



Ageonomics for Human Performance Optimization

Ageonomics for Human Performance Optimization (AHPO) Defined

“Ageonomics” is an approach used by Aon casualty and safety consultants to address a scientific discipline concerned with the interaction of the aging worker in relation to the workplace and work environment within which they operate. Ageonomics incorporates core disciplines of human factors, ergonomics, wellness, benefit program design, health and safety to assess, understand and ultimately optimize the systems for greater individual and organizational impact. Aon’s Ageonomics for Human Performance Optimization service offers a specific, tactical approach to minimize the risk and optimize the overall health, wellness and production output of the aging worker.

Ageonomics as a Risk Mitigation Strategy

According to Bernstein (1998), risk is a choice rather than fate. In looking at the impact of the aging workforce in America, the fate of many employers, industries and organizations will be significantly challenged over the next several years. Risk managers, experts in managing and mitigating exposures, need to choose a strategy that addresses this rapidly growing internal risk that could impact the company’s risk profile today, or in the immediate or near future. The impact of an aging workforce, as shown in Figure 1, can increase the financial and operational risk while creating volatility within the company. In Aon’s own data analysis of more than three billion dollars of incurred losses, workers over 45 are reporting 52% higher average casualty claims costs and 40% higher litigated cases. The aging workforce is a current operational threat that can dramatically impact a company’s Total Cost of Risk (TCOR), impede operations and create financial constraints if left unmanaged.

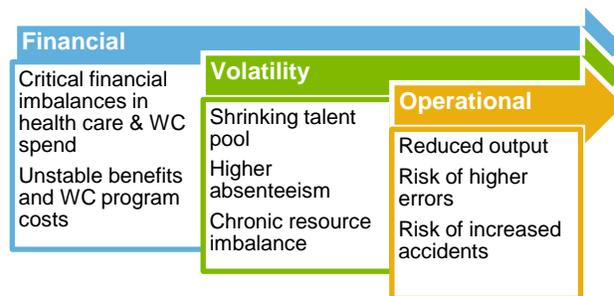


Figure 1: Impact of aging workforce on risk management

Constraints imposed by an unmanaged aging workforce can include increased health care spend, absenteeism, accidents and premiums and a potential decrease in output and a shrinking talent pool causing the need for mandatory overtime which can fatigue aging worker. Clearly, as stated by Galusha and Missar (2013), risk managers need to re-orient their thinking of the aging workforce as a new constant, “today’s reality” and begin the necessary planning to mitigate this risk before it negatively impacts the organization.

Ageonomics for Human Performance Optimization: Aon’s Five Step Program

Aon’s AHPO service focuses on five key steps to guide an organization through identifying, developing and executing an effective approach to managing the risk associated with an aging workforce. The five step consulting program is shown in Figure 2. The service works to identify current and future risks related to the aging workforce then develops localized, multidimensional pilots that targets and controls for the influencers that can result in an injury, potential injury, reduce productivity or absence of an aging worker.

Phase 1: Ageonomics uses a precise methodology for calibrating the absenteeism trends for the aging workforce, regardless of the bucket within which they fall. Aon uses robust analytic tools to understand all the trends relating to the aging workforce. This includes short-term disability (STD), long-term disability (LTD), workers compensation (WC), casual absences (CA), health data, wellness metrics and Family Medical Leave Act (FMLA) absences to understand claim volume, average claim duration, average cost per lost day, average cost per claim, estimated total costs, participation rates, biometric screening trends and the ultimate cost projections. This output establishes the framework to understand the factors driving organizational spend and employee engagement in their own personal safety and health. These analytics enable Aon to not only establish current issues but predicts which jobs, lines or departments will be most impacted by the aging worker in the future.

