

Hussi, Tomi

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ELINKEINOELÄMÄN TUTKIMUSLAITOS

THE RESEARCH INSTITUTE OF THE FINNISH ECONOMY
Lönnrotinkatu 4 B 00120 Helsinki Finland Tel. 358-9-609 900
Telefax 358-9-601 753 World Wide Web: <http://www.etla.fi/>

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Tomi Hussi

THE MANAGERIAL RELEVANCE OF MAINTENANCE OF WORK ABILITY – A Finnish Perspective

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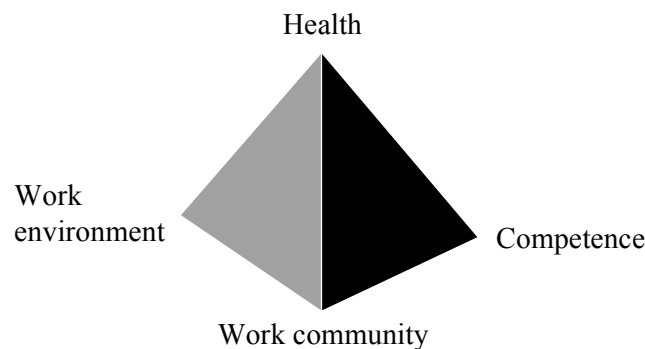
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ABSTRACT: Finland has pursued a law-based work ability policy for more than a decade. Many studies indicate that it has been very successful from a health point of view. It has also been demonstrated that it is economically feasible both on a micro and a macro level. In the present study, a number of experts in the field were interviewed about the content of the Finnish maintenance of work ability policy. The interview data was analysed from a managerial point of view. The analysis indicates that the Finnish maintenance of work ability policy works because it includes relevant management and leadership elements. It is not only a health programme, but is also based on measures that are conducive to economic growth.

1 Introduction

Maintenance of work ability (MWA) has been a central framework for occupational health and safety activities in Finland since the early 1990s. Health is not the only factor influencing the work ability, but competence, work community and work environment are also included in the framework (see Figure 2). The maintenance of work ability includes activities that aim at improving the physical and mental condition, adopting healthier ways of life, developing professional skills and adaptation to changes, and supporting job satisfaction and motivation by feedback and reward systems. (Aro, 1998.) Collaboration between members of the work community, as well as different work organisations, is strongly emphasised. An individual is an active doer and participator instead of a mere object in this framework. This means adopting new work roles and the courage to build new ways of collaboration. (Rissa, 1996.)



Source: Huuskonen *et al.* 1997

Figure 1 Factors influencing an individual's work ability

The starting point for the Finnish maintenance of work ability approach can be traced to a memorandum on maintenance of work ability at work places created by social partners in 1989. This resolution was written into the law on occupational health in 1991. The new compensation system for occupational health services in 1995 included maintenance of work ability in coverable activities. (Bergström *et al.*, 1997.) According to Finnish authorities, maintenance of work ability programmes include all such work-related actions that the employer, employees and collaborating organisations perform in co-operation, in order to improve and support the work ability and functional capability of every individual taking part in working life in every phase of their work careers. (Ministry of Labour, 1996; Ministry of Social Affairs and Health, 1992.)

Extensive MWA barometer studies have been undertaken to observe the effects of these activities in Finnish work life. Among other findings, this research has shown that companies perceive MWA activities to have considerable financial benefits. (Peltomäki *et al.*, 2002; 1999.) However, the analysis of the mechanics behind this conception has been rather limited. It has often been suggested that maintenance of work ability improves the service capabilities of an organisation and thus results in better financial performance (Ilmarinen, 1999; Aro, 1998; Rouhesmaa *et al.*, 1998; Matikainen, 1995). However, the argument of improved quality of internal and external services still leaves this connection rather obscured.

