Purpose of this document:
There are two levels at which you may be required to develop a business case or persuade senior management to support the workplace health promotion (WHP) concept. The first level is ‘selling’ the concept of WHP to senior leadership through the introduction of a health and wellbeing program. The second level is obtaining management and/or senior leadership support for specific strategies within the larger health and wellbeing program. For example, if through a needs assessment process workplace stress was identified as a major issue, then a targeted strategy may need to be resourced and developed.

This fact sheet is designed for use when developing a business case for the introduction of a health and wellbeing program. In order to secure management support and stakeholder engagement your business case must demonstrate a sound rationale for a workplace health and wellbeing program. Evidence can be presented that shows the costs and negative impact of workplace health problems on the organisation and employees, as well as the potential gains that come from health and wellbeing programs. This fact sheet contains definitions and facts and figures about health and wellbeing that aim to help you construct a business case. Where possible Australian studies have been cited so that the information is relevant to your workplace.

A good place to start
Different organisations have differing motivations for implementing a health and wellbeing program. It is critical to identify what your organisational leaders’ motivating factor/s are so that your business case reflects this and pushes the ‘right buttons’. The two main drivers for organisations to implement a health and wellbeing program are:

- **Occupational health and safety**: primarily focuses on protecting the safety, health and welfare of people engaged in work or employment. While it has traditionally been focused on minimising the risk of physical hazards to health and safety in a workplace, this is changing to incorporate broader psychosocial considerations and hence wellness.

- **Human capital**: drivers include talent attraction, retention and ideas of broader corporate social responsibility. This approach also seeks to improve productivity and reduce workforce absenteeism.

*(PricewaterhouseCoopers, 2010, Workplace Wellness in Australia, Aligning actions with aims: Optimising the benefits of workplace wellness).*
Definitions:

Definition of a healthy workplace
A healthy workplace is one in which workers and managers collaborate to use a continual improvement process to protect and promote the health, safety and wellbeing of all workers and the sustainability of the workplace by considering the following, based on identified needs:

- Health and safety concerns in the physical work environment;
- Health, safety and wellbeing concerns in the psychosocial work environment, including organisation of work and workplace culture;
- Personal health resources in the workplace; and
- Ways of participating in the community to improve the health of workers, their families and other members of the community.


Definition of health promotion
Health promotion is the process of enabling people to increase control over, and to improve their health and wellbeing. (World Health Organization, 2005. Bangkok Charter for Health Promotion in a Globalized World).

Definition of a workplace health and wellbeing program
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 consist of a range of organisationally based strategies (e.g. environmental changes/supports such as showers and bicycle racks, or policies and cultural changes/support) as well as strategies aimed at individual employees (e.g. smoking cessation programs).

Setting the scene
Chronic disease is the main cause of death and disability worldwide. The role of prevention is recognised, both within the workplace and outside, as a key to reducing disease and injury. Approximately one-third of adult life is spent at work (ACT Work Safety, 2010. A Guide to Promoting Health and Wellbeing in the Workplace). The workplace therefore provides a key avenue 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) can have an impact on the health of an employee. As a result, the World Health Organisation (and the Australian government) have recognised the workplace as a priority setting for health promotion.

The State Government recognises the value of workplace health and wellbeing programs, as evidenced through the Ministerial Direction 2.3 – Workplace Health and Wellbeing, which sets out a requirement for the implementation of structured employee health and wellbeing programs in Agencies.

Employers who focus on the health and wellbeing of their staff can bring multiple benefits not only to workers, but also to the organisation. Organisations benefit through a more positive workplace culture; healthy, happy and balanced workers; and reduced economic costs as well as improved productivity outcomes. Conversely, an unhealthy and hazardous workplace can increase mortality and morbidity, escalate health care costs, and reduce productivity and organisational health.

