

## **Executive Summary**

### **Demographic change and private sector disability management in Australia, Canada, China and Switzerland:**

#### **A comparative study**

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## **Abstract of the Executive Summary**

The objectives of this study were to establish baseline data for how disability management is implemented in companies in different countries, how national systems influence the implementation of DM, and how that benefits employers and employees. Thirty-two companies in Australia, Canada, China and Switzerland participated, 128 in-depth interviews were conducted and 1,201 employees participated in the survey.

The results indicate that DM is positively related to job satisfaction, morale, physical and mental health, and sick leave. The support of employees is seen as effective in improving their health conditions and productivity in the company. DM is underpinned by relevant legislation and welfare expectations in each country, but companies face the problem of obtaining the required know-how to successfully implement DM.

The results of this study are significant partly because it is the first international and interdisciplinary study looking at how and why DM is implemented in companies. This provides a baseline for improved DM practice in individual companies across countries, as well as for further international DM research. This is important to the success of companies and to the health and wellbeing of individual workers.

## **Executive Summary**

### **1 Research Plan**

The study was conducted by an international and interdisciplinary research team, which includes researchers from Australia, Canada, China and Switzerland. The range of disciplines includes psychology, social work, economic sciences, medicine, sociology, health care and rehabilitation science. The international perspective and the interdisciplinarity of this research team contributed a lot to the research findings. However, during the research process various challenges arose, including (a) the need to develop a coherent terminology for disability management which is not yet established either in the different countries or on the international level; (b) the need for a research practice that applies the same methods and methodology in each national context; (c) different national ethical standards for conducting research; and (d) intercultural differences and 'critical incidents'. Further issues came up during the research process regarding methods and methodology for qualitative and quantitative research. Here, it is not only discourses and practices in the participating countries that are different but also research practices. Given our international comparative approach, this meant that we needed in-depth communication on research methods, methodology and practice. A more general challenge was that each country was facing its own difficulties in realising the research project, which lead to unequal progress of the project; e.g. differences in the progress of recruiting companies and their impact on data collection and analysis timelines, and different standards for ethics approval. Yet, despite these difficulties a heterogeneous sample of companies was developed in each country, which was essential for the international comparison. There is limited research into what measures and activities are taken by firms when their employees are injured and there is, to our knowledge, no cross-national or international comparative research on DM in the private sector. Hence our international analysis of DM programs in private companies, including the impact of national social systems on DM, and the effectiveness of different DM concepts and programs, is a significant contribution to knowledge available in the DM literature. Furthermore, this type of international study helps to reveal factors that encourage private companies to implement DM and highlights the specific benefits for workers in the countries analysed (cf. Westmorland & Buys, 2004 ). This knowledge can then be shared to improve DM uptake in institutions and countries, further the development of workplace integration programs and help companies to face the challenges linked to demographic change.

The study makes an international comparison of countries with well-established DM systems: Australia, Canada, China and Switzerland. The aim of the study was to answer the following research questions:

- What factors influence a private company's choice to implement a DM Program?
- What are the perceived benefits/drawbacks of a DM Program?
- What are the strengths/weaknesses of the current DM systems?
- What value do employees see DM having in terms of their job satisfaction, physical and mental health, employee morale, workplace attendance, etc.?

### **2 Results obtained and analysis**

Thirty-two companies in Australia, Canada, China and Switzerland participated in the study, 128 in-depth interviews with CEOs, human resources managers, disability management practitioners and employees were conducted and 1,201 employees participated in the survey. Implementation and practice of DM in the different countries shows that there are similar challenges for the companies. They need to solve the problem of obtaining the professional know-how they need to implement and conduct a DM program. They can both use external

DM services and develop their own company-based DM programs, but only in China is there a strong focus on company-based DM. There, external support is provided by experts and expert organizations but the companies do not delegate to a DM service agency. However, the overall perception of DM in companies is that it is very much needed. This attitude is reinforced directly by legal demands and indirectly by welfare state measures supportive of DM implementation. The main reason for companies to introduce DM is cost effectiveness and productivity. Both are seen in a broad sense, which means that companies are highly responsive to their own company culture as well as to the social context in which they are situated. For the companies that already have a long tradition of fulfilling legal requirements for occupational safety and employee health, the incentive to develop a DM program is already rooted in the company culture, whereas companies without that background are struggling with the introduction of DM because of a lack of experience in that field. This can be seen in the case of China where a company culture of social responsibility needs first to be developed. However, in contrast to the other countries, companies in China are more aware of a social responsibility that is not limited to the employees but is also relates to the family context of the employee, whereas in the other countries there is a strict division between the needs of employees and their workplace, and employees' private and family issues. This illustrates that company culture is an important factor for DM from an international comparative perspective. In the following chapter we look in more detail at the findings of our international comparison.

