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Singapore has stepped up exams of migratory birds for the avian flu virus.

Business Continuity Plans for an Avian Flu Pandemic Largely Off Workforce Radar

The illness is off the radar for many organizations, but companies including Intel and some international airlines are making pandemic plans. Several large employers, many of which were hit particularly hard by SARS, are taking swift action to keep operations running.

By Gina Ruiz

As it stands, the run-of-the-mill influenza season causes employees to miss an average of 1.5 days and costs companies approximately \$660 per worker for unscheduled absences, taking a toll on human capital and hampering productivity. But as disruptive as the regular flu can be, an outbreak of avian flu, scientifically known as H5N1, could bring business operations to their knees, far eclipsing other recent catastrophes such as Hurricanes Katrina and Rita.

If the pandemic outbreaks of the post-World War II era are any indication of just how bad things could get, the United States can expect to see 100,000 to 200,000 deaths, 700,000 hospitalizations and as many as 40 million outpatient visits--translating to economic losses of \$100 billion to \$200 billion, says Milan Brahmhatt, senior economist at the World Bank.

Making this scenario all the more unsettling is the fact that many employers seem ill-prepared to tackle even basic business continuity issues, such as increased absenteeism, that are inherent to any pandemic. In a recent survey by Gartner, a research and consulting company, only 8 percent of respondents said they have business continuity plans that deal specifically with the avian flu. While this survey is far from definitive, it does fall in line with other studies that illustrate employers' complacency when it comes to managing communicable diseases. Only 37 percent of HR professionals say they have formal plans to educate workers about the regular flu, even though it is an annual occurrence.

But not all is doom and gloom. There are exceptions, particularly among companies with more than 5,000 workers, where managers are taking swift action, says Roberta Witty, an analyst at Gartner. Many of these large corporations were affected by SARS, and they are taking the latest threat very seriously.

Proactive strategies

Intel Corp. has given avian flu a great deal of thought. Guided by several key principles, such as promoting good health habits among employees and exercising basic risk-management tactics, the company's 12-member management review committee has developed a detailed global plan to help Intel cope with a potential outbreak, says Gary Neikerk, corporate responsibility manager.

One of the first steps for Intel is reaching out to its 97,000 employees worldwide by using its intranet newsletter to disperse educational material about the virus. In addition, Intel is reinforcing its basic infectious-disease containment precautions, such as encouraging employees to wash their hands frequently and dissuading them from attending work if they are sick in order to protect the workforce at large.

To prepare for heavier-than-average absenteeism, Intel is thinking about bolstering capabilities that allow employees to work from home. The company already has generous flexibility policies ingrained in its corporate culture, but it would have to tackle certain logistical and security issues before being able to activate such practices on a wider level, Neikerk says.

Intel is particularly aware of the threat that avian flu poses to its interests in Asia, given its experience with SARS. The company has corporate offices and manufacturing plants in multiple countries, including China, Malaysia and the Philippines. If the region were to be hammered by an avian flu pandemic, Intel is prepared to apply risk-mitigation strategies such as reallocating manufacturing activities to other parts of the world, like the U.S., Israel or Costa Rica.

The company is also concerned about the psychological strain that avian flu could have on healthy workers in areas where there are outbreaks. Intel would consider meeting worker requests for repatriation or reassignment to remove them from such areas. Furthermore, the company is set to impose restrictions on travel to areas where outbreaks are reported. One way that Intel plans to circumvent extensive travel is by utilizing teleconferencing in lieu of face-to-face meetings, Neikerk says.

Boeing, the world's largest aerospace company, is not taking a wait-and-see approach with the avian flu. The company has assembled a task force to examine business continuity issues and worker-protection plans. Boeing also plans to promote sound flu hygiene. That might include expanding the number of soap and sanitizer stations throughout the company, says Kelly Donaghy, a company spokesperson and member of the task force.