National and international studies provide compelling evidence supporting the value of workplace health and wellbeing initiatives. This evidence supports the impact such initiatives are having on physical, mental and social wellbeing amongst workers. (ACT Work Safety, 2010. A Guide to Promoting Health and Wellbeing in the Workplace).
Engagement and corporate profile benefits:
Organisations that place value on and continuously improve the health of their workforce benefit through:

- Improved corporate image
- Increased staff morale, satisfaction and motivation
- Reduced employee turnover
- Increased ability to attract new employees

In Australia fewer than 50% of organisations actively promote health and wellness in the workplace. Where organisations focussed on wellness, employees were:

- Five times more likely to be engaged
- Three times more likely to stay in the first year
- Two and a half times more likely to say that their organisations were creative and innovative

Productivity and financial benefits:
Other benefits of organisations focusing on the health and wellbeing of their workforce result in a positive return on investment through measurable improvements such as:

- Increased productivity
- Reduced absenteeism
- Reduced presenteeism
- Fewer worker’s compensation claims

Facts and figures:

Costs
- The cost of absenteeism in Australia is estimated at $7 billion each year, while the cost of presenteeism (not fully functioning at work because of medical conditions) is nearly four times more, estimated at almost $26 billion in 2005–06 (PricewaterhouseCoopers, 2010. Workplace Wellness in Australia, Aligning actions with aims: Optimising the benefits of workplace wellness).
- The estimated cost of lost productivity from absenteeism (caused by illness) and presenteeism (being at work when unwell) in the Tasmanian State Service is $3276 per employee each year (Partnering Healthy@Work, 2010. Menzies Research Institute Tasmania).
- Stress-related claims cost Australian business more than $200 million annually (Medibank Private, 2008. The cost of workplace stress on Australia).
- Absenteeism due to sickness is costing Australian businesses $7 billion annually, or roughly $1,000 per employee per year (Medibank Private, 2008. The cost of workplace stress on Australia).
- Stress-related absenteeism and presenteeism directly costs Australian employers $10.11 billion a year (Medibank Private, 2008. Economic Impact of Workplace Stress in Australia).
- Unhealthy employees take on average nine days more sick leave compared with healthy employees (Medibank Private, 2005. The health of Australia’s Workforce).
COMPARISON OF THE AUSTRALIAN WORKER
(From Medibank Private 2005, The health of Australia’s Workforce)

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

Returns and benefits associated with workplace health and wellbeing programs

- Organisations that implement health and wellbeing strategies can reduce their employees’ health risk factors by up to 56% (Wesley Corporate Health, 2006. The future@work health report: Employees and their workplace).
- Productivity gains of up to 15% can be achieved by upgrading the workplace environment (Wesley Corporate Health, 2006. The future@work health report: Employees and their workplace).
- Employees’ work performance can be improved by 4-15% through participation in regular physical activity (Department of Sport and Recreation Western Australia, 2009. Presentation: Making the case for workplace health programs).
- For every dollar invested in workplace health and wellbeing programs there is a return on investment of between three and six dollars (Bellew, B. 2008. Primary prevention of chronic disease in Australia through interventions in the workplace setting: a rapid report).
- The healthiest Australian employees are almost three times more productive than their unhealthy colleagues (Medibank Private, 2005. The health of Australia’s Workforce).
- Australian studies conducted by Medibank Private have estimated average ROI from workplace wellness programs at 300%. Some international experiences have been quoted as high as 1,300%. The benchmark cost of rehiring an employee is widely estimated to be the cost of their annual salary and on costs, so a $100,000 per annum workplace wellness program would break even if it resulted in just one less $60,000 per annum salaried employee leaving the organisation each year. In comparison to other initiatives to improve productivity, workplace wellness programs stand out as a great investment (Vie Wellness, 2010. Why Wellness. www.viewellness.com.au).

Organisation-specific information

When developing a business case for a health and wellbeing program, it is highly recommended that you also include any relevant facts and figures that are specifically about the health and wellbeing of your employees and/or the workplace environment (this information could come from workplace profiles, pulse check surveys, health and wellbeing surveys or audits, occupational health and safety records etc.).