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2018 RESOLUTIONS

TIPS FOR BUSINESS RISK IMPROVEMENTS



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What constitutes an “engaged” employee? It’s simply someone who has a higher emotional and intellectual connection with their job, the organization, and their managers and coworkers. It’s someone who actively wants to invest emotional capital into what they do for a living and the company where they do it.

FIVE AREAS YOU SHOULD CONSIDER IMPROVING THIS COMING YEAR

Small efforts can make for big results.

1) MAKE EMPLOYEE ENGAGEMENT GREAT AGAIN.

Is Employee Engagement still a big deal? Yes, and here’s why:

- Only three out of 10 Americans are engaged at work.
- It takes four engaged employees to make for the lost productivity of one disengaged employee.
- Engaged employees are 31 percent more productive at work.
- Engaged employees stay with you—and with turnover costs running an average of 25-30 percent of an employee’s annual salary, that can save you a lot of wasted money.

Notice a pattern? Engagement is a big deal and not just the latest “buzz” word. It’s may be bigger than you realized. It’s important to employees to feel a connection to their job and it’s not going away anytime soon.

So, what constitutes an “engaged” employee? It’s simply someone who has a higher emotional and intellectual connection with their job, the organization, and their managers and co-workers. It’s someone who actively wants to invest emotional capital into what they do for a living and the company where they do it.

But how do you know how engaged your employees really are? Ask yourself, do your employees say “we” or “they”? Listen for those little words. They are important and can represent their levels of engagement.

We recommend an annual Employee Engagement Survey. By understanding where you are now in terms of engagement, you can create a plan to address issues, accomplish goals and retain employees in a competitive market.

2) QUIT SMOKING, START SAVING.

Employers can save nearly \$6,000 per year for every employee who quits smoking, according to The American Lung Association. So, with only a nominal investment in helping employees quit tobacco, an employer can produce a return-on-investment within a short year—even if just one employee gives up the habit for good.

It’s no surprise that the costs to your employees who still smoke are also staggering. Cigarette smoking kills more than 480,000 Americans every year. And smoking related illness costs more than \$175 billion in direct medical costs and \$156 billion in lost productivity.

But making small changes in your workplace environment and providing resources to employees to improve their health and change destructive behaviors like tobacco use can help you create a safer and healthier workplace for all employees and see a significant savings in health care-related costs and productivity.

A possible solution? The Courage to Quit, MMA's tailor-made Tobacco Cessation Class, taught by our Certified Tobacco Treatment Specialists. They deliver a high-intensity, evidence-based, cognitive-behavioral treatment for nicotine dependence.

3) OFFICE ERGONOMIC ASSESSMENTS: RECLAIM PRODUCTIVITY.

In a [Rand survey on working conditions](#), 44 percent of employees reported sitting all or almost all of the time. The cost of that sedentary day: Lost productivity.

Employers typically pay for 2,080 hours per year, per worker, at \$x.xx per hour (what are you paying your employees on average?). But employees are only 85 percent productive or less when they're working in sub-optimal conditions. Understanding ergonomic problems and creating solutions to improve conditions and increase efficiency can help to regain some of the lost 15 percent productivity.

Improving your office ergonomic conditions doesn't have to represent a huge investment. Some solutions can be simple. For example, if certain jobs are basically sedentary, urge employees to get up and move at least two hours during the day to stand, walk and stretch.

MMA created a [computer station set-up video](#) that shows how to establish the best ergonomics possible. It identifies key problem areas and demonstrates how to adjust chairs, footrests, monitors, and more.

An Employee Perception Survey can be a valuable way to better understand ergonomic issues in your workplace. After all, no one knows better where injuries are occurring or what practices may be inefficient, burdensome, or even dangerous. [Marsh & McLennan Agency's safety and safety consultants](#) can also do an ergonomic safety analysis and then talk with you about what that data reveals combine with claims data and the employee survey results.

4) GET EMPLOYEES BACK TO WORK ASAP, BUT DO IT RIGHT.

The longer an employee is off work due to an on-the-job injury, the less likely it becomes that the employee will ever return to work. Studies show that the likelihood an employee will ever return to work drops by 50 percent after just a 12- week absence, according to the Journal of Occupational and Environmental Medicine article.

