



# *Work Ability*

*An holistic approach to work based well being*

Department of Ageing Disability and Home Care  
Ageing Workforce 2010 Conference  
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 **ERNST & YOUNG**  
*Quality In Everything We Do*

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## *Introduction*

# Our wellbeing rests largely in our own hands

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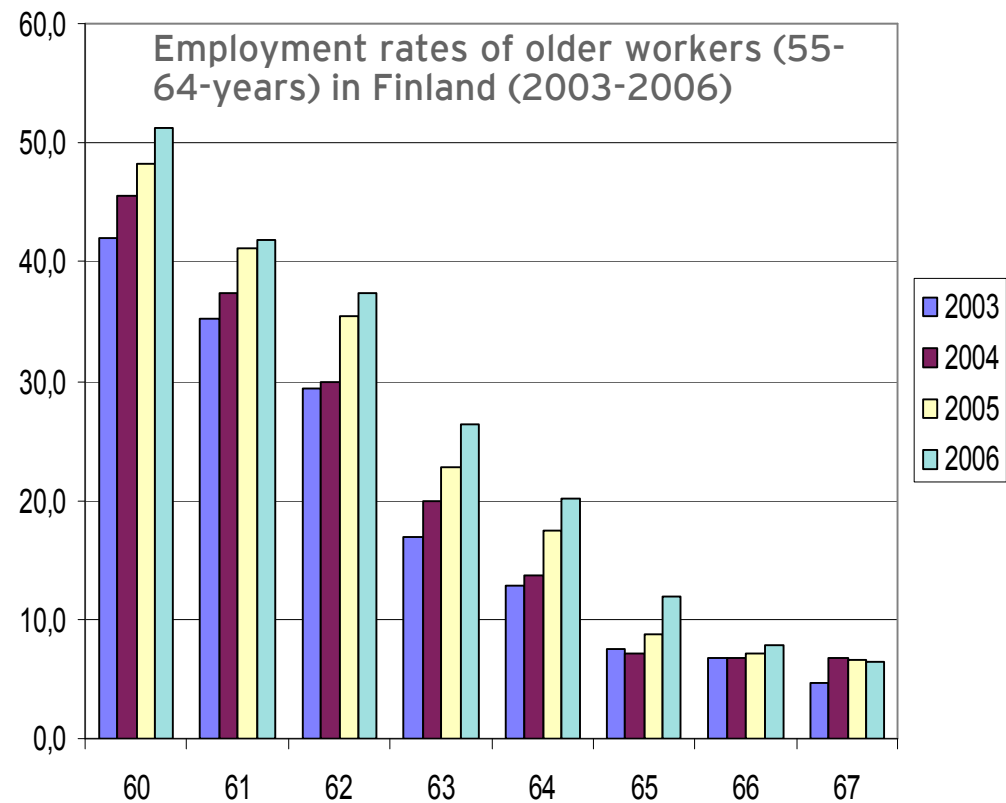
“How well you are through your life and as you age depends on the intricate interplay between your genes and your lifestyle. Your chronological age doesn't necessarily correlate with how old your body thinks it is. There are about 191 things that go into calculating your real age and 149 of those things are within your control.”

Wellbeing is a key enabler of longer working lives – a critical challenge in an era of ageing populations

# A proven approach

Wellbeing is a key enabler of longer working lives – a critical challenge in an era of ageing populations

- The Work Ability programme plus pension reform has resulted in significant increases in workforce participation amongst people aged 55 – 64 years in Finland.
- Gains are well ahead of those of other European countries who have instituted pension reforms alone

