International News

Reducing Number of Employees = Increasing Health Care Expenses

A recent Public Health Agency of Canada report finds employers who are downsizing to save money are actually spending more money. The report, based on a survey of over 31,000 Canadian employees, revealed:

- 25% of the workers spent more than 50 hours a week at work.
- 58% reported high levels of work overload.
- 30% reported moderate levels of work overload. See Ergo News 29, How Does Overtime Impact Workers?
- Increased workloads caused a $14 billion annual increase in costs for Canada’s health-care system.
- Business savings achieved by reducing their payroll have been negated by increased absenteeism and higher health care expenses.

Source: Canadian Press, January 14, 2005.

Ergonomics is the Answer When Absenteeism Soars 25%

Businesses in Norway have seen employee absenteeism rates increase by 25%. To fight this costly increase, employers have turned to ergonomics. With work-related musculoskeletal disorders as their second most common complaints, just behind colds and the flu, companies are buying new tools and equipment and modifying work schedules—all in the hopes of improving employee health and reducing absentee rates.

In 2001, the Norwegian government implemented an agreement with employers and unions to get workers back to work. Under the agreement, employers are required to offer injured workers flexible hours or alternative duties to get them back on the job. For example, the chemical company Dynea followed the government’s guidelines and brought their absenteeism rate down to just about 3%.


Fighting Absentee Rates with Workstation Ergonomics

In the United Kingdom, forty million workdays are lost each year due to workplace absenteeism. One way to fight the high cost of employee absenteeism is prevention. Invesco, a London financial company, tackled absenteeism rates by conducting ergonomic assessments of employee workstations (see EWG Fact Sheets), and by offering health tests and counseling. Thus far, the company’s ergonomics and wellness initiatives have resulted in a 6% decrease in single-day absences.