

Employee Well-being and Productivity: Making the Connection

Kristin Tugman, PhD, CRC, LPC
Prudential

Tonya Ragland-Davis, RN
Michelin

February 16, 2016



► **EXPERIENCE.**
PRUDENTIAL.

Benefit experiences that
help create and protect
financial wellness.



Prudential
Bring Your Challenges®

The Workplace Productivity Challenge Is Growing



Disability – Costs to Employers
between **8%** and **15%** of payroll⁽¹³⁾

Disability – Costs Increase
expected to increase in the U.S.
by **37%** over the next **10 years**⁽¹³⁾

Global Issue
U.K. disability payments **doubled** in
the last **30 years**⁽¹⁶⁾

Chronic Disease
1 in 2 adults has at least one⁽¹⁰⁾

Chronic Conditions
1 in 4 adults has two or more⁽¹⁰⁾



Sandwich Generation

requires workers to care for their children and aging parents resulting in stress leading to lost time from work^{(3) (12)}

2012 Workforce

62% of the 55–65 year old population participated, projected to be **68%** by 2022⁽⁴⁾

Physical Changes

occur in workers over **40** leading to an **increased opportunity** for disability⁽⁷⁾

Employees

over **40** are **out of work** on average **8-18** days longer than the younger worker⁽¹⁷⁾

Median Age

for workers will be **42.8** years by 2020⁽²⁰⁾

Mental Illness: Its Prevalence and Impact on the Economy and the Workforce



- ▶ By 2030 depression will rank first in total economic burden among all high-income countries.⁽⁷⁾
- ▶ Severe mental disorders such as schizophrenia account for approximately 1% of the population.⁽⁷⁾
- ▶ In today's service and knowledge-driven societies, the population's mental capital is more valuable and more vulnerable to the effects of depression.⁽¹¹⁾
- ▶ Organizational, technical, and economic changes have had significant repercussions on the world's mental health.⁽⁶⁾
- ▶ Loss of productivity exceeds several billion dollars worldwide, according to the Organization for Economic Cooperation and Development (OECD).⁽⁷⁾
- ▶ Health and mental health are undeniably intertwined.⁽⁶⁾
- ▶ When employees were asked about days they were unable to perform their tasks, 50% said it was due to mental health.⁽⁶⁾

Behavioral Health Considerations in Our Cultural Environment

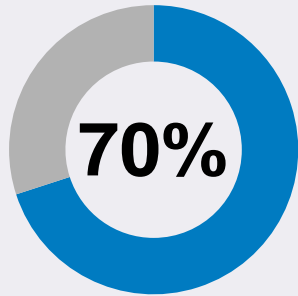


- ▶ In 2015 a Gallup poll found that 32% of employees indicated they were engaged at work⁽²²⁾
- ▶ Presenteeism costs the United States approximately \$150 billion per year.⁽¹⁾
- ▶ The current work environment will require employers to re-recruit their talent to new roles if they expect to retain and keep them engaged. Employers are not doing this effectively today.⁽²⁾
- ▶ Research on the American auto industry has suggested executives and engineers must work 80 hours a week to get the work done.⁽¹⁵⁾
- ▶ Ford turned one engineering job noted to be an 80-hour-a-week job into a job share at 40 hours each. ⁽¹⁵⁾
- ▶ Workplace stress—defined as lack of work/life balance, high workload, co-worker conflict—causes presenteeism. ⁽¹⁾

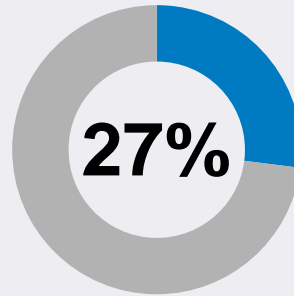
Well-being and Productivity: A 2015 Gallup Poll⁽²²⁾



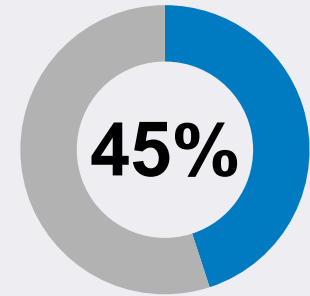
Employees that are highly engaged and experience well-being are more productive than employees who are just highly engaged and experience the following:



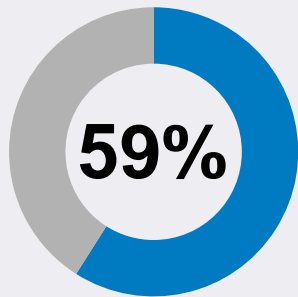
fewer days away from work
due to illness in the course
of a year



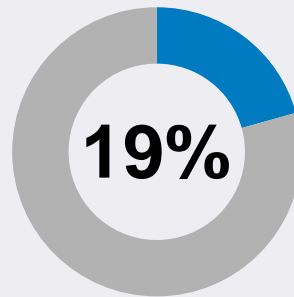
more likely to report excellent
individual and organization
performance



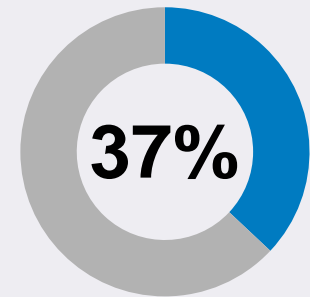
more adaptability
to change



less likely to look for another
job within 12 months



more likely to volunteer their
time in the community



more likely to report as fully
recovered from an illness
or hardship

What Is Well-being?