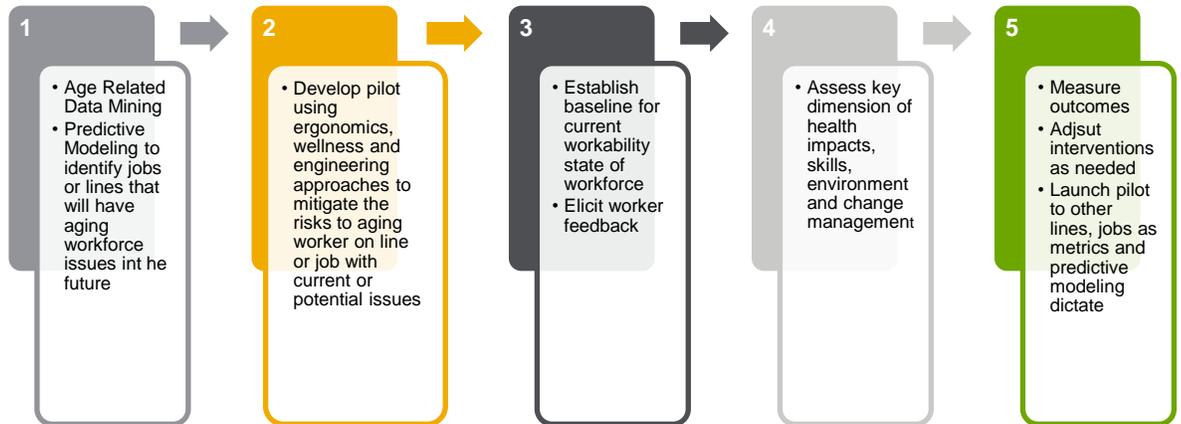


Figure 2: Ageonomics for Human Performance Optimization Five Step Process



Phase 2: Using the data from Phase 1, Aon will narrow the focus to a line, process, job or department that is currently experiencing age-related injury, absenteeism or wellness trends as well as areas where age may be a risk factor in near future. A pilot is established to assess the line, job or department and the factors that are or could be negative influencers for an aging worker. This will enable the organization focus risk mitigation strategies on current or future threats and develop immediate strategies and solutions to reduce the exposures or potential exposures to an aging worker. Aon uses an integrated team of ergonomists, safety professionals and wellness experts to design the pilot and maximize outcomes.

Phase 3: Aon will use current risk assessment tools to establish the baseline workability of the workforce participating in the pilot. This can include our Ergonomic Job Measurement System (EJMS), symptom surveys, biometric screening or other quantifiable methods to understand the baseline of the workforce being targeted for the pilot. The object of the pilot will be to reduce and/or improve relevant scores from the measured baseline and throughout the lifecycle of the project.

Phase 4: Once the current or future risks are defined, and the pilot initiated, Aon will assess the key dimensions impacting the aging worker on the affected line or job, including how health and wellness is managed, skills in place and/or lacking (safety, process steps, decision-making, technical, etc.), the environment within which the aging employee operates (physical, social, community, cultural) and the change management process utilized within the organization. This will assist in understanding the multidirectional impacts and influencers at the individual, organizational and community level which will provide a clear blueprint for integrated intervention strategies. The process is a participatory program and Aon collaborates with employees, engineering, risk management and other key stakeholders for optimal success.

Phase 5: Aon will then measure the outcomes of the pilot and the improvements in mitigating the exposure to the aging workforces. The outcomes tracked by Aon include reduction in workers' compensation claims, reduced absenteeism, reduced musculoskeletal symptoms (aches, pains, etc.), improved output and productivity, improved workability, and other measures defined by the AHPO program.

Ageonomics: The Next Generation of Loss Control

Ageonomics for Human Performance Optimization (AHPO) is the next generation of loss control that helps risk managers, safety professional and occupation health practioners within an organization target proactive solutions for the emerging risk presented by the aging workforce. Using the AHPO service will allow a company to tighten is risk control initiatives and prevent aging workforce challenges to place constraints on the organization. Contact Aon for more information on our Ageonomics practice or to learn about the AHPO service.

About Aon Global Risk Consulting's Strategic Improvement Platform

AGRC's Casualty Risk Consulting team is dedicated to providing clients with innovative and sustainable solutions for their risk management needs. The differentiating factor is the *Strategic Improvement Platform*, a continuous improvement model leveraged to assess, plan, implement solutions, and measure success for our clients.

The Five Phases of the Aon Strategic Improvement Platform

- **Calibrate:** A critical understanding of our client's vision to ensure we deliver solutions that are consistent with long-term business plans.
- **Diagnose:** Establish baselines and benchmarks to identify strengths and prioritize opportunities for improvement. Then, by assessing the current state of the casualty program from a risk management, culture and prevention perspective, we help client build a program that drives measurable impact.
- **Strategize:** Team with clients to build a proactive, metric-driven plan to drive near-term milestones and long-term and sustainable successes. The objective is to help clients build SMART goals, so sustainable and replicable success for your organization can be managed.
- **Execute:** A hallmark of our consulting approach is "execution through client service". Planning with poor execution will not drive results, therefore, Aon's global resources are ready to support, compliment or directly manage portions of the strategic plan.
- **Measure:** The purpose of designing a strategy and then committing time and resources to its implementation is to drive results. Part of our planning sessions will be to identify how our clients will measure success.



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