

Workplace health promotion – cost or investment?

John Griffiths

In groups of three or four identify three objections that might be raised by the CEO of a company when you are advocating the implementation of a workplace health promotion programme

WORK²HEALTH



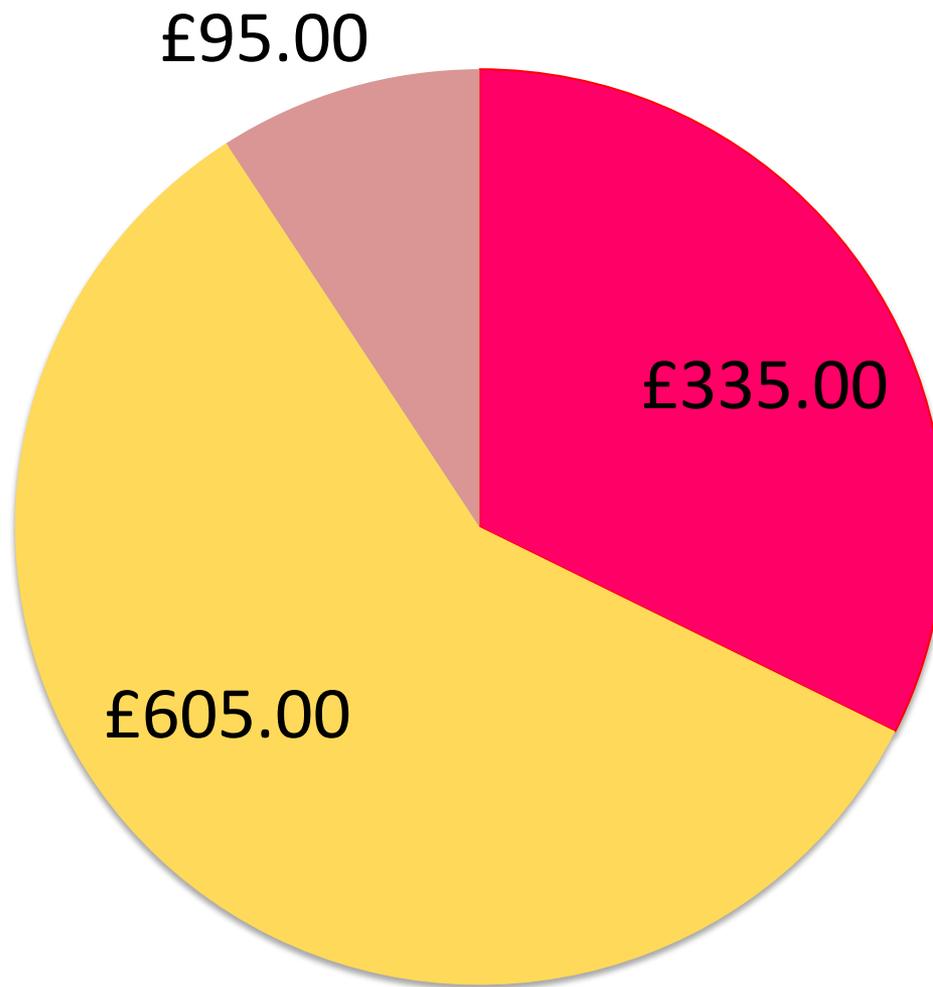
The importance of tackling stress in work

- In the UK work-related stress, depression or anxiety affected 487000 people in 2013 / 2014 – 39% of all work-related illness
- 11.3 million working days lost
- Average length of absence 23 working days

The importance of tackling stress in work

The cost

- The overall cost to employers of stress, anxiety and depression amounts to £1033 per employee per year. (2007 prices)