Hussi (2004b) analysed the same interview data on maintenance of work ability experts that is used in this study by having intellectual capital as the frame of reference. This study showed among other things that an individual and a work community's levels are identifiable in relation to MWA. Similar thinking has been presented by many other authors, as well (see, for example, Juvansuu *et al.*, 2000; Peltomäki *et al.*, 2002; Mäkitalo, 1999; Peltomäki *et al.*, 1999; Mäkitalo – Launis, 1998) but this distinction is strongly characterised by an either/or standpoint. Ojala and Ahonen (2003) emphasise that these approaches are inter-linked and support each other. Accordingly, in this study the analysis has been conducted from both these perspectives.

2 Research design and methodology

The research question of this paper is how does maintenance of work ability improve organisational performance?

This question is approached by an analysis of interview data that consists of eleven experts in the field of maintenance of work ability. The selection criteria for these experts were the high-level of expertise and as broad a coverage of different perspectives as possible. The distribution of interviewees according to their occupational backgrounds is presented in Table I. Interviews were conducted in April - May 2000. In the results section, I have labelled the interview references following the classification of the table below.

Background	Number of interviews
Research institute	3
Labour market organisation - employer association - employee association	2
Consultant	1
Rehabilitation institution	1
Business enterprise	1
Insurance companies - pension - indemnity	3
total	11

Table I Background of the interviewed maintenance of work ability experts

The interviews were performed following a predefined question structure, which can be found in Appendix A. The leading idea in generating the interview structure was to form questions so that they would be in line with general IC theory in the beginning and gradually take up more unorthodox perspectives. Simultaneous collection of analogous interview data among intellectual capital experts also influenced the selection of the questions.

The results of the data analysis are presented in the following section.

3 Results of the analysis

This section presents the results of analysing the interview data from the individual and work community point of view. Findings for both perspectives are summarised after a detailed scrutiny of the results.

3.1 Individual level MWA activities

The analysis of the interview data from an individual level point of view shows that maintenance of work ability can be seen as an antithesis of disability. Furthermore, it is acknowledged in the data that social partners had a strong role in establishing the role of MWA approach as the dominant framework for occupational health and safety activities in Finland. These historical roots, that relate MWA to the social security system and early rehabilitation, are seen to have notable implications on the Finnish work ability concept because individuals' resources and especially health are strongly emphasised. The criteria for disability to work are medical-social by nature. Many interviewed experts see health as a fundamental prerequisite for capability. It is seen to form a foundation on which other elements of work ability are built. Thus, any reduction in health is seen to have a direct effect on work ability. According to the interviews, the most widely used tool for evaluating work ability has been the work ability index. It has a strong emphasis on health resources because of the social security legislation.

Health has direct implications on work ability. If an individual's health situation worsens, either mental or physical health, one cannot perform as before. Or being tired makes it impossible to reach the same results and thus the work ability is diminished, as well.

Research Institute

The interviewed experts say that the economic consequences of MWA are most easily seen in relation to health. Longitudinal research has shown that good work ability results in better productivity and quality of work, as well as an individual's better quality of life and wellbeing. Absences through sickness create considerable costs for organisations and there have been many kinds of activities aiming to lower them. Disability pensions are also expensive, especially for larger companies, due to the Finnish compensation system.

If employees are in extremely poor shape they absolutely cannot perform their tasks even in the short-term because of absenteeism and other kinds of productivity losses.

Insurance company

The interviewed experts argue that introducing physical exercise in work places was the easiest starting point because the need was easily understood and results are so observable. Improving mental and social capacities is seen as a more difficult task. However, having physical exercise as the starting point for maintenance of work ability is not generally seen as a good thing.

It is easy to say that if you jog three times a week, it will improve your physical capacity. But you cannot say that if you visit someone three times a week, it would improve your social capacity. It is something quite different.

Research Institute

I do think that having physical exercise as the starting point is undoubtedly a burden, it has to be admitted here. It increases social competencies but has no influence on competence. We know that it hardly increases readiness to make improvements in relation to ergonomics.

