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Mental Health

'Presenteeism' Hurts Employees and Employers

Sluggish Employees Cost Companies More Than Sick Days

WebMD Medical News

April 23, 2004 -- Employees who come to work even when they're aren't feeling well may end up costing companies more in lost productivity than their employers pay for sick days and other medical and disability benefits.

A new study shows that work slowdowns caused by illness on the job, known as "presenteeism," may account for up to 60% of employer health costs. Researchers say the findings suggest that companies may need to take another look at their health care spending.

"In this day and age where employers are hesitant to hire because of skyrocketing medical care costs, it's important to broaden the view of health costs beyond the cost of patient care," says researcher Ron Goetzel, PhD, of the Cornell University Institute for Health and Productivity Studies, in a news release.

The study showed that for some common conditions, such as allergies and headaches, on-the-job productivity losses may account for more than 80% of the employer's total health care costs.

"If a company's health plan is poor, for example, disorders may not be well managed. Workers will continue to work and not be as productive," says Goetzel. "Employers need to weigh the costs of good medical care against the potential for on-the-job productivity losses, which we see are substantial in many areas."

Presenteeism Costs Employers

In the study, published in the April issue of the *Journal of Occupational and Environmental Medicine*, researchers calculated an average as well as a low estimate for on-the-job productivity losses caused by common health conditions and compared it with other costs associated with the condition.

The estimates were based on a database of about 375,000 employees, which included information on insurance claims for medical care and short-term disability over three years. Researchers then combined this information with the findings of five published productivity surveys for 10 health conditions that most commonly affect workers.

The study showed that for many conditions, the costs of presenteeism were far greater than other employer-related health care costs, such as absenteeism or health and disability benefits. For example, presenteeism due to headaches accounted for 89% of the total cost of productivity losses using average estimates and 49% using low estimates. For allergies, the costs of on-the-job productivity losses accounted for as much as 82% and as little as 55%.

"All in all, this means that from about one-fifth to three-fifths of the total dollars attributable to common health conditions faced by employers appear to be the result of on-the-job productivity losses," says Goetzel.

When other costs were added to losses from presenteeism, absenteeism, and health and disability benefits, the most expensive condition for employers was high blood pressure, with an annual cost of \$392 per employee per year, followed by heart disease (\$368), mental health problems (\$348), arthritis (\$327), and allergies (\$271).

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