Lead

Presenteeism:
The missing piece of the productivity puzzle

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Productivity in Aotearoa New Zealand is considerably lower than in other OECD countries — despite working longer hours on average — according to the New Zealand Productivity Commission. There are an inestimable number of factors that contribute to low productivity, with improved technology and innovation often touted as the top solutions. While building solutions that are new and shiny is attractive, evidence-based strategies for more effective working should not be dropped. At its essence, productivity is the ratio of output to input. When we focus on optimising our input to boost our output, we can build productivity using what we already have.

For many companies, salaries and wages are the single biggest expense. We already know that absenteeism (e.g., sick and annual leave) and staff turnover (including replacement costs) are huge contributors to these people costs. But employee productivity loss at work – while much harder to measure – is estimated to cost businesses much more than the annual cost of absenteeism, making it an obvious target for business improvement. For mental health alone, recent estimates suggest that employees are much more likely to work during periods of poor mental health than take leave – costing UK employers four times more than their total absenteeism costs (more than 26 billion pounds annually).

According to recent research by the London School of Economics, MIT and Oxford University, businesses that can maximise employee productivity at work through enhancing health and wellbeing, instead of sacrificing it, boast competitive advantage through talent attraction, retention and heightened performance. Quite simply, the health of a business is directly affected by the health of its employees – both physical and psychological.
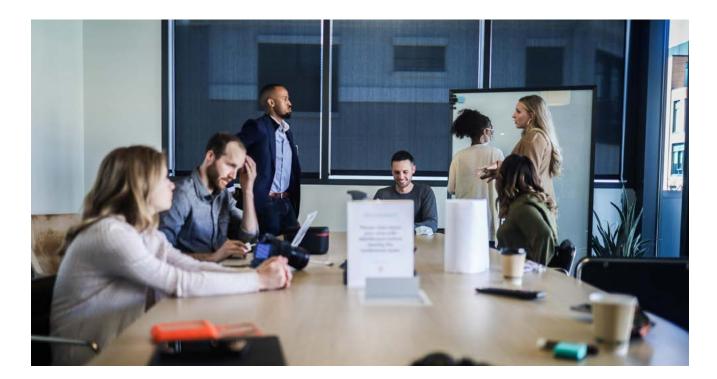
UNDERSTANDING PRESENTEEISM

If absenteeism is what we call employees being absent from work during their regularly scheduled hours—a key metric that is tracked and analysed by most businesses—presenteeism is when employees are present at work (either in person or online) but are experiencing ill-health or poor wellbeing.

Presenteeism is a global phenomenon and one that is increasing as we operate in an "always-on" culture of work. Recent findings from a Frog Recruitment New Zealand survey showed that more than half of Kiwis admit to working from home while unwell instead of taking sick leave. This presenteeism may or may not result in compromised productivity but, on balance, it usually does. Even when it doesn't, presenteeism almost always has downstream effects: persistent or worsening symptoms, mistakes made, prolonged bouts of absenteeism, or even emotional burnout.

It needs noting that, for some people, including those living with chronic psychological or physical illness, presenteeism is unavoidable. In fact, for these people, presenteeism might be the best option for them and their organisation, so long as steps are being taken to actively manage their illness in lieu of available treatments.

But, for others — most people, in fact — presenteeism shows up when we continue to work through bouts of physical or mental illness (however big or small), knowing that we are not performing at our best. For example, have you ever come into work on a bad mental health day, rendering you completely unable to concentrate? What about coming into work with a splitting headache, or on zero hours of sleep? Maybe you've spent full days at work completely "checked out" because of family problems unfolding at home? Not only do these examples of "pushing through" impact on your output at work, as well as the quality of your work, but they also prolong your recovery time from not taking time to rest (or process your emotions), further compounding your stress or ill-health.

UMBRELLA

We know from our Umbrella Wellbeing Assessment data, collected from over 6,000 employees across New Zealand, that at least 1 in 4 employees are experiencing moderate or high psychological distress and 1 in 5 are experiencing stress from serious ill-health at any given time. For these people, being supported to take time off to rest, or to sort out a life stressor (such as taking a troubled teenager to an appointment, dealing with a relationship break-up, or having time to sort out a financial or legal nightmare) is paramount to their wellbeing and recovery. Without having permission to do so, they bring these stressors with them to the workplace, ultimately influencing their performance.