Research Institute

Private life also has many features that can affect work ability through health. Reduced work ability is not always caused by work but it may be due to events beyond the work context. There must be a balance between work and private life that makes it possible to relax. Otherwise it is not possible to maintain work ability in the long-term. The essence of guiding employees' ways of life is that the individual has the final responsibility. However, exaggerations have been seen, as well.

(...) guarding company plans to set the waist measurements as one of the recruitment criteria. This leads us to consider how much work related responsibility can be extended, this turns into a normative issue (...). Then we must think what is work ability. Doing such things in the name of MWA makes it somehow acceptable. There are some unsound features that are getting introduced into this discussion.

Consultant

The interviewed experts claim that competence and the training perspective is the most recent insertion into the MWA framework. Strengthening the employees' competencies, which are

essential for working, improves the mastery of work tasks and thus work ability. As business life is getting increasingly knowledge intensive, the competence issues become more and more important. Competence includes professional skills, communication abilities, information technology skills and language skills.

... if you are incompetent in your tasks, the results are a bit different than those of a competent person. And if we think about the reasons behind the employment, it is to get the work done. If you are incompetent, your work ability is not in order, regardless of how many press-ups you can do.

Consultant

The data of the study also strongly brings forth the idea that occupational safety issues form the grounds for work ability because exposure to physical, chemical and biological risk factors, as well as insufficient safety systems, can create occupational accidents or disease causing disabilities. In Finland, considerable attention has been paid to occupational safety issues and generally work environment risks are well managed. Statistics show that occupational diseases and mortality caused by work environment factors are currently not a major problem but work environment experts still have many challenges to tackle.

Work environment is in a way built and managed by somebody else but it is still an artefact. If it is well designed so that occupational safety is at a good level, accidents are less probable. If ergonomics and everything is in order, it helps to preserve work ability better than if these issues were neglected.

Insurance company

In the interview data, the individual level view stresses that an individual's resources are to be seen in relation to the work requirements. These resources consist of physical, mental and social resources. The work requirements include both mental and physical elements, such as work community, leadership, working hours, work environment, physical load, ergonomics and work hygiene. The individual's resources have inherent dynamics, as certain resources strengthen over time whereas others decrease. At the same time, changes also take place in work requirements. If the development in these two elements goes in opposite directions, it appears as a contradiction that results in decreased work ability.

Very many people get confused here, because they take one module and start calling that work ability. In reality that is not work ability but an element of an individual's resources. If it is not related to work, you cannot talk about work ability. (...) In Germany they talk about physical capacity and they see that as work ability. It does not say anything about your work ability if you can perform well on an ergometer but it has to be related to the requirements of your work. (...) Everybody is talking about this life-long-learning, that it is the same as work ability. It is not work ability but the competence module of an individual's resources.

Research Institute

On the other hand, an individual level approach is also criticised by some of the interviewees because it is seen to emphasise developing employees' resources to better meet the work requirements and ignore the possibilities of developing the work context. To some degree a tendency can be seen among the proponents of this approach that developing the work requirements is the last resort if other alternatives have proved ineffective.

What needs to be done from the work community and work environment point of view, these are in a way embedded there [in the organisational development (T.H.)] so that they are not systematically developed [in MWA context (T.H.)]. Here in the work community aspect there can be, for example, projects that cover also values and attitudes. (...) There are a lot of illnesses that do not prevent working if suitable operations have been undertaken here in the work requirements. Sickness does not exclude a person from the working life, but it requires this dimension [of work requirements (T.H.)] to be considered.

Research Institute

In general, the analysis of the interview data shows that the individual level point of view stresses an individual's resources in relation to the work requirements. Health, in particular, is strongly emphasised because it is seen as a foundation on which other elements of work ability are built. Absences through sickness and disability pensions also create considerable costs for organisations.