### **3 Implementation of DM programs in companies**

The internal motivators for organisations in all four countries to implement DM include valuing or caring for workers and staff productivity, as well as reducing costs associated with poor health, injury absence and staff turnover. Swiss, Canadian and Chinese employers also referred to social responsibility, company image and recruitment motivators, which are absent from the Australian context. Chinese and Australian companies are also motivated to engage employees in an organisational safety culture with support from management, partly driven by legislative compliance requirements.

External factors influencing the motivation of companies in all four countries to implement DM include national politics and insurance schemes. Swiss, Canadian and Chinese companies also look to international factors, such as WHO recommendations and international best practice standards. Australian companies on the other hand are overtly Australia-centric in their DM implementation, even in organisations that are part of a bigger international organisation. Both Canadian and Australian organisations are strongly driven by legislative requirements. Canadian organisations are also highly motivated by accountability to unions, regulatory bodies, the public, as well as national human rights and environmental legislation.

Primary illness and injury prevention measures in all four countries include health and wellness programs and employee assistance programs, as well as injury and illness prevention strategies and equipment. Swiss, Canadian and Chinese companies also encourage physical fitness through access to training facilities and a range of health initiatives, as well as health promotion activities. In addition, Swiss and Canadian companies offer flexible and transitional work arrangements, for older workers, for example.

Secondary prevention measures in all four countries include absence management strategies, risk assessment and accident investigation, as well as insurance to cover work-related injury, illness and disability. In addition, companies in Switzerland, Canada and Australia provide money and resources to accommodate injured or ill workers and for medical expenses, even before it became a compensable condition. Occupational health and safety measures in all four countries also include equipment and strategies to manage known risks, and occupational

health and safety committees. In China there was also mention of CCTV systems to monitor workplaces.

Tertiary prevention of long-term disability in all four countries includes return-to-work support and retraining if required. Organisations in Switzerland and Australia mentioned the use of case management strategies. Australian and Chinese companies also emphasise support for medical intervention, including referral to external treatment providers. Both Canadian and Chinese companies provide some support to family members. In the case of China, this extends to job offers for family members of seriously injured workers, in order to offset losses to family income.

Evaluations conducted by companies in all four countries included time measures, such as absenteeism and work time lost due to injury, as well as cost measures and return to work outcomes. All countries, except Canada, also mentioned employee feedback or staff satisfaction surveys. Both Switzerland and Australia observed problems with how evaluations are utilised in companies, including a lack of feedback loops to inform DM initiatives and unsystematic approaches to evaluation.

All four countries acknowledge that politics and legislation are key drivers of DM implementation in companies. Similarly, various types of insurance play an important role in the implementation of DM in all four countries. Legislated insurance requirements are a particularly strong driver of DM in Australia.

#### **4 Effectiveness of DM programs in companies**

Effectiveness is a key factor for DM. Looking at the implementation of DM in the researched companies, we find that both internal and external factors influence its implementation. This is relevant when we ask what aims do companies have and how are they reached? We must focus on the employer's side as well as on the employee's side because both are relevant for understanding the effectiveness of DM programs.

If we look at the benefits of DM from an employer's perspective we find that the companies in the different countries see employee retention, employee recruitment, increased productivity and a quick return to work as important. In this, we do not find many national differences, but there are differences between companies. Companies with more comprehensive DM in each country tend to focus more on productivity and see the other benefits as important ways to achieve this overall aim. For companies that take a more limited approach, employee retention and an effective return to work process is the main aim of DM. In this regard DM developments in companies show what progress companies have already made in DM. Here again it is not the national context that is relevant but the length of time that DM has been implemented in a company. In general, the companies see DM as beneficial for a more stable, engaged workforce.

The cost-efficiency of DM programs is very relevant for all the companies but cost-effectiveness is highly dependent on the social welfare context. For companies in Canada and Australia, implementing and conducting DM is highly cost-effective right from the beginning. In Switzerland and China, however, companies regard the cost-effectiveness of DM programs as difficult to analyse and at best will be reached in the middle to long term. The main reason is that there are fewer company-based insurance schemes, and more general and state-regulated social insurance schemes whose premiums cannot be influenced by a company's action. Therefore in Switzerland and China, public discourses tend to focus more on moral and social responsibility of employers than in Canada and Australia. Nevertheless, the cost savings made from an effective DM program are crucial for maintaining and developing DM programs in companies, and a safe and healthy workplace, employee appreciation, income

replacement and the availability of extensive resources are seen as crucial by the companies. However, for some companies, costs are also perceived as a potential danger for the development of DM programs. This is mainly the case in private companies; public companies see the costs as less of a danger for DM programs and see political decision-makers as influential for the development of DM.

