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Building a business case

Evidence on the benefits to business you can use to get support for your health and wellbeing program.

Working adults spend approximately one third of their day at work, making workplaces the ideal place to establish and nurture healthy behaviours.

Health promotion has been defined by the World Health Organisation, as 'the process of enabling people to increase control over, and to improve, their health' and more specifically the requirements of support, as: 'a secure foundation in a supportive environment, access to information, life skills and opportunities for making healthy choices'. People cannot achieve their fullest health potential unless they are able to take control of those things which determine their health.¹

The bulk of evidence regarding workplace wellbeing, now shows that a workplace health promotion program is most effective when a broader, multi-component approach is used, integrating activities that reflect employee and business priorities across a range of health related issues.²

- Econtech (2011), estimated the national cost of presenteeism (coming to work sick) was \$34.1 billion (in 2009-2010).³
- A 2013 report from Direct Health Solutions, showed that absenteeism is costing Australian business up to \$30 billion per year, or \$385 per day per employee. Australians' average number of sick days is 9.4 days a year (five days for corporate staff).⁴
- Obesity related poor health is estimated to cost South Australian businesses \$273 million (in 2008). This health condition costs South Australia, as a state \$4.3 billion.⁵
- A 12-month study conducted at Unilever sites in the UK showed that implementing health risk reduction programs resulted in an average reduction of half a risk factor per individual (weight, smoking, reduced alcohol consumption, improved nutrition or physical activity levels) and an average increase of 8.5% in work performance.⁶
- A conservative estimate of the return on investment for this program was \$3.73 for every \$1 spent.⁶



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Organisations that don't promote health and wellness are four times more likely to lose talent in the next 12 months.¹⁷

Commitment to a well-run workplace health and wellbeing program, will positively impact on employee and business outcomes.

How your workplace chooses to deliver and resource this program needs to be considered by management or business owners. The following information may provide some ideas to inform your planning and cost mitigation strategies^{8,9}.

Costs	Intermediate benefits	Bottom line impact
	<i>Within months</i>	
Staff coordinator hours and training.	<ul style="list-style-type: none"> Improved staff morale, work enjoyment and motivation. Improved sense of fulfilment. 	Reduced overtime and temporary replacement payments.
Administration costs.	<ul style="list-style-type: none"> Increased teamwork. 	Productivity increases revenue.
Resourcing: service provision such as seminars, training, group activities.	<ul style="list-style-type: none"> Improved physical and mental wellbeing and resilience. Increased energy and vitality. 	Stronger contract and recruitment opportunities.
Disruption to production for attendance at activities.	<ul style="list-style-type: none"> Improved health awareness and knowledge. Improved health resource utilisation. 	Minimised recruitment costs. Retention of older workers and expertise/skill set. Lower retraining costs.
	<i>Within 1-2 years</i>	
Resourcing: workplace infrastructure such as bike racks, kitchen facility upgrade, improvements to walkways and lighting.	<ul style="list-style-type: none"> Increased productivity and job satisfaction. 	Reduced Workers Compensation claims and costs/legal costs.
Possible higher insurance premiums.	<ul style="list-style-type: none"> Positive corporate image. 	
	<i>In 3-5 years</i>	
	<ul style="list-style-type: none"> Noticeably less accidents and injuries. 	
	<ul style="list-style-type: none"> Reduced sick days. 	

Comparison of Australian workers

In 2005, Medibank Private commissioned a study of over 3500 Australian employees, the findings (tabled below) indicate that employers might be the likely benefactors of a health and wellbeing program but there is sound benefit in investing in employee health¹⁰.

Unhealthiest	Healthiest
<ul style="list-style-type: none"> • 18 days annual sick leave. • Self-rated performance 3.7 out of 10. • 49 effective hours worked (fulltime) per month. 	<ul style="list-style-type: none"> • 2 days sick leave. • Self-rated performance of 8.5 out of 10. • 143 effective hours worked (fulltime) per month.
<ul style="list-style-type: none"> • High fat diet 	<ul style="list-style-type: none"> • Healthy diet.
<ul style="list-style-type: none"> • Low energy levels and poor concentration. 	<ul style="list-style-type: none"> • Fit, energetic and alert.
<ul style="list-style-type: none"> • Obese or overweight. 	<ul style="list-style-type: none"> • Normal body weight.
<ul style="list-style-type: none"> • Irregular sleep patterns. 	<ul style="list-style-type: none"> • More attentive at work and better sleep patterns.
<ul style="list-style-type: none"> • Poor stress management techniques. 	<ul style="list-style-type: none"> • Actively manage stress levels.

Australian Workplace Cost Calculator: www.healthyworkers.gov.au

The National Healthy Workers portal has a Workplace Turnover and Absenteeism Cost Calculator.

This easy to use calculator can help measure potential savings associated with the implementation of a successful workplace health program by measuring absenteeism and staff turnover in the workplace.

This calculator can be used in two ways: as a business case to demonstrate potential savings you could expect from a successful workplace program, or to track progress of a workplace program that you have already implemented.

References

¹ World Health Organisation, 1986; The Ottawa charter for health promotion.

² Bellew B 2008. Primary prevention of chronic disease in Australia through interventions in the workplace setting: a rapid review. Sax Institute for the Chronic Disease Prevention Unit, Department of Human Services: Victoria.

³ Economic Modelling of the cost of presenteeism in Australia: 2011 Update

⁴ Direct Health Solutions 2013 Absence management & wellbeing report

⁵ Access Economics Pty Ltd, 2008, The growing cost of obesity in 2008,; three years on. Report for Diabetes Australia.

⁶ World Economic Forum 2008. Preventing non-communicable diseases in the workplace through diet and physical activity. WHO/World Economic Forum report of a joint event

⁷ Health and Productivity Institute of Australia (HAPIA) 2009, Best practice guidelines workplace health in Australia, Sydney Australia

⁸ University of Toronto, 2009, The health communications unit: Making cents of a good idea; The Case for comprehensive workplace health promotion, University of Toronto, Ontario

⁹ The Health Communication Unit, 2004, The case for comprehensive workplace health promotion, Centre for Health Promotion, University of Toronto, Ontario

¹⁰ Medibank Private 2005, The health of Australia's workforce

Acknowledgements: Tasmania Health: Healthy@ Work, Business Case Fact Sheet

Further information

To access the toolkit, tools, and associated resources visit the *Healthy Workers – Healthy Futures Initiative* at www.sahealth.sa.gov.au/healthyworkers

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