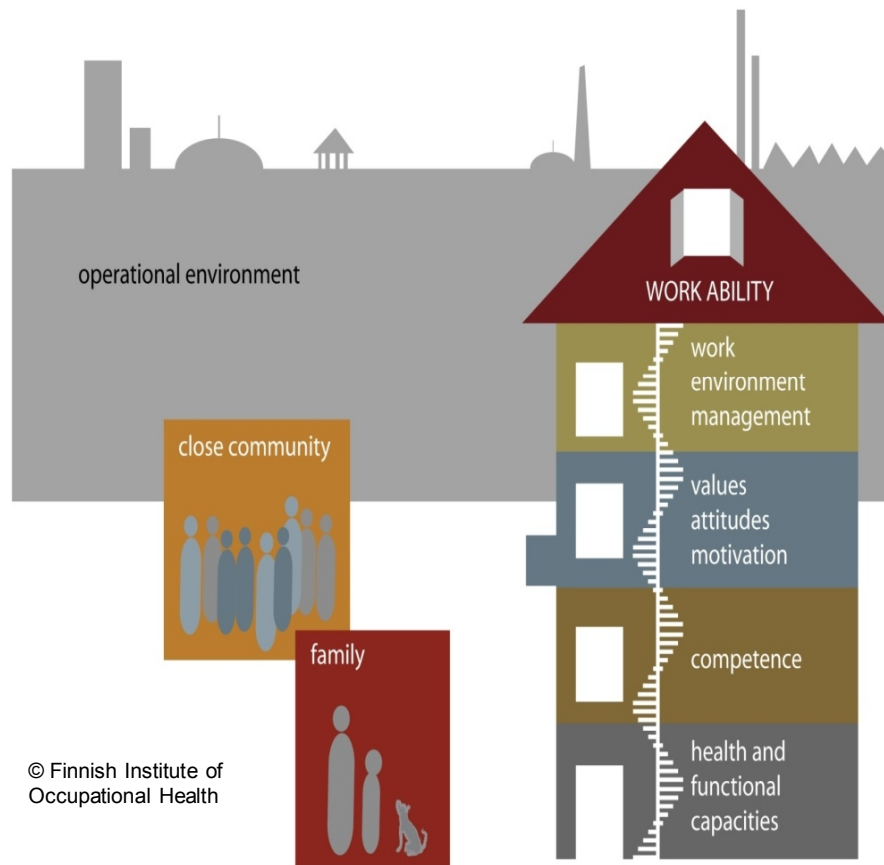


Source: Center of Statistics, Finland

## Context

# Describing WorkAbility

Society   culture   legislation   education policy   social and health policy



- WorkAbility, recognises that a balance between the health, motivations and competence of individual workers and the work environment results in the best outcomes for the individual and the business.
- It also recognises that the broader environment also shapes individual wellbeing and the business.
- This highlights the needs to adjust both individual capacity to meet work requirements and for the workplace to align to individual capacity to drive optimal wellbeing and productivity.

While wellbeing is a key focus of workplaces across Europe and a high priority for Australians, few Australian organisations are taking a holistic approach to supporting the wellbeing of their people.