The advantages of DM in companies include the immediate increased safety and DM awareness in the workplace. This is especially valid for companies in Canada and Australia. For Swiss and Chinese companies this effect is seen only in the long run. Australian companies emphasize the cultural impact that DM has in establishing a strong safety culture that is influenced from the bottom up, where workers are able to decide on the best way to manage risk and prevent illness and disability, as well as that companies with DM offer increased opportunities. This is less often the case for companies in the other participating countries. Whereas companies with DM in Australia also report improved opportunities for raising “hot topics” such as mental illness, this does not seem to be an issue for Chinese companies; on the other hand, Swiss and Canadian companies mention this as one of the major problems to be tackled. For them DM might offer an additional opportunity but it is seldom taken by employees. For all the companies in all countries DM is seen as contributing to the enhancement of the company’s reputation for DM innovation, especially where DM is monitored and evaluated.

In the companies in Canada, Australia and Switzerland, the strengths of DM programs were coded into four sub-categories: Services, Interactions, Operation and Return to Work (RTW). For Chinese companies, workplace safety is the main focus and the companies report less on activities that belong to more comprehensive DM. All Canadian companies identified service strengths, which include access to benefits, extensive resources, availability of experts in the field, fast response and high levels of care. This is also the case for Australian companies, but less so for Swiss companies some of those activities depend not on companies’ DM but on social welfare institutions. Chinese companies are less involved with these measures. Furthermore, many of the strengths identified in Canadian, Swiss and Australian interviews are specific to the interactions between parties involved in DM programs. These include being accommodating, flexible, working with the individual, no discrimination, supportive and empathetic staff, and having an open door policy. Strengths pertaining to RTW include providing funding for further education while on modified duties, ability to work part-time while on long-term disability, and modified duties. Operations are another area that companies in Canada, Australia and Switzerland see advantages in their DM programs. This includes the use of technology to make information available, identifying the people who need programs, providing training, implementing safety protocols and ease of access of the program. In conclusion, organizations recognize that DM programs have been successful in these areas.

In the thematic analysis of Canadian interviews, weaknesses were divided into organizational challenges and employee challenges. In both of these categories, weaknesses were primarily related to claim and case management. Organizational challenges were further categorized into three areas of weakness: Communication, recordkeeping and workplace/return to work. Australian companies reported similar weaknesses, whereas the weaknesses of Swiss and Chinese companies are different. Companies in Switzerland see weaknesses in a lack of employee engagement and responsibility in DM. For Swiss companies, case management itself is only seen as a problem if different external actors are involved in a case and the lead is not with the company’s DM. Communication, recordkeeping and workplace/return to work are not reported as weaknesses but as strengths of DM in Swiss companies.

With a few exceptions, employee challenges are weaknesses identified by employees who had been involved with the DM program. These include denied claims, low compensation, pressure to return to work and lack of graduated RTW opportunities. It was identified that there are often administrative responsibilities for employees and that the onus or burden is on them to come up with their own solutions. As for the programs themselves, weaknesses include lack of both formal wellness programs and a focus on mental health and wellness. Other weaknesses for employees include insensitivity dealing with participants in the program and having to relive traumatic experiences in discussing the situation. Companies in China report the same difficulties as those reported by Canadian companies, but Australian and Swiss situations are different. The weaknesses mentioned in the Canadian interviews were rarely reported in Australia and in Switzerland.

All the participating countries struggle to manage the stigma associated with disability and injury in the workplace. Particularly in Australian companies, this affects organisational safety culture and the rate of reporting near misses and incidences, and asking for help. This is less important for Switzerland because such incidents are mostly not included in DM programs but rather in occupational health and safety. Australian companies report an over-processing of safety reporting systems, which leads to workers' disengagement with safety as it is perceived a "tick box exercise", which is not reported at all in the companies of the other participating countries. For Australian companies, several more problems were reported, including the complexities of managing mental health injuries in the workplace and the competing priorities often experienced by a profit-driven business; developing resilience in the workplace; using feedback gathered from various arms of the business to inform and improve the DM processes; legislative impacts on maintaining the quality of DM service delivery. Such challenges are also reported in Canada and in Switzerland, but less often in China. Again, the lack of that kind of problem in Chinese companies is due to the fact that no comprehensive DM is implemented there.