- Absenteeism
- Presenteeism
- Staff turnover

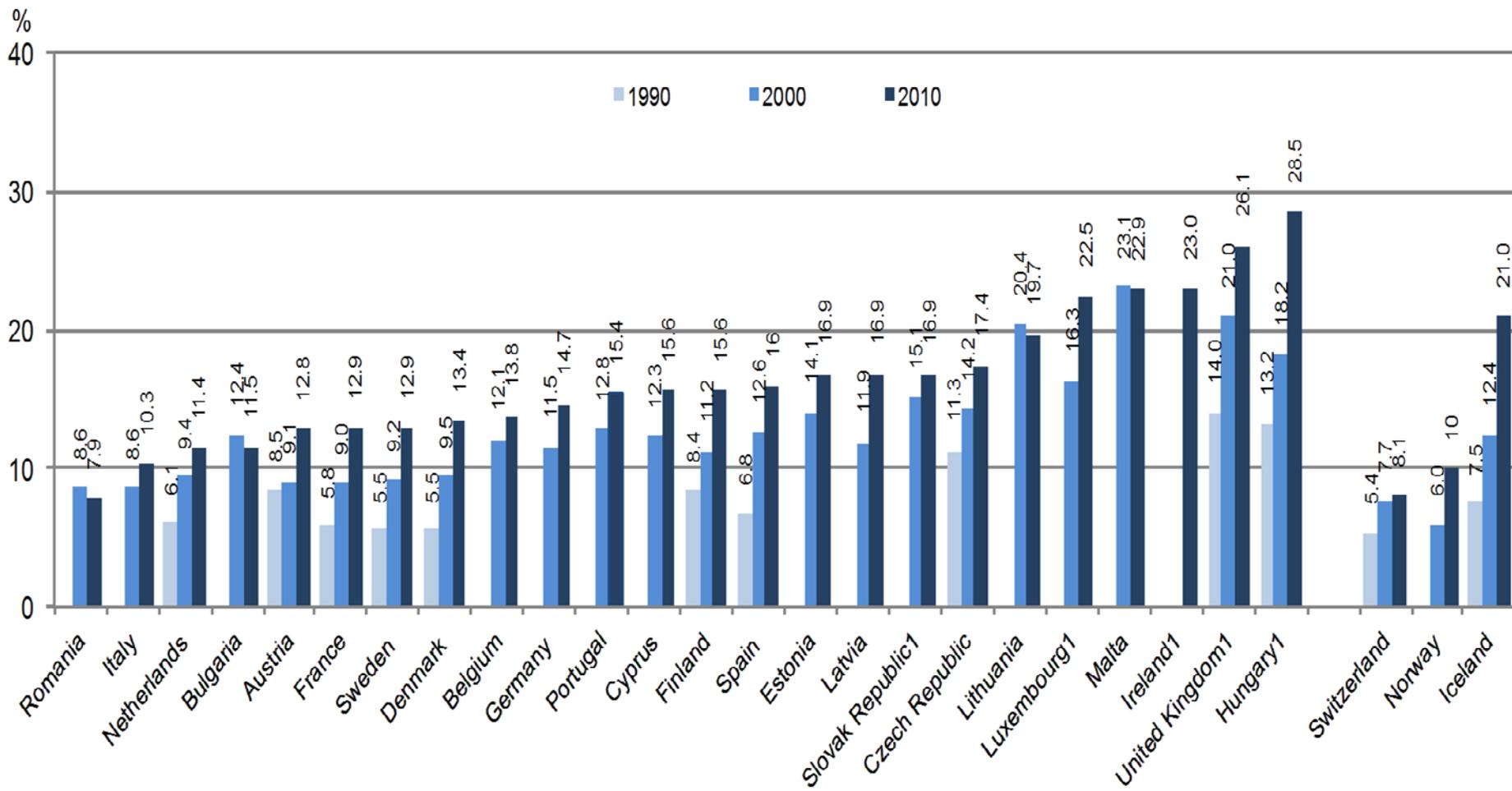


Obesity

Obesity and the workplace

- In the USA age-adjusted prevalence rates for diagnosed diabetes increased from 2.8% to 6.4% between 1980 and 2011.
- In, 'Diabetes in the UK 2010: Key statistics on diabetes', Diabetes UK present a number of salutary findings. These include:
 - Since 1996 the number of people diagnosed with diabetes has increased from 1.4 million to 2.6 million. By 2025 it is estimated that over four million people will have diabetes. Most of these cases will be Type 2 diabetes, because of our ageing population and rapidly rising numbers of overweight and obese people.
 - Of all serious diseases, Type 2 diabetes has the strongest association with obesity.

Increasing Obesity Rates Among Adults in European Countries, 1990, 2000 and 2010 (or nearest years)



Obesity and the workplace

- Almost two in every three people in the UK are overweight or obese (61.9 per cent of women and 65.7 per cent of men).
- In 2006, almost one in four children in England measured in reception year (4 / 5 years of age) was overweight or obese. In Year 6 (10 / 11 years of age) in England, the rate was nearly one in three.
- Only about a third of men over 45 and a quarter of women over 45 are meeting recommended physical activity levels.