It is argued that introducing physical exercise in work places was the easiest starting point for MWA. However, there is no general agreement about the validity of this approach as the primary target of influence. Strengthening the employees' competencies, which are essential for working, improves the mastery of work tasks and thus work ability. Occupational safety issues are crucial for work ability because exposure to physical, chemical and biological risk factors, as well as insufficient safety systems, can create occupational accidents or disease causing disabilities.

On the other hand, the individual level approach is also criticised because it is seen to emphasise developing employees' resources to better meet the work requirements and ignore the possibilities of developing the work context. Therefore, it is timely to scrutinise the data also from the work community point of view.

3.2 *Work community level MWA activities*

When analysing the data from a work community perspective, the interviewed MWA experts argue that innovativeness and the ability to develop new products, services and processes are the key elements for organisations to survive in the highly intensive competition of modern business life. Innovativeness requires working in groups because collaboration is the basis for creating new ideas. At the same time, the increasing shortsightedness of business life is seen to lead to emphasising economical performance over the sustainable use and development of organisational resources. It is argued in the data that this contradiction between requirements and realities of current work life results in considerable challenges. Work life is claimed to be directed by outdated norms whereas the daily activities are run on the new terms. Mechanical effectiveness is appreciated, even though creativity is the new prerequisite.

Employees work beyond their efficacy and show up in the work place even though they are ill, for example. They work too long days, pay no attention to fitness or competencies. Current know-how might be quite sufficient in the project at hand but as development in that field moves rapidly and there is no chance to learn, it may turn out that after the project the person is exhausted and competencies are outdated.

The interviewed experts stress the work community's role in initialising development planning processes as the core of the maintenance of work ability approach. It is the work community that creates the goals, job descriptions, the combination of tools, ergonomics, mutual interaction, strategies etc. so that they either improve or disintegrate work ability. A significant amount of the mental work requirements is actually generated at the work community level because attempts to continue working just as before despite the changes in methods and targets make it very difficult to work fluently and strain the employees. Employees experience a considerable burden because of information overflow and fragmented tasks. The lack of control over work causes stress and also directly influences the economic performance of an organisation. The most essential initiative is that a work community as an organisational system decides to aim at maintaining the work ability of its members.

Interest groups on both the side of the employee and employer agree that this truly is a process and not a project. This is what we actually do from now on and it motivates us so that each time the business plans for the next year are made, there is one topic entitled "Maintenance of Work Ability in Our Organisation". In this planning process we look last year's situation and also ahead. (...) It doesn't mean extensive recruitments or increase in salary costs but it is more a new way of thinking that takes into account people's wellbeing, development etc. It actually is a strategic way of thinking instead of a huge investment.

Labour market organisation

It is argued in the data that the work communities collectively innovate new ways of working. This process includes both identifying bottlenecks in the fluency of work and the planning of activities to overcome these problems. Identifying the bottlenecks is a context-bound process. It requires observing the daily functioning of the work community in order to conceptualise the situations that constitute a harmful burden on employees. The problems can be characteristic of a certain industry or even specific work community. According to the interviewed experts, this development requires leadership practices that emphasise empowerment. Empowerment is built by letting the individuals influence the goals, and analyse their work ability in relation to improvements that they find most essential for supporting their wellbeing.

I would take subjectivity and sort of empowerment ideas as a starting point. What things should be improved in order to increase employees' wellbeing? Instead of problem-orientation I see this work ability concept in solution-focused way. (...) I prefer to ask under what circumstances communication, for example, would function extremely well?

Research institute

According to the interviewees of the data, successful empowerment brings out the positive energy residing in a work community that could not be put to use by a coercive management approach. The ability to control the mental load, for example, requires autonomy in relation to work tasks. It is up to both manager and individual's skills to, for example, make the work days a reasonable length. Increasing empowerment within a work community is difficult because it places considerable demands on both supervisors and employees as the responsibility over development spreads more widely over the organisation. However, it is essential to ensure that goals set on different organisational levels are in accordance with the general objectives of the whole organisation. There is a need for general agreement about what is essential for the organisation. In such a setting an expert can be used to facilitate the emergence of applicable plans instead of the source of transcendent authority that stipulates the targets. Systematically organised development discussions and department meetings are important arenas for generating a shared view of the goals. A balanced scorecard can be seen as an example of a tool for outlining the work and its goal-oriented planning.