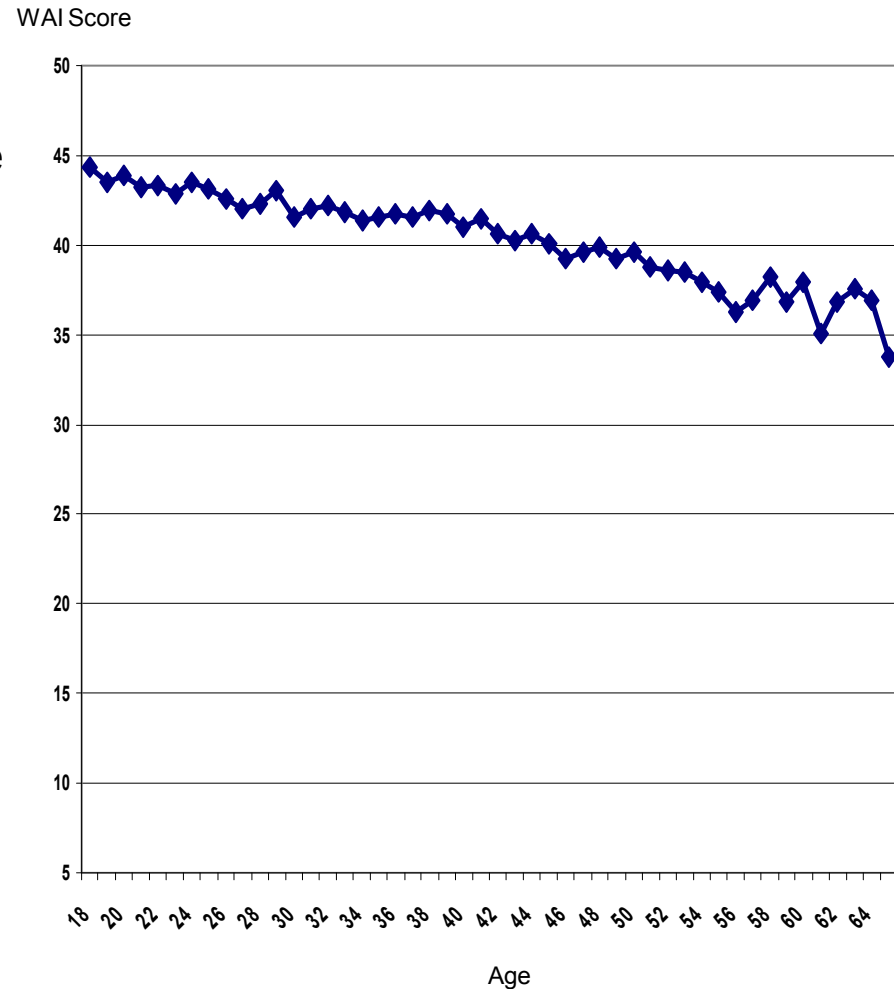
# Describing WorkAbility

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- The central instrument of the Work Ability model is the Work Ability Index (WAI)
- Seven items are measured by the WAI
  - The current work ability of the individual compared to their lifetime best
  - The work ability of the individual in relation to the mental/physical demands of the job
  - The number of current injuries or illnesses diagnosed by a doctor
  - The individual's assessment of impaired ability to do their job due to injuries/illnesses
  - The amount of sick leave taken by the individual over the preceding 12 months
  - The individual's personal prognosis of the own work ability 2 years from now
  - The individual's assessment of their mental resources

## Work Ability declines with age

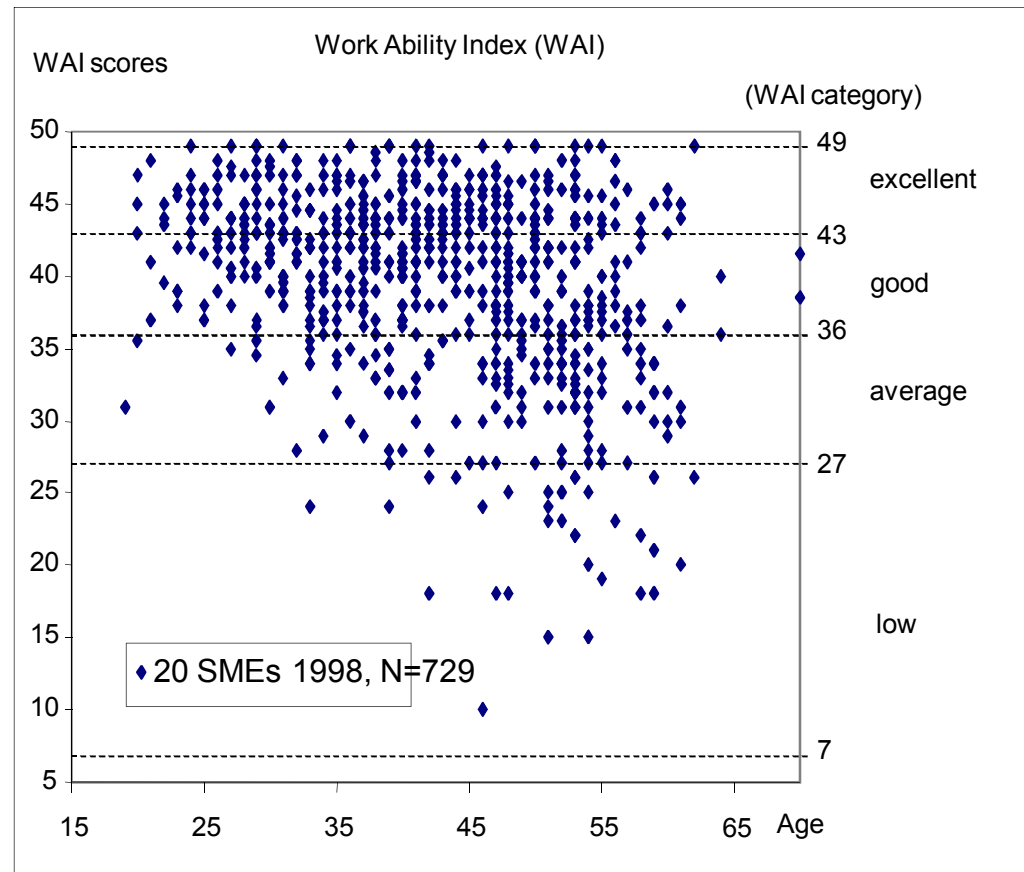
- Research findings of the variable OH&S risk and productivity of workers at different ages is largely inconclusive. The 'survivor effect' has been projected by some to actually reduce the incidence and cost of injury and illness with age.
- The accumulation of problem solving skills and experience have also been found by some to offset potential productivity impacts of any cognitive or physical declines.
- However 25 years of Work Ability data which considers broader spheres of influence has clearly established a link between age and declining Work Ability.