Obesity and the workplace

- In the USA – *Obesity-related job absenteeism costs \$4.3 billion annually.*
- *Obesity is associated with lower productivity while at work (presenteeism), which costs employers \$506 per obese worker per year.*
- *As a person's BMI increases, so do the number of sick days, medical claims and healthcare costs associated with that person.*
- *In terms of actual days lost due to sickness absence, obese women used 5.19 more sick days and obese men used an excess of 3.48 sick days compared with normal weight individuals, according to a 2014 German study.*

Obesity and the workplace

- Studies in Australia also indicate that excess weight and physical inactivity are associated with employees' work performance. Results show that, *'obese workers are more likely to take sick leave and be less productive.*
- *In 2001 the National health Survey showed that obesity was associated with over 4 million days lost from the Australian workplace.*
- *Further, according to the same survey findings, obese employees were 17% more likely than non-obese employees to be absent from work for at least one day during the previous two weeks because of personal injury or illness.*
- *The average duration of absenteeism in 2004-05 was also greater for obese and overweight employees (3.2 days) compared to non-obese employees (2.8 days for normal weight)*

Recommendations from the European Charter on Counteracting Obesity

Policy measures should be coordinated in the different parts of the Region, in particular to avoid shifting the market pressure for energy-dense food and beverages to countries with less regulated environments, and also that civil society should support the policy response. It states that, 'the active involvement of civil society is important, to foster the public's awareness and demand for action and as a source of innovative approaches. Nongovernmental organizations can support strategies to counteract obesity. Employers', consumers', parents', youth, sport and other associations and trade unions can each play a specific role. Health professionals' organizations should ensure that their members are fully engaged in preventive action.'

Some findings to reflect on....

Alcohol

The Institute of Alcohol Studies Factsheet, Alcohol in the Workplace notes:

- Up to 17 million working days are lost each year because of alcohol-related sickness
- The cost to employers of sick days due to drink is estimated at £1.7bn.
- The total annual cost to the economy is estimated to be £7.3bn (2009/10 prices).

Some findings to reflect on....

Alcohol

A 2007 report commissioned by Norwich Union Healthcare produced the following findings on alcohol-related workplace issues:

- A third of employees admitted to having been to work with a hangover
- 15% reported having been drunk at work
- 1 in 10 reported hangovers at work once a month and 1 in 20 once a week
- Work problems resulting from hangovers or being drunk at work included difficulty concentrating, reduced productivity, tiredness and mistakes.

Cost items in WHP

In groups of three or four identify three elements of a WHP programme that have a quantified cost.

Return on investment

- Bevan observes that research has indicated “that employers spend in the region of 9 to 10 per cent of their annual paybill managing the direct and indirect consequences of sickness absence”.
- With consideration of a return on investment, Lee et al. argue, “that implementing wellness without financial backing is not effective. Nevertheless, it is possible for such a programme to become financially sustainable after an initial investment period”

Return on investment

- It has been estimated that a firm of 1000 employees that implemented NICE public health guidance on promoting mental well-being at work would make a possible saving of > £250,000

Return on investment

- Lee et al. also note that research in the US has indicated a return of \$2.5 per dollar spent on programmes; with other less tangible benefits accruing to the firm such as reduced presenteeism, improved moral, improved corporate image etc.⁶⁷
- Whilst in a different study Baicker et al. found that for every dollar spent on US workplace disease prevention and wellness programmes saved \$3.27 in medical costs and the cost of absenteeism fell by \$2.73.

Return on investment

- In the case of mental ill-health, a number of studies have indicated that the atmosphere at work can significantly impact the outcome for the employee in terms of work and career progression.
- Research by Knapp et al. observing that for a firm of 500 employees it was possible that in the first year of running a mental well-being programme, that the initial costs of £40,000 for the programme are outweighed by gains arising from reduced presenteeism and absenteeism of £387,722.
- This represents a substantial annual return on investment of more than 9 to 1

Return on investment

PricewaterhouseCoopers found from their literature survey the following benefit-cost ratios from certain types of wellness programmes:

- Programmes targeting medical costs alone found a return on investment of 2.3
- Programmes targeting absenteeism found returns on investment of 2.5, 4.9 and 10.1
- Programmes targeting absenteeism and presenteeism found returns on investment of 1.81, 3.24 and 8.81
- The benefit-cost ratio for programmes targeting musculoskeletal issues were as high as 15.4, 24.6 and 84.9

ROI Information

GLAECONOMICS

London's business case for employee health and well-being, May 2012,

ISBN 978-1-84781-511-8

Available at:

https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/health-wellbeing-2012.pdf

Reflections



What have you taken from this workshop?

What impact will it have on your role?

Thank you for your attention

John Griffiths

john@work2health.org.uk

WORK²HEALTH