There Are 5 Tenets⁽²³⁾



Purpose (Career)
meaning in life



Social
support and love in life



Financial
effectively managing the economic life to
reduce stress and increase security

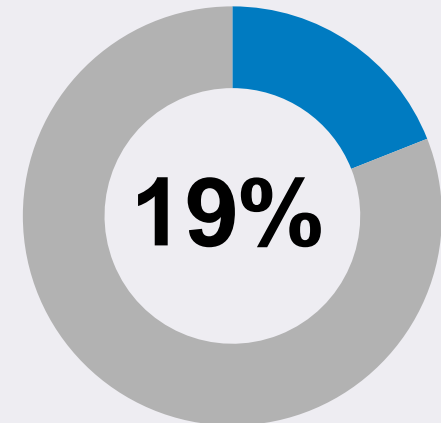


Community
pride in where one lives



Physical
having the physical health to be able to
accomplish goals and daily living

Approximately



of Americans are thriving
in 4 out of 5 areas⁽²²⁾

An Employer Is A Microcosm Of Well-being



Purpose
meaningful work can drive a purpose



Community
pride in where one lives



Social
the workplace often mirrors
family dynamics



Financial
Employers significantly contribute to total
financial wellness



Physical
Employers contribute to physical well-being through
benefits, prevention and conditions management programs

**How can an employer
connect the dots to
overall well-being?**

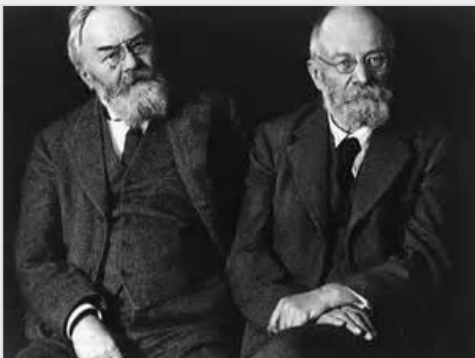
Connecting the Dots to Employee Well-being and Productivity



Groupe Michelin



- ▶ 1832: Aristide Barbier and Edouard Daubrée open a farm machinery and rubber ball manufacturing plant in Clermont-Ferrand.
- ▶ 1889: The Michelin brothers (Eduard and Andre) set out on what was to become a great adventure in both human and industrial terms: putting innovation to work in developing modern means of transportation. From a detachable tire for bicycles to the first guide for drivers, Michelin has made significant contributions at every step in the automobile age.
- ▶ 1898: Birth of the Michelin Man
- ▶ 1914: First Michelin guide published
- ▶ 1946: First Radial Tire patented



North American Footprint



HNA Greenville SC



- ▶ 19 Plants/16 Locations
- ▶ 22,000 employees
- ▶ Manufacturing sites in AL, IN, OK, NC and SC as well as Queretaro MX and NS in Canada
- ▶ Passenger and Light Truck
- ▶ Heavy Duty Truck Tires
- ▶ RV Tires
- ▶ Agriculture Tires
- ▶ Aircraft Tires
- ▶ Bicycle Tires

A name recognized around the world



Recent Accolades:



**77 total J.D.
Power &
Associates
Awards**

- Thomson Reuters “Top 100 Global Innovators”
- S.C. Manufacturer of the Year from S.C. Chamber of Commerce
- Silver Edison Award for Tweel
- Consumer Reports Recommended Best Buy
- AARP “Best Employers for Workers Over 50”

Sales & Distribution:

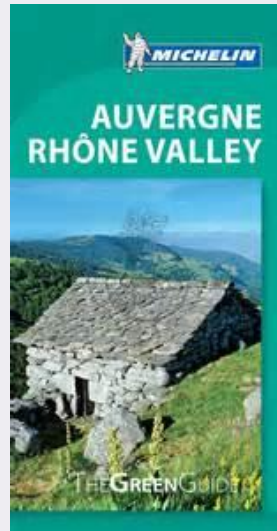
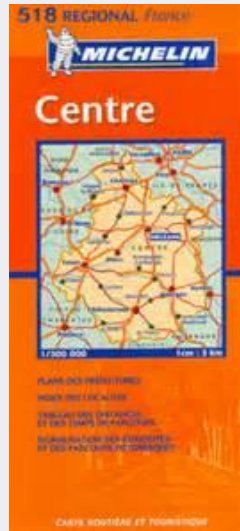
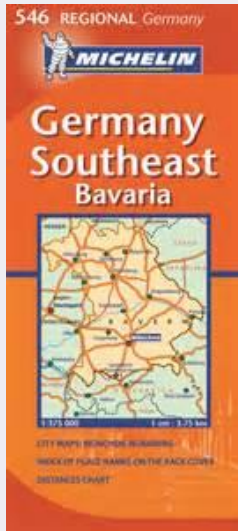
- Brands distributed:



- Our distribution and service network is composed of 150 Tire Centers, LLC (TCi) and 20 TyrePlus Centers based in Mexico

The total value of the MICHELIN brand globally is \$4.4 billion

Licensing and Products



Michelin and Employee Well-being



Return-to-work Program (Purpose)



Resilience support (Social)



Benefits package (Financial)



Community involvement (Community)



Health management, wellness and safety programs (Physical)



Michelin 2016 and Beyond...

