



## **Research based finding on the benefits of workplace performance, health & wellbeing programs.**

The World Health Organisation defines health as a complete state of physical, social and mental wellbeing and not merely the absence of disease or infirmity.<sup>1</sup> This broad definition acknowledges that an individual's health and wellbeing is shaped by a number of social, economic and environmental determinants.

With most adults spending more than 50% of their waking life at work<sup>2</sup> the workplace provides an important setting to influence the health of workers and the community as a whole. A range of workplace determinants (e.g. physical environment, organisational structure, culture, and the nature of work tasks) and non-workplace determinants (e.g. lifestyle choices, living conditions) can impact on the health of an employee.

Workplace health and wellbeing programs involve the use of health promotion principles to develop a set of planned strategies to address identified health and wellbeing needs within an organisation. Programs consists of a range of individual employee (e.g. smoking cessation programs) and organisation (e.g. environmental, policies and cultural) based strategies to address issues such as physical activity, nutrition, alcohol consumption, smoking and mental health.

Health promotion is the process of enabling people to increase control over, and to improve their health.<sup>3</sup> Health promotion represents a comprehensive social and political process as it not only embraces actions directed at strengthening the skills and capabilities of individuals, but also action directed towards changing social, environmental and economic conditions so as to alleviate their impact on public and individual health.<sup>4</sup>



Within the workplace setting, the principles of health promotion indicate a need for coordinated action involving strategies that:

- Include health in corporate policy and integrate health concerns into management practices.
- Create a safe and supportive work environment.
- Enable workers to act in the interests of their health.
- Develop individual worker's health skills.
- Provide health services with an emphasis on prevention rather than just cure.<sup>5</sup>

Historically, workplace health promotion has grown from a focus on screening and treatment of existing illness to an approach that considers, and responds to, a range of individual, organisational, environmental and community factors. This has led to a greater focus on prevention based strategies that target individual, organisational and environmental change.

Prevention can be defined as 'action to reduce or eliminate or reduce the onset, causes, complications or recurrence of disease'.<sup>6</sup>

A review of workplace wellness by Price Waterhouse<sup>7</sup> highlighted three key components of workplace wellness, these components of workplace wellness identified the association between:

1. occupational health and safety,
2. ill health, and
3. workplace health promotion.

This reflects a broadening of the occupational health and safety agenda to include health promotion strategies alongside the more traditional focus on injury prevention and occupational disease. Within current legislative requirements, workplace health promotion and workplace health and wellbeing programs are subordinate to Occupational Health and Safety.

## The impact of employee health in the workplace

The health of the workforce has a number of impacts in relation to the performance of an organisation.

### ***Productivity and absenteeism***

Research commissioned by Medibank Private<sup>8</sup> indicated a strong relationship between an employee's health and wellbeing and their productivity at work. Healthy workers were found to be almost three times more productive than their unhealthy colleagues and nine times less likely to have sick days.

### ***Comparisons of the Australian Worker<sup>4</sup>***

Unhealthy	Healthy
18 days annual sick leave	2 days annual sick leave
Self-rated performance of 3.7 out of 10	Self-rated performance of 8.5 out of 10
49 effective hours worked (full-time) per month	143 effective hours worked (full-time) per month
High fat diet	Healthy diet
Low energy levels and poor concentration	Fit, energetic and alert
Obese or overweight	Normal body weight
Irregular sleep patterns	More attentive at work and better sleep patterns
Poor stress management techniques	Actively manage stress levels

### ***Cost***

The Australian Safety and Compensation Council estimated that in 2005-06 the direct and indirect cost of work-related injury and illness to workers, their employers and the community to be \$57.5 billion (5.9% of GDP).<sup>9</sup> The cost to employers was estimated to be around 18% (\$10.2 billion).



The Future@Work (2006) report estimated the effect on the Australian economy from lost productivity due to ill health was \$34.8 billion per annum or 4.2% of GDP.<sup>10</sup>

Presenteeism is 'the loss of productivity that occurs when employees come to work, but aren't fully-functioning because of an illness or injury'. In 2005-06, the cost of presenteeism to the Australian economy was estimated to be \$25.7 billion, nearly four times the estimated cost of absenteeism (\$7 billion annually).<sup>11</sup>

Stress-related presenteeism and absenteeism are estimated to cost the Australian economy \$14.8 billion per year with direct costs to employers totally \$10.11 billion annually.<sup>12</sup>

## **Why have Workplace Health and Wellbeing Programs – the Benefits.**

The benefits of workplace health and wellbeing programs include:

### ***Health***<sup>13</sup>

- Increases in physical activity, improved nutrition, decreased body fat levels, smoking cessation and alcohol moderation, result in improved cholesterol, decreased blood pressure and reduced stress levels within employees.
- Reduced injuries and or work-related accidents.
- Improved health reducing the use of health care services leading to reduced costs of health care to the employer if these services are provided to employees.

### ***Organisational***

- Workplace culture and productivity<sup>14</sup>.
- Improved workplace morale and workplace culture.
- Reduced absenteeism.
- Improved staff recruitment/retention,
- Increased productivity enhanced quality and/or quantity.
- Improved external image.



### ***Economic***

- Return on investment of US\$3.48 per dollar invested in workplace health promotion due to reduced medical costs, and US\$5.82 per dollar invested due to reduced absenteeism.<sup>15</sup>
- Examination of the economic benefits of risk avoidance/health promotion in comparison to risk reduction/management strategies indicate that risk avoidance strategies (US\$350 per employee) are more economically beneficial than risk management strategies(\$US153).<sup>16</sup>

Many of the diseases that impact on the health and wellbeing of employees are preventable through changes in modifiable lifestyle risk factors such as smoking, nutrition, alcohol consumption, physical activity and psychological stress. These risk factors are linked to a number of preventable chronic diseases such as coronary heart disease, type 2 diabetes, kidney disease and some cancers.

By targeting modifiable lifestyle risk factors it is possible to remove or reduce the impact of related negative outcomes and chronic disease within the workplace and the broader community. Once targeted workplace health and wellbeing programs provide an opportunity to proactively address each of these health, economic and productivity issues.

Please don't hesitate to contact us for more information on workplace performance and wellbeing so we can develop a strategy to maximise your workplace health, performance and overall wellbeing.



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