I find leadership is very important because it is possible to steer employees in a motivating way by skilful leadership whereas poor leadership destroys the motivation and thus has very negative effects.

Research institute

It is stated in the data that implementing a new leadership paradigm to an organisation can be difficult because of resistance towards changes. Emphasis of empowerment breaks down the traditional power structures and old organisational culture can strongly contradict such development.

A change in the leadership paradigm is a cultural matter that takes place very slowly. I, for example, belong to a generation that considered enjoying work

stupid. Enjoyment did not belong to the work context, working is only about getting the tasks done. This was certainly a dominant mindset even some twenty-thirty years ago.

Insurance company

The data shows that collective development of work requires a well-functioning work community in which information flows efficiently; everyone knows the expectations and gets social support from the boss and the colleagues. The significance of different informal networks is essential in modern work life. One has to be familiar with different formal and informal networks in order to easily organise issues in an organisation. Such social competence notably affects more challenging tasks, in particular. Introducing a new employee to the work community seldom covers such connections and this puts a considerable mental load on the newcomer. Knowing the expectations means being familiar with the goals of the task. Social support by the work community includes positive feedback, encouragement and trust. The lack of social support results in crumbling motivation and lost innovativeness.

No matter how enthusiastically I arrived at work, the icy spirit would make a big difference. No one greets me when I walk through the door or even complains about laziness because I'm not arriving before nine o'clock etc. This certainly would kill my drive to work.

Consultant

The interviewed experts argue that development activities also cause a mental load, but it is not harmful as is the case with uncontrolled change. The difference is that development activities aim at some kind of solution. Harmful strain is characterised by a lack of vision to find solutions and a sense of a dead end. The load caused by development activities has a temporary nature and is seen as a necessary phase that has to be undertaken in order to overcome the observed problems of work. It would be a delusion to aim at excluding all burdens from work life. Business requires development phases to meet the changes in the competitive environment but it is essential that initiatives are undertaken to meet the challenges instead of trying to continue with obsolete practices. People have a surprising ability to adapt demanding situations but breakdown is devastating when the limits of endurance are surpassed. The increasing use of temporary work and the pressures of downsizing create uncertainty among employees. The required work contribution in terms of

performing the basic tasks becomes more demanding and prerequisites for skills development and organisational regeneration diminish. Challenging customers force organisations to develop themselves and thus also support work ability.

There are situations, in which employees experience considerable strain that is clearly negative by nature. It is characterised by lack of prospects and a feeling of a dead-end. Then there is also another kind of strain [that relates to organisational development activities (T. H.)] that you could expect to result in equally high stress or symptoms, but there are some chance of solving the situation. And we should somehow be able to make a distinction between these two.

Rehabilitation institution

The central role of different events, as sports days and other social gatherings, organised by the employer was also discussed to a considerable degree in the data. They are seen to create one arena that enables informal networks to be formed. These events have become very common manifestations of MWA in Finland. Improvement of group work skills can also include group discussions, development of interactions skills, problem-solving techniques etc. However, the common feature of these events is that they have no direct connection to actual work tasks and its problems that are observed by the employees. If an event is successful, positive results can be achieved for a limited time as social relations are improved in the work community but because of the few long-term effects they have turned out to have a rather weak influence on work ability.

Sometimes I get the impression that the whole work ability is these adventure and exercise experiences. It refers to what I already said earlier that the concept is a bit misunderstood or it is difficult to grasp work ability. Yet this feature is getting more and more popular and different kinds of new service providers organising different experiential events enter these markets.