Of course, there are a number of personal and organisational factors that influence rates of presenteeism in any business. For employees, our "locus of control" when it comes to health plays an important role; do we think that we are in control over our own health (internal locus of control) or do we often attribute our illnesses to outside influences (external locus of control)? At an organisational level, are sick leave entitlements sufficient? Are employees empowered to take mental health days? What are the cultural norms around needing to "show face" at work, even if you're pretty checked out emotionally or cognitively?

These factors are especially relevant in light of recent changes to sick leave across New Zealand (increasing entitlements from 5 days to 10 days nationwide). Until workplaces proactively tackle presenteeism by establishing a culture that encourages rest and recovery, we cannot expect people to use their sick leave allowances to the benefit of themselves and the business.

Other accounts of presenteeism relay the story of toxic work cultures that emphasise time spent at work over output, regardless of physical or emotional state. When we measure productivity by hours rather than output, we indirectly encourage employees to sit at desks (or "appear online" as the work-from-home equivalent) even when they are unwell. In these workplaces, employees might have finished their day's tasks, or feel dreadful, but stay at work browsing social media just to show face. Or, employees might feel compelled to send emails at all hours of the day to show they are putting in long days — despite evidence suggesting that long work weeks impact on our ability to sleep, exercise and eat well, and trigger chronic activation of our physiological stress response, leading to increased physical health risks.

Across all of these examples, we see that presenteeism is prolific, endemic to many workplaces, and notoriously difficult to recognise. If productivity is the overall work output of an employee relative to the hours they put in, presenteeism is the handbrake that keeps them from moving forward and working at their best.

Addressing productivity problems by addressing presenteeism, and enabling workers to be their best selves, is in the best interests of every employer and employee. It encourages optimal wellbeing, or "flourishing", and it means that employees are engaged at work, doing work they enjoy, and are supported to take time off to rest, recover and recharge. For employers, they enjoy a workforce of engaged employees who are more productive, produce higher quality work with fewer errors, and are healthier and less likely to leave their jobs.

WHAT CAUSES PRESENTEEISM?

In a study of more than 16,000 employees in the United Kingdom, *psychological wellbeing (defined as the absence of psychological distress symptoms) was the strongest predictor of productivity, over and above work factors such as workload, work-life balance, pay, physical health, and organisational commitment.* This is backed up by other studies finding that overall wellbeing, more so than job satisfaction, is consistently associated with productivity at work.

What this tells us is, while productivity at the employee level is influenced by a number of factors, promoting employee wellbeing and mental health might be the most influential lever to pull when it comes to staff productivity and, therefore, business performance.

In other words, when we work while experiencing poor mental health (presenteeism), we are sacrificing our productivity. One option is to encourage employees to take mental health days or seek treatment for their poor health (e.g. accessing EAP). The other, complementary option is to boost mental (and physical) health proactively. When employees have the tools to manage mental distress and engage in healthy habits that protect them against illness, they are less likely to need to engage in either of the "eeisms" — absenteeism or presenteeism.

WHAT DO WE DO ABOUT IT?

It is not reasonable to try and erase presenteeism altogether. As noted already, presenteeism is the only option for some people living with chronic physical or mental illness. And, whether we are okay with it or not, we will always see some people showing up to work with a slight sniffle. But, where we can, businesses stand to gain a lot from shifting the dial on rates of presenteeism – from a culture where people regularly work while sick, to a culture where fewer people are likely to be unwell in the first place and, when they are, they feel supported to take steps to rest and recover.

An important starting point involves recognising that presenteeism is a problem at all levels of an organisation, including leaders, teams, and individuals. It is easy to blame the employee who chooses not to take a sick day but it's also necessary to take the time to trace it back to its root causes within leadership or organisational culture.

This is where measurement comes in. Knowing the problem means steps can be taken to address it. It may be that presenteeism is a big issue in your company, or it may be that it is not. Do you know? Accurately measuring presenteeism rates and, crucially, the main factors contributing to them means that businesses can begin to take decisive action on improving their productivity and their performance – without harming employee wellbeing in the process. Decisive action may mean investing in different wellbeing and mental health interventions, changing policies, empowering employees to feel safe in taking leave, or all of the above. What's most important is that any action is tailored to the unique needs and context of your business.