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What is the Effect of Community Health on Employee Performance in the American Manufacturing Environment?

Key Findings

- Employees living in counties with poor community health outcomes had considerably higher rates of absenteeism and tardiness.
- Employees reported that poor community health (poverty, caregiving burdens, family dysfunction, drug use) resulted in “mental stress” leading to distraction, poor job performance, and more rarely, lapses in safety.
- The annual value of lost wages in a single plant was over \$1.3 million per year.

The Question:

What is the effect of community health on employee performance?

Many large employers offer employee wellness benefits and other incentives for healthy behaviors, recognizing the role that employee health plays in direct (e.g., health claims), and indirect (e.g., absenteeism and productivity) costs. However, even when an employer implements health-promoting strategies at the worksite, many employees then go home to unhealthy neighborhoods, and the workplace progress is compromised. As a result, researchers and advocates have made a strong case for business investment in community health. Although better community health has long been assumed to be good for local businesses, evidence demonstrating the relationship between community health and employee performance is quite limited.

Megan McHugh, Ph.D., and colleagues at Northwestern University sought to address this gap in a comparative case study of four manufacturing plants. McHugh and colleagues conducted two-day site visits to each plant, interviewing at least 12 managers, and conducting focus groups with hourly employees. They also used human resources data from 6103 employees at the four plants, and county-level health data from the Robert Wood Johnson Foundation’s Community Health Rankings to identify the link between community health and employee performance. Full findings are available in the *Journal of Community Health*.

The Implications:

Employees living in counties with poor community health outcomes had considerably higher rates of absenteeism and tardiness.

The findings bolster the case for greater private sector investment in community health. Employers could work more closely with public health partners to develop policies and programs to address community health. They could also leverage their political capital to advocate for greater investment in public health. Additionally, employers could also enhance and customize their wellness benefits to focus on components that aim to mitigate outside stressors on employees and their families. Employers will need assistance to make this shift a reality. Additional research is needed to identify the most effective interventions that businesses can undertake to improve community health.

Contact Us

For more information on the results from this grant, please contact the principal investigator Dr. Megan McHugh at megan-mchugh@northwestern.edu.

If you would like to learn more about other related work, please contact:
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