Insurance company

It seems that these events have a well-established position in this setting - that companies have to undertake them.

Consultant

The analysis of the data from a work community point of view shows that organisational innovativeness is a prerequisite for surmounting the highly intensive competition of the current business environment. Innovativeness requires collaboration. On the other hand, the strict competition also increases the short sightedness of business life. This contradiction between requirements and realities of current work life results in considerable challenges. Work life is claimed to be directed by outdated norms whereas the daily activities are run on the new terms. Mechanical effectiveness is appreciated, even though creativity is the new prerequisite. Attempts to continue working just as before despite the changes in methods and targets creates considerable difficulties in the work fluency and strains the employees. A significant amount of the mental work requirements is actually generated on the work community level. Employees experience a considerable burden because of information overflow and fragmented tasks. The lack of control over work causes stress and also directly influences the economic performance of an organisation.

The interviewed experts stress the work community's role in initialising development processes. Work communities collectively innovate new ways of working but this development requires empowerment. Development activities also cause a mental load, but it is not as harmful as is the case with uncontrolled change. Business requires development phases to meet the changes in the competitive environment but it is essential that initiatives are undertaken to meet the challenges instead of trying to continue with obsolete practices. Challenging customers force organisations to develop themselves and thus also support work ability.

4 Conclusions

There is a notable parallel between the results presented above and the management-leadership distinction that is common in business administration studies. MWA targeted at individuals has management characteristics whereas the work community level is related to leadership. Therefore, this study suggests that the improvement of organisational performance resulting from MWA occurs in improved management and leadership practices that are conducive to the improved wellbeing of the organisation's employees.

Management typically emphasises stability, order and efficiency in evaluating how things get done and trying to get people to perform better. (Yukl, 2002) Management is often seen as authority relationships between managers and subordinates that aims at meeting given goals by the appropriate use of resources available (Rollinson – Broadfield, 2002; Rost 1991). Predictability is achieved by setting operational goals, organising and staffing sufficient resources for these purposes, monitoring results and solving conceivable problems. (Kotter, 1990a.)

From the individual perspective, the attempts to improve individuals' resources aim at organising and staffing sufficient resources to meet the requirements of an operational task. This view reflects the goal of solving conceivable problems to improve the current functional capability of an organisation. Health improvement orientation indicates the aim of getting an organisation to perform better. This is especially evident in terms of economic consequences that reflect the goal of improving organisational capabilities to maintain productivity. Competence can be seen as a resource that an employee either does or does not have. It is the basic resource that defines whether an employee is a useful resource for an organisation in the first place. Accordingly, removing the physical-chemical risks of the work environment indicates the aim of using the available resources appropriately. Overcoming competence gaps and improving occupational safety are clearly managerial efforts that aim at solving a conceivable problem.

On the whole, the approach of seeing work ability as an individual's resources in relation to the requirements of the work is expert-inspired and an employee is largely seen as an object of different activities that are determined by the scientific framework. Seeing MWA as supporting the individual's resources to keep up with the work tasks turns work ability into a given, rather clear-cut entity that can be operationalised by measuring absences due to sickness, competence gaps, accident frequencies etc. Reluctance towards changes in the context of work reflects the importance of stability. If deficiencies are observed in relation to these resources, adequate solutions to overcome problems are defined through an authority relationship.

Leadership can be seen to emphasise organisational change by developing a vision of the future and a strategy for making the necessary changes. Communicating and explaining the vision is also an important feature along with motivating and inspiring people to attain it.

(Kotter, 1990a.) Leadership emphasises flexibility, innovation and adaptation in assessing what things mean to people and creating agreement about the most important things to be done (Yukl, 2002). It is a multidirectional influence relationship in which both leader and followers get some of their needs satisfied. This relationship is conferred from below because non-coercive interaction takes place to decide prospective changes. The relationship is potentially a fragile state of affairs as the needs of both the leader and the followers can change. (Rollinson – Broadfield, 2002; Rost, 1991.)

