



## How Not to Lose a Productive Employee

The Schwan Food Co. finds the right recipe for driving down costs related to disability absences and keeping skilled workers on the job.

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**By Jill Jusko** Absent employees are non-productive -- and costly -- employees. Just look at the numbers: Incidental and extended disability absences add up to 8.7% of payroll, according to a Mercer consulting group survey conducted in 2010, while total costs for all major absence categories can average 35% of base payroll. For manufacturers, lost productivity also can be measured in production units not assembled, finished goods not loaded for delivery, inventory goals not achieved and goods not sold.

It's a challenge not lost on the Schwan Food Co., the Marshall, Minn.-based maker of branded frozen food products that include Red Baron, Freschetta and, of course, Schwan's. The company has taken a fairly aggressive approach to its return-to-work program following disability leave, as well as its associated stay-at-work component, says Norma Streich, benefits manager.

"If you have an employee you can keep at work, who's already trained, already knows their job and is productive at their job, you're way ahead versus possibly having to bring in somebody new or a temporary employee, training them and then waiting for their productivity level to reach the [level] of that other person," she says.

The Schwan Food Co.'s already proactive approach to returning or keeping employees on the job needed a boost in recent years as disability cases grew more complicated. Streich says the company determined it needed a partner in the cause, one that could "bring new and innovative ideas, help us look at things from a different viewpoint." The assistance came via insurance carrier the Standard, which provides Schwan's disabilities coverage, and the Standard's Workplace Possibilities program.

Workplace Possibilities partners with its customers to keep employees at work and productive, typically placing a consultant at the workplace. The specific approach and solutions are tailored to a customer's particular needs and culture. For example, at Schwan:

- A group of employees at one manufacturing plant had a common blood disease that put them at risk for several complications, particularly given that their job required them to stand for a significant part of their shift. They brought their concerns to the attention of Schwan, which turned it over to the experienced consultants from Workplace Possibilities. The solution: The impacted workers received special shoes and seamless, padded socks to help with blood circulation and hopefully prevent the types of medical issues that would lead to absences.
- A woman with vision problems received special equipment that allowed her to continue in her job.
- A forklift operator in a Schwan distribution center had neck surgery that prevented him from turning his head. Learning of the accommodations implemented for the woman with impaired vision, and wanting to return to work, he inquired about possible accommodations for his limitations. The workplace

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-- Norma Streich, benefits manager, Schwan Food Co.

program developed a special helmet with bicycle mirrors that allowed him to return to work, and additionally addressed a safety issue, Streich says.

Schwan began implementing the program in 2009, taking a phased-in approach that began with two locations. "That was our way of proving the program," Streich says. From April 2009 to December 2009, the locations were able to show \$200,000 in savings, not including potential costs associated with hiring temporary employees, Streich says. The program continues to be rolled out at additional facilities.

The benefits manager says the company had hoped to involve at least 10% of its disability cases in the Workplace Possibilities program; the percentage has been significantly higher. In addition, she says, the program reviewed one entire facility and made significant changes that exceeded Schwan's expectations.

Streich makes clear that managing disability claims was an important, but not the sole, driver behind the company's determination to augment its return-to-work program. "We also know that if you have very productive, engaged employees, they are going to stay with you longer. And then we are not losing that experience or having that turnover," she says.

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