Well-Being and Development of Our Employees

1. Improved Medical Outcomes – Condition Management
 - ▶ Diabetes Management
 - ▶ Cloud Diabetes Glucose Monitoring Pilot
2. Autism Fund
3. Formalized RTW Program
4. Chief Medical Officer / Office Project



► **EXPERIENCE.**
PRUDENTIAL.

Questions?

References



1. 10 ways to reduce the threat of 'presenteeism'. (2013). HR Specialist: Compensation & Benefits, 8(1), 1-2.
2. Aon Hewitt. (2014). Trends in employee engagement—consulting, performance, reward and talent.
3. Beauregard, T.A., Ozbilgin, M. & Bell, M. P. (2009). Revisiting the social construction of family in the context of work. *Journal of Managerial Psychology*, 24(1), 46-65.
4. Bureau of Labor Statistics (February 1, 2012). "[Median age of the labor force, by sex, race and ethnicity](#)". Retrieved 2012-07-26.
5. Centers for Disease Control. (2013). Depression. Retrieved 2013, <http://www.cdc.gov/workplacehealthpromotion/evaluation/topics/depression.html>.
6. Centers for Disease Control (2014). The Cost of Obesity. Retrieved 2015. <http://www.cdc.gov/obesity/data/adult.html>.
7. Choi, S.D. (2009). Safety and ergonomic considerations for an aging workforce in the US construction industry. *Work*, 33, 307-315.
8. Corbiere, M., Negrini, A, and Dewa, C.S. (2013). Mental health problems and mental disorders: Linked determinant to work participation and work functioning. *Handbook of Work Disability*, 267-288.
9. Cuijpers, P. Beekman, A.T.F., & Reynolds, C.F. (2012). Preventing Depression: A global priority. *Journal of the American Medical Association*, 307(10), 1033-1034.
10. Fried, V.M., Bernstein, A.B., Bush, M. (2012). Multiple chronic conditions among adults aged 45 and over: Trends over the past 10 years. NCHS Data Brief (100).
11. Golden, M. (2013). 7 ways generation X'ers differ from baby boomers. Retrieved 2013, <http://top7business.com/?Top-7-Ways-Generation-Xers-Differ-From-Boomers&id=1860>.
12. Gonyea, J. (2008). America's aging workforce: A critical business issue. Boston University School of Social Work.
13. Hawley, C. E., Diaz, S., & Reid, C. (2009). Healthcare employees' progression through disability benefits. *Work*, 34, 53-66.
14. Kazdin, A.E. & Rabbitt, S.M. (2013). Novel models for delivering mental health services and reducing burdens of mental illness. *Clinical Psychological Science*, 1(2), 170-191.
15. LaReau, J (2010). Want to change the corporate culture? Work less, sleep more. *Automotive News*. Retrieved: <http://www.autonews.com/article/20101026/BLOG06/101029903/want-to-change-the-corporate-culture?-work-less-sleep-more>.

References



16. McVicar, D. (2008). Why have UK disability benefit rolls grown so much? *Journal of Economic Surveys*, 22(1), 114-139.
17. Mitchell, K. (2006). Productive Aging: The new life stage. *World at Work*, 62-72.
18. National Institute of Mental Health (2013). What is Anxiety Disorder? Retrieved 2013, <http://www.nimh.nih.gov/health/topics/anxiety-disorders/index.shtml>.
19. Samdahl, E. (2014). Employee Engagement Rates Stay the Same at 35%. The Productivity Blog. Employee engagement exchange. Retrieved: <http://www.i4cp.com/productivity-blog/2014/01/27/employee-engagement-rates-stay-the-same-at-35>.
20. Sommers, D. & Franklin, J.C. (2012). Employment outlook : 2010-2020: Overview of Projections to 2020. *Monthly Labor Review*, Bureau of Labor Statistics, 1-20.
21. Ward B.W., Schiller J.S., Goodman R.A. Multiple chronic conditions among US adults: a 2012 update. *Prev Chronic Dis*. 2014;11:130389. DOI: <http://dx.doi.org/10.5888/pcd11.130389>.
22. Witters, D. & Agrawal, S. (2015). Well-being enhances benefits of employee engagement . *Gallup Business Journal* , www.gallup.com/business-journal.
23. Rath, T, Harter, J. (2010). The five essential elements of well being. *Business Journal*. May.

Group Insurance coverages are issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ

© 2016. Prudential, the Prudential logo, the Rock symbol, and Bring Your Challenges are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.