## Work Ability: the detail

# But age is not a predictor of work ability

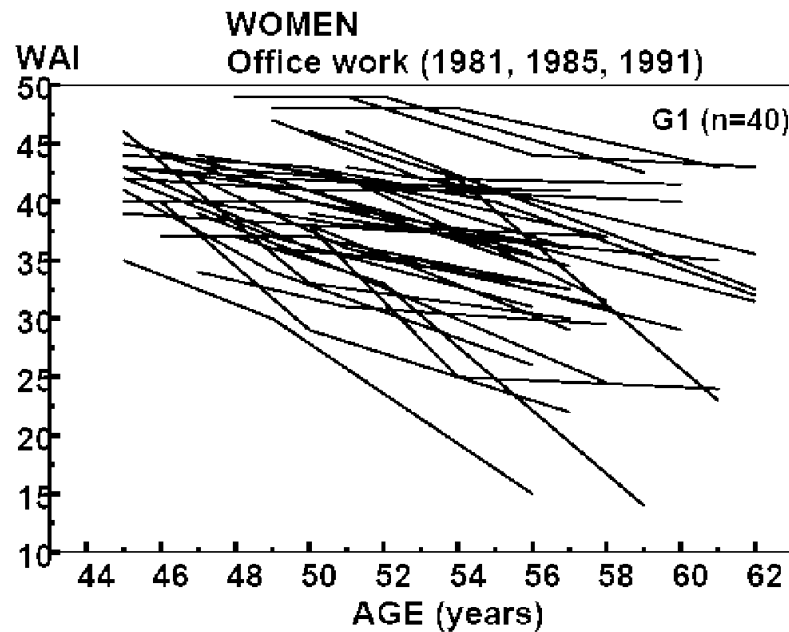
- Each of the points in this scatter chart represents an individual's work ability rating – high ratings are achieved by older people however there is a wider range of distribution with age.



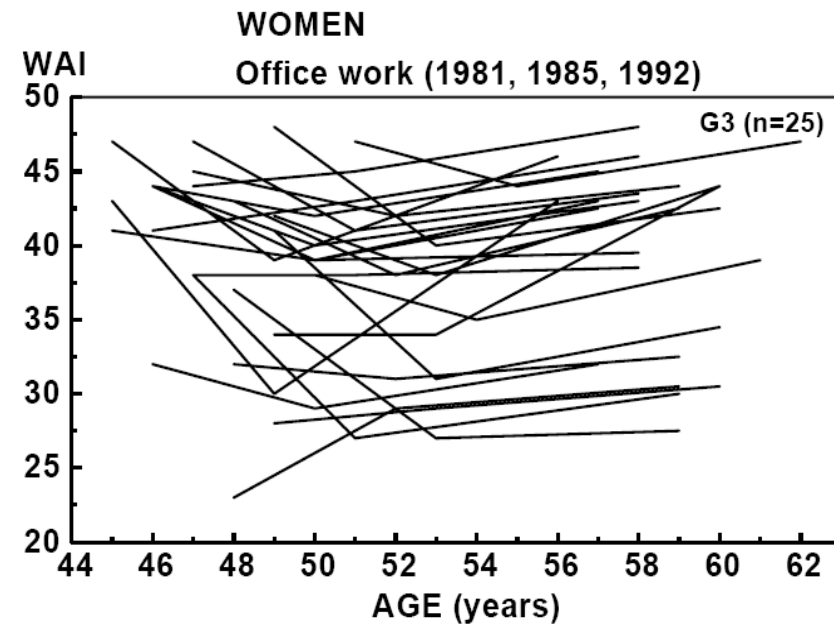
## Work Ability: the detail

# Declining in Work Ability can be prevented

Targeted interventions as part of a Work Ability program are shown to have a significant impact on improving individual Work Ability ratings.....



