

THE CASE FOR COMPREHENSIVE WORKPLACE HEALTH PROMOTION



Making “Cents”
of a Good Idea



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Introduction

Whether you are CEO of a large corporation or a manager of a small business you are facing similar issues when it comes to productivity and competitiveness in today's market.

- How to attract and retain the best and the brightest in a dwindling skilled/knowledge labour market?
- How to get a handle on employee absenteeism, which is so costly to your business?
- How to increase your profits to be successful in your business at home and compete globally?

Workplace health promotion is a key factor, perhaps THE key factor to address all these issues. The mounting costs of maintaining unhealthy employees, coupled with the expense and disruption associated with staff turnover, is leading many employers to implement a workplace health promotion strategy. Thanks to a growing body of evidence, today's workplace health programs are no longer viewed as just a good idea, but rather a crucial investment in an organization's long-term success.

Employers are learning that providing an organizational environment that supports employees' physical and mental health, results in a net gain. Numerous research studies over the past few decades have shown that the workplace has

“To succeed in an increasingly competitive global economy, organizations need to ensure that their workers are performing to the highest standards.”

Source:
The Conference Board of Canada, 2000.

Attracting skilled employees was a major concern for 58% of CEO's surveyed by Angus Reid Group in 1998. Hanging on to those employees was an even bigger worry cited by 70% of respondents. In fact almost ¼ said attracting and retaining high calibre employee was their no.1 concern.

Source:
Chidley, J and A. Wahl. March 12, 1999. "The new worker's paradise". Canadian Business.

a powerful effect on the health of workers¹. How healthy people feel affects their job satisfaction and their productivity. And, how satisfied people are with their job affects their own health. The payback comes in the form of:

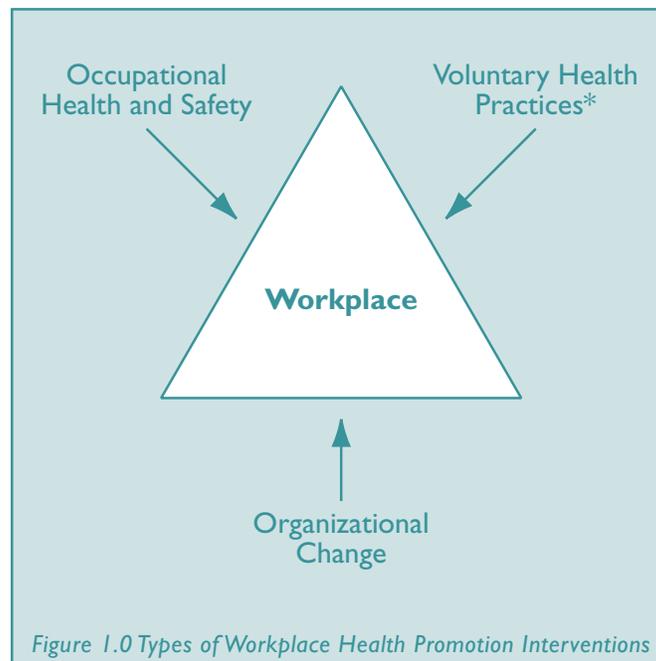
- Improved productivity
- Fewer insurance and workers compensation claims
- Less absenteeism
- A decrease in accidents
- Reduced staff turnover and the retention of valued staff, which means reduced recruitment, training and induction costs
- Improved staff attitudes towards the organization and higher staff morale
- A more receptive climate for – and ability to cope with – workplace changes; and
- Enhanced business reputation and customer loyalty.

Traditionally workplace health promotion activities have focused on delivering healthy lifestyle programs such as health education and awareness sessions or health and safety training. While these approaches have merit, the bulk of the evidence now shows that a workplace health promotion program is more effective when a wider, organi-

zational approach is used. Taking an organizational approach to workplace health means establishing and integrating a sustainable program of activities that reflect the priorities of the employees and the organization across a range of issues. This necessitates addressing the many factors that affect employee wellbeing such as:

- **Organizational Change Initiatives** – improving job satisfaction and productivity by changing worker attitudes and perceptions, management practices and the way work is organized.

- **Occupational Health and Safety** – reducing work-related injury, illness and disability by addressing environmental and chemical hazards in the workplace, ergonomics and air quality.
- **Voluntary Health Practices** – reducing the risk or incidence of worker illness by addressing individuals’ lifestyle behaviours through education, supportive environments and policy.



* The terms “voluntary health practices”, “individual lifestyle practices” and “healthy lifestyles” are often used interchangeably for this factor.

Rationale for Investment

There are four critical reasons for organizations to invest in workplace health promotion:

- **Cost Savings / Cost Benefit**
- **Employee Satisfaction**
- **Organizational Profile**
- **Due Diligence**

Cost Savings: Unhealthy employees are costing organizations in Canada billions of dollars every year. The cost of employee absence alone is approximately \$8.6 billion². Businesses incur direct costs such as workers compensation, disability costs and drug costs; and indirect costs related to absenteeism, replacement labour or equipment damage. Most importantly though is the 'opportunity cost' of a stressed, ill, injured workforce in terms of lost innovation, quality and productivity.³

Here are some sobering statistics on the cost of an unhealthy workplace:

- Canada's workforce is aging. Older workers (55-64) average twice as many sick days as their younger counterparts.⁴ Benefit costs and absenteeism will likely escalate if older workers do not improve their health.
- Employees who smoke cost companies between \$2,308 to \$2,613 more per year than non-smoking employees.⁵

In a study of employees conducted by the MEDSTAT Group in Washington, depression and high stress were found to have the greatest impact on worker health care costs, increasing these costs more than obesity, smoking or high blood pressure. In fact, these costs were 46% higher for workers who felt they were under a lot of stress.

