

CASE STUDY: SHOPPERS DRUG MART



Shoppers Drug Mart improves efficiencies of disability management process to better support employees' return to work

ORGANIZATION

Shoppers Drug Mart Corporation

CHALLENGE

Frequency and duration of disability absence exceeded industry norms. Key problems were that roles and responsibilities weren't spelled out clearly and there was poor alignment among vendors.

SOLUTION

The focus was on streamlining the case management process and engaging all parties in return-to-work strategies. The company also implemented solutions to prevent or reduce absences, while still protecting confidentiality.

RESULTS

- STD duration reduced by 37% and LTD by 20%. Frequency and duration of both are now below industry standards.
- Employee feedback increased 10 points in one year with respect to health and well-being initiatives.

CHALLENGE

When Shoppers Drug Mart, Canada's largest pharmacy retail chain, decided to take a fresh look at its employee benefits plan in 2009, it opted to first step back to gain a larger perspective of its employee health programs. In particular, Shoppers Drug Mart had concerns that its disability management program was not working as smoothly as it could and return-to-work times exceeded industry norms.

Shoppers Drug Mart wanted to ensure its program incorporated best practices and employees knew that their well-being was important to the company. While employees hadn't expressed dissatisfaction with the process, the HR team believed there were inefficiencies that could be improved on and that any resulting cost savings could be used for wellness initiatives that could proactively help prevent some employee disabilities.

SOLUTION

Morneau Shepell's extensive benchmark data was used to determine whether the frequency and duration of disability leaves at Shoppers Drug Mart were above average for its industry. The analysis clearly established that the HR team's sense was correct: Shoppers Drug Mart's numbers surpassed the norm for both short-term disability (STD) and long-term disability (LTD) leaves. The organization set an initial goal of at least meeting best-practice benchmarks.

SOLUTION (CONTINUED)

A thorough review of all aspects of the disability case management process was the next step. Certain bottlenecks became apparent, particularly around communication and delays attributed to ineffective hand-offs from one party to the next. Key problems were that roles and responsibilities weren't spelled out clearly and there was poor alignment among vendors. Shoppers Drug Mart worked with Morneau Shepell to revise the process and ensure that all parties – HR, managers, the employee and vendors – were actively involved early in the leave and understood what was expected of them.

Shoppers Drug Mart's managers, in particular, were uncertain of their role in the disability management context, though they wanted to maintain contact with employees who were on leave. They were provided with a guide to clarify what they can and can't say to their direct reports, ensuring their involvement in the recovery and return-to-work process, while also managing risk.

Beyond the immediate concern to streamline case management, Shoppers Drug Mart also looked at how to better mesh elements of its broader employee health benefits program to produce better results. Because Shoppers Drug Mart's EFAP and disability management programs intersected at certain key points, the Company worked with Morneau Shepell to determine ways to prevent or reduce absences, while still protecting confidentiality. Now, when employees complete a health risk assessment as part of the annual benefits enrolment, those who state they are experiencing considerable stress and give their permission, are contacted by the EFAP. The result is that employees receive support early, which can reduce the need to go on STD leave.

RESULTS

Shoppers Drug Mart has achieved – and surpassed – the outcomes it set for its disability management program:

- Key metrics, with respect to response times for instance, have all been met.
- STD duration reduced by 37% and LTD by 20%. Frequency and duration of both are now below industry standards.
- Results from Shoppers Drug Mart's annual employee engagement survey were 10 points higher in 2012 than in 2011 with respect to employee health and well-being initiatives in part associated with the disability management program.
- Feedback from employees and managers indicates that both are extremely pleased with the process.
- Reduced disability management expenses have made more funds available for wellness programs.

"We adopted a comprehensive approach and considered all facets of our health benefits program. Doing so showed us how we could integrate services to improve efficiencies, provide more support to our employees and reduce costs. Partnering with Morneau Shepell, we've seen measured results in each of these areas. We've reduced our average STD duration by 37%, bringing it below industry benchmarks."

Basil Rowe
Vice President Total Rewards and Shared Services
Shoppers Drug Mart

Given the success of its efforts in improving the effectiveness of its disability management program for its office employees, Shoppers Drug Mart is now looking to expand the program to other eligible workers.

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