- ▶ Work Ability ratings over time with no program of interventions.



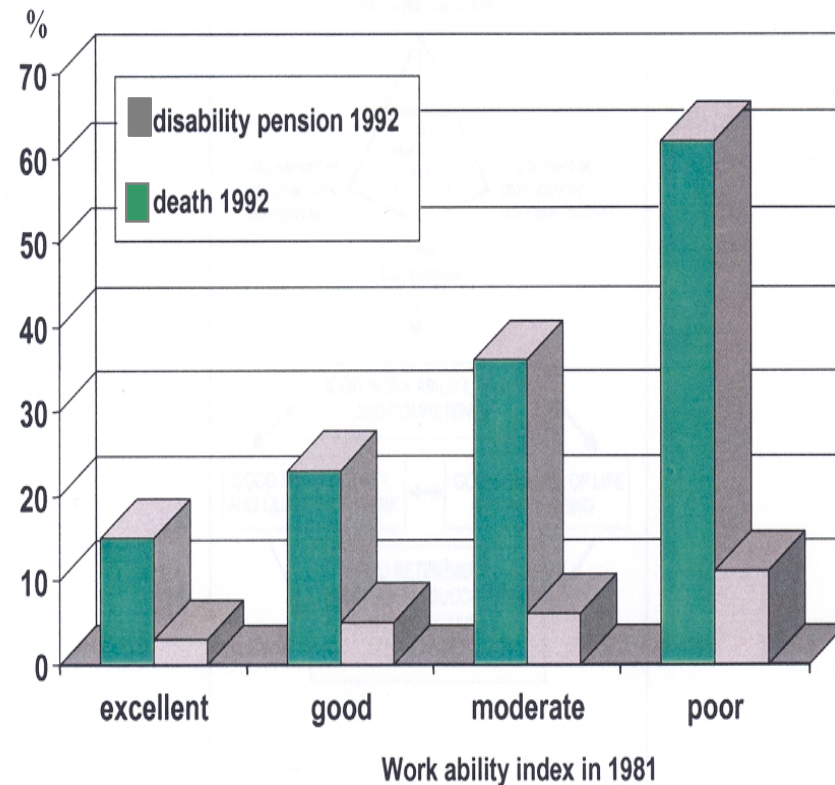
- ▶ Work Ability ratings over time with systematic interventions based on data gathered through administering WAI.

Source: Finnish Institute of Occupational Health

## Work Ability: the detail

# The Work Ability Index is highly predictive tool

- A ten year follow up of people who had poor work ability rating in 1981 found that this group had a much higher risk of death or premature exit from the workforce due to disability.
- Sixty percent exited due to disability and 10% died over the period, almost double the rate of those with moderate ratings.



# The Benefits

Work Ability is supported by an international research community that spans 32 countries., and that has tested the economic and broader impacts of Work Ability over more than 20 years.

### 1 Economic appraisal of Work Ability

- Over 200 companies of various size from different industries
- Method: Tervus Economic Appraisal
- Benefit / Cost ratio variation between 3 and 10
- Benefit: Reduction of absenteeism and work disability 50%, increase in productivity 50%

WorkAbility Score	Work Disability costs per employee p.a	Sick leave costs per person p.a.
Poor	10,200	5,140
Moderate	4,300	3,570
Good	2,240	925
Excellent	1,235	290

# The Benefits

### 2 Productivity impacts

- A Dutch productivity highlights the higher risk to the individual and higher costs to the business of workers with poor and moderate Work Ability scores.
- The proven capacity to improve Work Ability scores through the application of the model highlights the opportunity to improve wellbeing for the individual and cost benefits to the business.
- The application of work ability across the workforce and the strategic interventions this informs provides a baseline to estimate the current cost to an organisation of low Work Ability and the cost benefits over time gained through improved Work Ability for those with poor or moderate ratings and sustained Work Ability for those with good or excellent ratings

