

## Research relating to Employee Wellness, Support and Development

### Impact on work environment

1. In 2005, a study<sup>1</sup> comparing a healthy worker to an unhealthy worker found:
  - healthy workers to be 3x more productive (49 effective hours worked per month for an unhealthy worker compared to 143 hours for a healthy worker)
  - healthy workers had 9x less annual sick leave (2 days annual sick leave for a healthy worker compared to 18 days for an unhealthy worker).
2. In 2008, research<sup>2</sup> on the impact of workplace stress indicated:
  - workplace stress is responsible for a loss of 3.2 working days per employee per year
  - workplace stress-related presenteeism costs almost 2x the cost of workplace stress-related absenteeism
  - stress-related absenteeism and presenteeism costs Australian employers a total of \$10.11 billion annually.
3. In 2011, a report<sup>3</sup> concluded that presenteeism:
  - causes an average of 6.5 days of productivity loss per employee per year
  - has an estimated annual cost of \$34.1 billion to the Australian economy (2009-2010).

1 Medibank Private 2005, *The health of Australia's workforce*, Medibank Private, Australia.

2 Medibank Private 2008, *The cost of workplace stress in Australia*, Medibank Private, Australia.

3 Medibank Private 2011, *Sick at work: The cost of presenteeism to your business and the economy*, Medibank Private, Australia.

### Cost benefit analysis

- There are no accurate Australian studies to provide a Return On Investment for Health and Wellbeing programs. Several American studies have been undertaken and one indicated that the return could be as high as \$5.81 for every \$1 invested <sup>(1)</sup>, however a more recent study indicated the return might be \$2.38 for every \$1 invested <sup>(2)</sup>. Even at \$2.38 this is a very valuable investment.

(1)Chapman, L.S. (2007) *Proof Positive. An Analysis of the Cost Effectiveness of Worksite Wellness*. Seattle, WA: Chapman Institute.

(2)The Relationship Between ROI an Quality of Study Methodolgy on Workplace Health Promotion Programs; Baxter, S. et. al., *American Journal of Health Promotion*; Vol.8, #6, (2014)

### Risk Assessment

There are risks involved in not proceeding with a Wellness, Support and Development Program for employees, such as:

- Increased health risks are associated with a loss of employee productivity<sup>1</sup>
- 96% of 'best practice' Australian organisations implemented health and wellbeing initiatives during the last 12 months<sup>2</sup>
- Organisations that don't promote health and wellness are 4 x more likely to lose talent within 12 months<sup>2</sup>

1 Musich, S, Hook, D, Baaner, S & Edington, D 2006 'The association of two productivity measures with health risks and medical conditions in an Australian employee population', *American Journal of Health Promotion*, vol. 20, no. 5, p. 353.

2 Health and Productivity Institute of Australia 2010, *Best-Practice Guidelines: Workplace Health in Australia*.