Another important component of the plan is taking a critical assessment of the number of workers that Boeing requires to conduct core activities, which will enable the company to develop contingency plans that are more realistic. The company is bracing itself for non-attendance rates as high as 30 percent.

Tactics that Boeing is exploring to minimize operational disruptions include cross-training workers, reconfiguring shifts and expanding its virtual work program to enable more employees to telecommute. With 110,000 workers scattered around the world, Boeing is carefully coordinating its efforts with managers in Asia. "Our plan is global in nature. Our employees are equally important regardless of where they are located," Donaghy says.

Unique challenges

There are some industries where, simply by the nature of their operations, maintaining business continuity would be trickier than in others. One example is Hawaii Electronic Industries, the largest provider of electrical power in the state of Hawaii. If there were to be a flu outbreak, the company could conceivably allow its 1,000 office workers to work from home to keep operations afloat, says Amy Ejercito, vice president of corporate excellence. This would entail providing telecommunication tools like secure lines and remote accessibility to internal files.

However, maintaining business as usual at its power plant and in the field would be a far more challenging task. Those jobs require the physical presence of 300 to 500 workers. To make matters worse, Hawaii Electronic would not be able to exercise the option of shifting production to an alternate location. Avian flu is on the company's radar, but there are no formal plans for how to tackle a pandemic. "We are going to have to think hard about these issues," Ejercito says.

The airline industry, which was hit particularly hard by SARS, faces similar challenges and is worried about the toll that a pandemic could take on business. "Airline employees do not have the option of telecommuting," says Katherine Andrus, in-house counsel at trade organization the Air Transport Association.

At the request of its 20 members, the ATA is partnering with the Centers for Disease Control and Prevention in Atlanta to develop a standardized policy manual to help the industry prepare for an avian flu outbreak. The organization is in frequent contact with experts from the CDC and serves as conduit of information when new events develop. For now, the ATA is recommending strict enforcement of standard health security procedures, like using disposable masks and gloves when handling a sick person.

Some airlines, however, are not waiting for the ATA to release its standardized manual before taking action. Virgin Atlantic CEO Richard Branson says his company purchased 10,000 courses of Tamiflu--the antiviral drug used to treat the regular flu--for its employees, many of whom travel to affected countries in Asia frequently.

Airlines in the United States have not taken such drastic measures, but they are keeping a close eye on the situation. United Airlines, the largest U.S. carrier to Asia, has instructed its pursers to discuss avian flu with flight attendants during their preflight meetings. In addition, the company is dispersing educational material about the virus through its newsletter. "We want to keep our employees safe by educating them and separating fact from fiction," spokeswoman Robin Urbanski says.

American Airlines, which flies to Japan, is also preparing educational material for employees, which should be distributed by the end of the year, spokesman Tim Smith says. In addition, the company is in contact with the various industry unions to coordinate the distribution of information. At JetBlue, which primarily is a domestic carrier, there are plans to reactivate some of the tactics that it used to cope with Hurricane Katrina,

such as consolidating flights to accommodate changes in employee headcount and devising new routing patterns if needed.

Wait-and-see approach

As of November 29, there had been 133 cases of human avian flu infection--resulting in 68 deaths--reported to the World Health Organization. In all instances, the flu was transmitted from bird to human and struck in Southeast Asia or China. Health experts, however, warn that a mutation of the virus, which could enable it to be transmitted from human to human and unleash a global pandemic, is not a matter of if, but when.

Despite the warnings, many workforce managers are taking a wait-and-see approach. They might perceive the phenomenon as posing no immediate or concrete peril, says Sharon Kaleta, CEO of the Disability Management Employer Coalition.

The organization's recent survey on overall flu preparedness shows that avian flu is on the minds of many managers, but that they are not implementing precautionary measures until they gain a better grasp of the situation. As much as 77 percent of respondents indicated that they are waiting for more news from the CDC or from their internal medical directors before devising plans.

Workforce Management, December 12, 2005, pp. 34-37