The data analysis on the work community level shows that the increasing demand for creativeness in business life emphasises the collaborative capabilities of an organisation. This goal of work community level MWA is at the core of leadership. The pressure conflict in modern work life extracted from the interview data demonstrates that there is a need for different approaches to steering organisations than the traditional management approach alone. Rapid changes in the operational environment outdate the emphasis of stability, predictability and order. The organisation's flexible ability to adapt and innovate becomes increasingly important. Empowerment brings forth the non-coercive nature of work community level MWA. The work community's role in undertaking development activities explores flexibility and organisational adaptation. Being familiar with the goals of the task and more broadly the whole organisation requires communicating and explaining the vision. Emphasis on a well functioning work community is directly related to the multidirectional nature of leadership.

The discussion about leadership in the data is very well in line with the definitions presented above. The goals of creating the vision and strategy in mutual understanding and non-coercive nature emphasised by empowerment bring home the importance of leadership in the work community perspective. The ability of relating goals on different organisational levels to each other depend on well-functioning communication that emerges in effective work communities.

The simultaneous need for both leadership and management in securing the success of an organisation is crystallised by their complementary nature. Strong leadership can disrupt the order and efficiency of an organisation whereas strong management can discourage risk taking and innovation. (Kotter, 1990a; 1990b.) Accordingly, neither individual nor work community level MWA is sufficient as such, but they have their own roles in the

organisational context. Work community level MWA focuses on identifying problems and finding solutions to them, whereas individual level MWA includes the concrete undertaking of activities that are considered suitable solutions for securing the organisation's capacity. The combination of the two approaches is in line with Kotter's (1990b) statement that management-leadership is not an either/or dichotomy but both perspectives are needed because they have specific roles in an organisation's functioning. In relation to MWA, this distinction makes it visible how both individual and work community level approaches are needed for the balanced development of work ability. Individual level activities help to support employees' resources whereas the work community level develops the context in which these resources are being used. Focusing on either one of these without the other results in biased activities that cannot be expected to provide optimal results in the long run.

There is an interesting change of perspective that is taking place in relation to the work environment. As the data of this study, for example, shows, the discussion about work environment has focused on increasing safety. However, an emerging trend is the aim of developing work environments that would support the creativity of work communities (see for example Hussi, 2004a; Edvinsson 2002). Increasing the knowledge intensiveness of production forces us to think about work environments in a whole new way. They should be seen as arenas for collaboration resulting in innovative ideas. There are some attempts to approach this perspective but there is room for a lot more work in this field, which is why this area is one of the most essential areas for future research.

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Questions on Maintenance of Work Ability

1. How would you define work ability?
 - How would you describe a situation where much attention has been paid to work ability, but it seems that the problems just increase?
 - Why do we have a work ability concept in Finland (as opposed to practically all the rest of the world)?
2. What factors influence work ability?
3. How can work ability be improved?
4. Can work ability be measured by one instrument?
 - By what / why not?
5. What is the best indicator of work ability?
6. What is the relationship between a company's financial performance and work ability?
7. Is work ability related to the company's financial performance in the short run or the long run?
8. Can there be situations where financial performance is improved but work ability is weakened?
 - What are these situations like?
9. Are you familiar with the Balanced Scorecard?
 - Does BSC describe work ability?
 - In what sense (example)?
10. Are you familiar with Human Resources Reporting models?
 - Do Human Resources Reporting models describe work ability?
 - In what sense (example)?
11. What is the relationship between work ability and an individual's health like?

ELINKEINOELÄMÄN TUTKIMUSLAITOS (ETLA)

THE RESEARCH INSTITUTE OF THE FINNISH ECONOMY

LÖNNROTINKATU 4 B, FIN-00120 HELSINKI

Puh./Tel. (09) 609 900

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