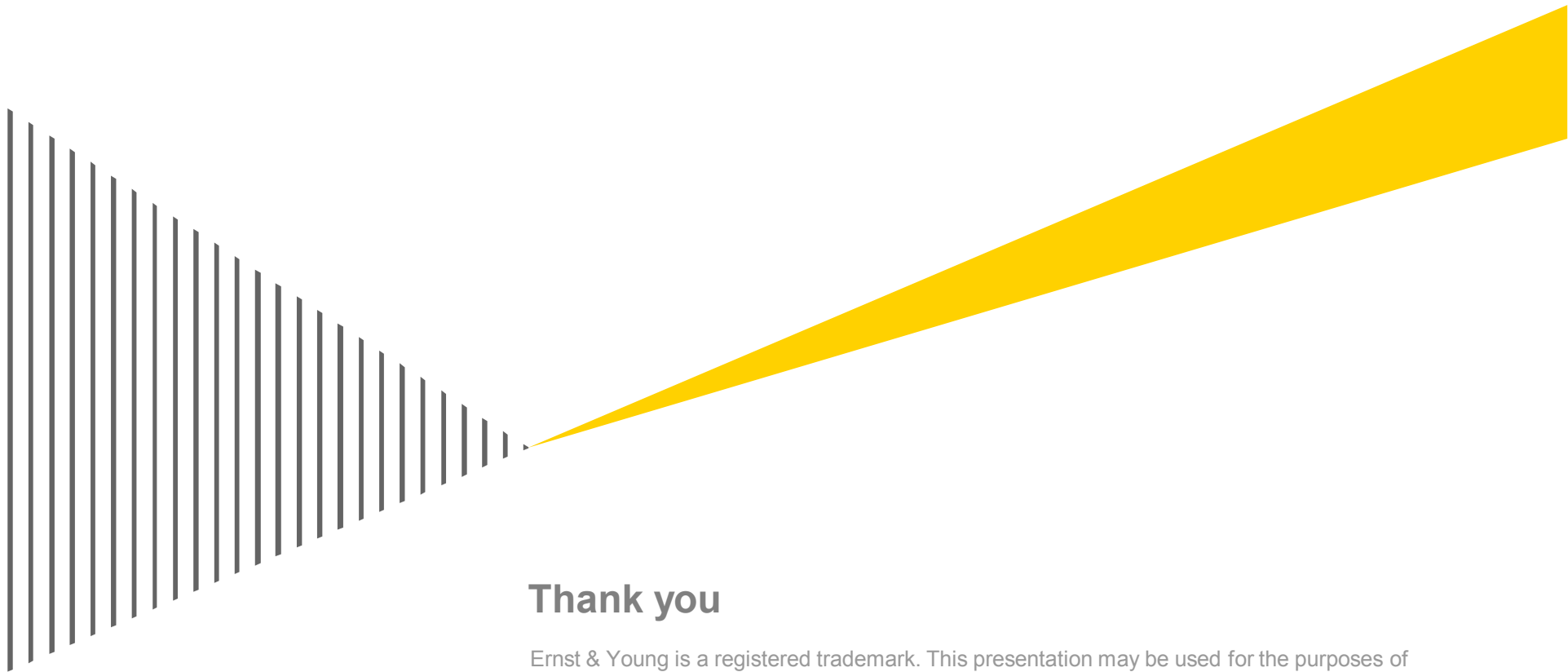
#### Productivity loss by Work Ability Score (cross sectional design 11,318 Dutch workers)

WorkAbility Score	Productivity Loss
Poor	26.6%
Moderate	12%
Good	4.9%
Excellent	Ref

# Applying Work Ability in the Australian context

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- A number of Australian organisations are applying Work Ability
- It provides:
  - An holistic and scientifically proven wellbeing model
  - An evidence base to effectively target wellbeing interventions
  - A baseline from which to measure change over time
  - A tool to engage people – their wellbeing score
- A key consideration is to ensure that Work Ability aligns with and acts as an enabler of the organisations broader goals and priorities. Examples of application in Australia are:
  - Enhancing the employee value proposition
  - Differentiating the organisation from its competitors
  - Enhancing brand perception across the general community
  - Providing a practical vehicle to reduce wellbeing risks and to increase productivity



## Thank you

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