In conclusion, it can be shown that strengths and weaknesses of DM in companies in general depend less on national differences than on the development of DM programs in the companies. The more complex DM systems become, the greater the challenges in conducting case management, getting different actors involved, and having effective communication between internal and external actors. However, it seems that differences in this regard are either company-related, which means that DM programs are often paralleled by additional programs like occupational health and safety or health prevention programs that incorporate DM-tasks, or they are related to different processes and programs linked to welfare state matters, as with short- and long-term disability programs in Canada and Australia.

Taken as a whole, our data suggest that when considered either as a comprehensive international sample, or as individual countries, respondents report disability management programs as positively predicting job satisfaction, physical health, mental health, workplace morale and reduced sickness absence. However, the specific components of disability management programs (disability prevention, stay-at-work, or return-to-work) predict positive outcomes differently, depending on the country. For example, in Canada, no component of disability management predicts reduced sickness absence, whereas in Switzerland, reduced sickness absence is predicted by stay-at-work programs specifically. Other country-specific outcomes have been described in detail above. In addition, our results suggest that, for Canada, the influence of disability management on the measured factors is generally considered more positive in private, non-unionized companies. In comparison, there are no significant differences between public and private companies in Switzerland (more positive for non-union), and no significant differences between unionized and non-unionized employees in Australia (more positive for private). China's results contrast with the pattern of



the other countries and suggest more positive outcomes from disability management in public, unionized workplaces. Gender analyses suggest little influence, with only one significant difference. Specifically, Canadian men report a greater influence of disability management programming on physical health, compared with Canadian women.

To our knowledge, the present project is the first international comparative study to provide both qualitative case-study and quantitative survey-based data from four countries at varying stages of DM implementation, with substantially different political and social systems. The cooperation of our international research team resulted in increased international collaboration for DM services, attained meaningful knowledge of DM practices according to country, increased dissemination of DM knowledge globally, and has the potential to have social and political influence on the treatment of injured and ill workers around the world. Therefore, an international analysis of DM programs in private companies, including the impact of national social systems on DM, and the effectiveness of different DM concepts and programs, is a vital contribution to knowledge about DM. Further, this type of international study helps to reveal the factors that encourage private companies to implement DM and to highlight the specific benefits for workers in the countries analysed (cf. Westmorland & Buys, 2004). This knowledge can then be shared in order to improve DM uptake in currently non-involved institutions or countries, furthering the development of workplace integration programs and to help companies to face the challenges linked to demographic change.

## **5 Expected and Obtained Results**

At the beginning of this research project it was assumed that there are significant differences between company DM in the different countries, thanks to national legislation, welfare state matters, and the different histories of DM over recent decades. However, even if it is true in many ways, this study demonstrates that the core issues related to DM are quite similar across the four countries. On the one hand this might be due to the strong focus on international and westernized companies, which leads to similar practices and processes. On the other hand it might be due to the more general problem that the health and wellbeing of employees is still a relatively new issue for companies to deal with. That means that similar challenges occur, such as how to get the information and support essential to implementing DM, knowing what qualifications are required to address disability issues in companies, and how DM fits into the main company activities. Against this background it was surprising to see that even in those countries in which DM is already well established in many companies, there are still major deficits in many areas. Another important finding, however, is that DM is clearly seen as an important way to deal with current challenges related to demographic change and shortage of labour.

## **6 Practical application of the results**

The SNIS project on disability management is the first international and interdisciplinary study in the field and our results are highly valuable for the future development of DM. For the researched companies it was very clear that disability management is an important activity. However, there are also significant insights into the need for further development and improvement of the DM schemes implemented in the researched companies. The research results should, therefore, influence and encourage further initiatives in research and practice aimed at improving existing models and concepts. The problems entailed by demographic change, including an aging workforce and a shortage of skilled and semi-skilled workers, mean that there is a growing need for action to improve health conditions and support structures for workers facing a change in their work capacities. Therefore, there is a need for research and development into and with companies that contributes to innovation in DM. The SNIS study is an important step towards this aim, because it provides knowledge about the

practices of private and public company's DM in different countries. It can also be a blueprint for following up those programs that are already underway.

The SNIS project on disability management shows that companies are highly relevant actors in DM and should be actively included in the research process. Working closely with many companies has not only provided us with the data required for this project, but also on-going collaborations that support the existing research process and open up opportunities for future research. We also developed significant insights into the process of recruiting organisations for research such as this.

