefits Package**

The beneficiaries of the WHO/AOK project are numerous. WHO’s expert appraisal showed that workplace innovation had a ripple effect on various government agencies that provide health services – whether for actual illnesses or social functions such as family care – and whose functions overlap. For example, in Lower Saxony, health care and sickness issues were dispersed among the ministries responsible for health, women and labour. They felt few incentives to work together, until the AOK/WHO project provided an example and helped to streamline bureaucratic and redundant systems.

In addition, insurance agencies can benefit from the AOK/WHO project by reviewing the criteria on which treatment is based. People’s involvement in their own health influences their demands on insurance coverage. Indeed, the real savings in health care expenditures will come from improving health, rather than minimizing the cost of transactions for treating illness.

The investment has especially paid off for AOK. The Bonus Project has been welcomed by employers and employees alike. AOK has shown a leadership role in health, demonstrating how the focus of a sickness fund can move from financing health care to promoting health.

The benefits for companies have come in the form of increased productivity, fewer absences and decreased expenditures on health care. Notes one Chief Executive: “I trust that people will work hard to show the positive effects of this project, and show hard evidence that they will put into figures, tables and graphs... However, I would be impressed even without such graphs, and just looking at my productivity rates. Certainly, there are other factors that contributed to the success we had in the last years, but, the project heavily contributed to it. People are more concerned about quality, and we have learned to be more sensitive to the needs of our staff. We took away people’s feeling of insecurity, because we have learned not to ‘hire and fire’. Health promotion has helped us build a level of human capital that gives us an edge over other enterprises in our field of production. And that is what counts, after all.”

In sum, the project’s top outcomes include:

- Clear evidence of improvements in workers’ health and well-being. There have been gains in easily measured and quantifiable indicators, such as reductions in sick-days, as well as qualitative developments such as improved manager-staff relationships and increased morale and motivation.
- The means to increase social capital as companies are asked to have policies and practices which decrease social exclusion and promote equity.
- Enhanced economic security, as the promotion of health, well-being and work satisfaction are moved to the heart of the company’s core values.

Despite the project’s success, lingering questions remain. How to turn these immediate findings into long-term benefits? How can workplace health measures become standard business practice? Can lower health-related costs in the workplace be translated into tax reductions or lower insurance premiums? Will workplace health incentives be as appealing without a financial bonus?
Further information is available from:

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