Even if injured employees can't return to their regular jobs right away, bringing them back as soon as possible by providing modified-duty tasks or reduced hours helps them: Recover faster, stay in the work routine, feel productive and maintain workplace relationships.

A 2010 RAND Corporation study showed that firms with formal return-to-work programs brought employees back to work 1.4 times faster than firms without such programs. This amounted to an average 3 to 4-week reduction in time off work.

Employers benefit by bringing injured employees back to work as soon as medically able because it: Reduces the likelihood of litigation; and helps control workers' compensation claim costs, which affect future premiums

Early return-to-work helps employees maintain their psychological well-being because it keeps them engaged.

During a prolonged absence, "many patients lose social relationships with coworkers, self-respect that comes from earning a living, and their major identity component—what they do for a living," according to an article in the [Journal of Occupational and Environmental Medicine](#).

Keeping wage-loss benefits low can help lower your experience modification factor (e-mod), which is used to determine your future workers' compensation premiums.

Employers also incur indirect costs such as, "work productivity losses, replacement worker costs, training, management or supervisor time," [according to an article in the American Society of Safety Engineers' magazine](#).

Before you do anything, make sure you determine if the absence is medically required or a business decision. Only a small fraction of medically-excused days off work is medically required. The rest are discretionary and result from non-medical decisions. A non-medically related decision to keep an injured employee off work for a prolonged time often reduces the odds of return to full employment and results in poor medical outcomes.

Keep in mind that long-term absences cost more. They can drive up your workers' compensation claim costs. Under state laws, a person who is not working due to an injury on the job is entitled to wage loss benefits through workers' compensation. In your state, this may amount to two thirds of the employee's pre-injury wage.

So, return-to-work is generally the most cost-effective action (unless your cost analysis or other business considerations suggest otherwise). Medical-only claim costs are reduced by 70 percent when calculating your experience modification factor. For help in putting together a cost analysis, contact your MMA claims consultant.

But how do you effectively bring an them back to work?

You will receive a "workability and return-to-work" form from the doctor stating the employee can return to work, the types of jobs he or she can perform, and any restrictions he or she has. After you receive this, follow these steps:

- Call your claims representative. Explain the employee's status and whether there is a need to assign transitional duty work because of medical restrictions.
- Call your employee to discuss work release and job opportunities that may be available. MMA can provide sample transitional work duties. Arrange a return-to-work date. Inform the employee of job details and where, when, and to whom to report.
- Put transitional job offers in writing. MMA can provide a sample job offer letter for you to use in drafting your own letter. Offering the job in writing is important for legal reasons and we recommend you send this offer letter via certified mail. If you don't receive a response from the employee within a reasonable time, contact your MMA or carrier claims representative.
- Facilitate smooth return-to-work. Welcome the employee back and help make the return to work a positive experience.
- Only allow the employee to perform tasks approved by his or her physician. Make sure the employee's supervisor knows to respect all medical restrictions. If the employee feels capable of more than what the restrictions allow, talk with your MMA or carrier claims representative. Do not allow the employee to do anything outside of his or her restrictions.
- Continue to contact the employee and his or her supervisor on a weekly basis. If you suspect the employee will be on transitional duty for six months or more, consider whether it will turn into a permanent position. Discuss your options with your MMA or carrier claims representative.
- Document all contacts with the injured employee. Keep them in your claims file.

5) MAKE SURE YOUR BROKER PROVIDES THE SOLUTIONS YOU NEED.

If your broker is simply offering to find the right insurance, they could be the wrong broker. Your broker should be helping you with an entire range of related issues, such as helping you reduce the impact of claims; managing human risk; avoiding, mitigating, and dealing with the results of risk; keeping you up-to-date on everything from new benefit offerings to assessing the state of your business risk and insurance. If that's not what your broker is currently doing, perhaps you should consider another broker.

Well, there you have it – five solid, smart resolutions for the coming year. To help make sure 2018 is a good year, contact your Marsh McLennan representative to talk about how we can help you with these five issues and much more.

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