In Australia, the recruitment process went very well thanks to the researchers' existing industry connections and to their ability to enthuse companies about the benefits of their involvement for their company and for DM in Australia. Each company will receive a report with an overview of findings relevant to them, as well as the opportunity for further collaboration with the researchers should they wish to develop their DM programs further. This is similar to the cooperation between the researchers in Switzerland and the companies involved there.

## **7 Questions that merit further exploration**

The international DM study shows the need for more research into the specific DM problems companies have, especially with regard to mental health, an aging workforce and young employees with health problems. In addition, research is needed into professional practices, what DM practitioners are doing well, and where support and improvement are required. Here, focus is needed on the qualifications that DM practitioners should have and how they can obtain them. From a conceptual perspective, investigation is needed into the different size of companies: what works well in big companies and how can small and medium sized companies access the DM services they need?

This study suggests that our findings should be taken up in the BA and MA programs of the participating universities, as well as in their continuing education programs in DM in order to contribute to the improvement in the qualifications of DM practitioners. Moreover, there is a demonstrated need to develop concepts and strategies for implementing DM in companies. For that, further research is required in which companies are accompanied and supported in implementing DM.

Methodologically, that means that with regard university DM programs, curriculum development is needed to make sure that DM practitioners are qualified in case work as well as in organisational development. To improve knowledge about implementing DM in companies, we need more company case studies and to apply action research methodology.

## **8 Practical and policy recommendations**

Demographic changes are resulting in an aging workforce and a general labour shortage in many countries, so companies need to improve workplace-related activities in order to maintain individual productivity even in circumstances of change due to health problems. Towards the achievement of that goal, we can make the following recommendations, based on our findings:

- Companies without highly qualified DM practitioners or access to external DM services are less prepared to tackle the new complexities of psycho-social and health-related problems in the workplace. They are becoming less attractive to employees and they are facing a decline in productivity. Therefore, companies need to implement their own internal professional support structures or they must work with external services in a proactive manner to improve health and working conditions.

- The study shows the high relevance of welfare state schemes for effective DM. However, these schemes are still too focused on employees who have already acquired health problems in the workplace. There is a need to develop more pro-active support structures, combined with measures for an early identification of health problems. Companies need better support from the various welfare state agencies, especially in company-related counselling, but also in case management.
- Public debate must become focussed not only on healthy work in general but also on concrete measures that companies can take to solve health problems or to deal better with health problems at the work-place by using a disability management approach.

## **9 Information regarding publications and other activities**

The publication of the national and international research findings is planned for academic journals, as well as for journals directed towards professionals in disability management, internationally and in each of the participating countries. The following publications on disability management were published during the project, focusing on conceptual aspects and on addiction as a special theme in a company's disability management.

- Geisen, Thomas (2015): Workplace Integration Through Disability Management. In: Escorpizo, Reuben/Brage, Sören/Homa, Debra/Stucki, Gerold (eds.): Handbook of Vocational Rehabilitation and Disability Evaluation. Application and Implementation of the ICF. Cham/Heidelberg/New York/Dordrecht/London: Springer International. 55-72.
- Geisen, Thomas/Gerber, Urs (2014): Sucht als Herausforderung für die Arbeitsintegration. In: SuchtMagazin, 5/2014. 4-9.

Further activities are planned to translate the research findings into practice:

- Further activities to transmit the research findings to CEOs and HR in companies, but also into national politics and international activities will be developed after finalizing of the planned activities, e.g. the organization of presentations and discussions with social security services, companies associations and unions in the different countries.
- Further international activities, especially with regard to the cooperation with the ILO will be developed. A special focus here will be the transfer of disability management to the so-called developing countries.
- We plan to make a documentary on the research findings, with SNIS support.
- In Australia all the companies would like to participate in future workshops and to work together to improve DM strategies.
- For the International Symposium on Work Injury Prevention and Rehabilitation (ISWIPR) 2016, we are planning a plenary session to discuss the current disability management development in mainland China and Hong Kong.
- The research results will be presented to the 4<sup>th</sup> International Conference of Disability on "Decent Work! International Perspectives on Workplace Integration and Disability Management", January 21-22, 2016, at the University of Applied Sciences and Arts Northwestern Switzerland, School of Social Work and Business School, in Olten (Switzerland), information: [www.fachtagung-eingliederungsmanagement.ch](http://www.fachtagung-eingliederungsmanagement.ch)