Source:
The Wellness Program Management Yearbook, 2001

- Workers who have little input into decision making and the way their work is organized within their jobs were found to be 50% more likely to suffer from heart disease.⁶
- Work absences are increasingly due to personal reasons. Excluding vacation and maternity leaves, Canada lost 85.2 million workdays for personal reasons in 2001, up from 65.6 million workdays five years ago.⁷
- Mental and nervous disorders have replaced musculoskeletal conditions as the top conditions causing long-term disability.⁸ Recent calculations suggest that upwards of \$30 billion is lost to the Canadian economy annually due to mental health and addiction problems.⁹
- Canadians are experiencing extreme levels of stress due to conflict between their work and their home.¹⁰ Workers with high work-life conflict registered 13.2 days absence/year compared to 5.9 days in those with low work-life conflict.
- A recent study of the executive cadre in the Canadian federal public service showed that an individual's lack of job control increased the likelihood of distress. High distress in turn was shown to increase the likelihood of experiencing musculoskeletal problems by 90%; cardiovascular problems by 120%, gastrointestinal problems by 210%:

coronary heart disease by 350%: and mental health disorders by 1740%.¹¹

Cost-Benefit: There are a number of studies that relate financial benefits to a healthy workplace. A recent review of the cost effectiveness of a selection of U.S. workplace health promotion initiatives showed a positive return on investment values ranging up to \$8.81 per dollar spent on the program.¹² Some samples of successful investment returns from Canadian workplace health promotion programs include:

- At MDS Nordion in Kanata, Ontario, the employee turnover rate is 6% compared to the industry norm at 10% or higher. Their annual sick days are 4 days per employee and the Canadian average is 8 days.¹³
- At B.C. Hydro an internal cost benefit analysis after a ten-year program showed the program returned a saving of \$3 for every dollar spent.¹⁴
- When Canada Life Assurance Co. reviewed the results of its wellness program, it found that over the course of a decade, each dollar the corporation had spend on health promotion reaped reward of close to \$7.¹⁵
- Project Impact (Halifax): Return on investment calculations ranged from \$164:1 to \$3.98:1 for employees in blue-collar occupations.¹⁶
- The Winnipeg-based Canadian Wheat Board found an annual rate of 3.8 sick days per employee, as compared with the 6.2 day average reported by Statistics Canada.

Can anything be done about stress in the workplace?

There is a great deal of evidence that individuals experience mental health problems, stress, and many physical ill effects when they work in a negative environment. A negative work environment occurs when demands of a job exceed the control; there is a lack of involvement and participation in decision-making; there are excessive workloads and; lack of social support and managerial support for balancing home and work responsibilities.

What can be done? The answer, according to Dr. Martin Shain, leading Canadian expert on mental health in the workplace, is to change organizational culture. He states that health promotion programs will be effective only under conducive managerial conditions (primarily those that stimulate employee job

satisfaction). He also notes that the “sense of fairness” that an employee has about whether work conditions are the choice of management or whether they happen by chance, is a key factor linking conditions of work to health.

Most experts conclude that management must play a greater role in efforts to reduce the effects of stress, anger, and depression in the workplace and workplace health initiatives need to be integrated into managerial responsibilities.

*Source: NQI 2001. Investing in Comprehensive Workplace Health Promotion. * Not all examples here use the same definition for comprehensive workplace health promotion programs. For more detailed descriptions of comprehensive workplace program examples in Canada see profiles of the winners of the NQI Health Workplace Awards at www.nqi.ca.*

Employee Satisfaction: The research is clear that workers who are satisfied with their jobs tend to be healthier, whereas people who are dissatisfied with their jobs incur negative physical and psychological consequences.¹⁷ There are important links between employee job satisfaction; employee health and productivity; customer/client satisfaction; and ultimately the bottom line. Many companies are starting to recognize the relationship between leadership behaviour, employee and customer satisfaction and profit¹⁸. Sears, Roebuck and Company was one of the first to recognize this, and was able to increase revenues by over \$200 million in 12 months by increasing employee satisfaction.¹⁹

Organizational Profile²⁰: Organizations that value and improve the health of the workplace gain by improving their profile. The improved profile generates advantages such as attracting and retaining better employees. If an organization recruits high calibre people and retains them then they enhance their ability for growth.²¹ In addition there

Saskatchewan's Occupational Health and Safety Act (1993) has expanded its definition of worker health and safety to include social wellbeing of workers and the placing of workers in working environments that are adapted to their individual physiological and psychological conditions.²⁵

The Ontario Workplace Safety and Insurance Board recently awarded a settlement to Heather Crowe, an Ottawa waitress who never smoked but contracted lung cancer due to second-hand smoke in the workplace.

are increasing expectations on the role of businesses in fulfilling their social responsibility to its employees and the community in which they live and work. Investors are increasingly focusing on how organizations meet this expectation. For example, in a study by Ernst and Young entitled "Measures that Matter", researchers found that 35% of the valuation decision is based on non-financial factors such as human capital.²²

Due Diligence: By providing a healthy workplace environment, employers protect themselves from liability charges related to exposure to an identified workplace hazard. Employers may soon face litigation based on the lack of due diligence that creates excessive stress for employees.²³ As well, an unhealthy employee may threaten the safety of others. As employees become more stressed they become more likely to be involved in workplace accidents and sustain injuries.²⁴ Employers are required to protect employees and the public from the unsafe actions of a worker.

Does Being an Employer of Choice Make A Difference to the Bottom Line?

In a recent study, researchers at the University of Dayton, Ohio, found that, as a group, 60 companies that made up "Fortune's 100 Best Companies to Work For" list for 1999 produced better financial performance (based on five market-based performance measures) than a group of comparable companies in their respective industry that were not on the list.

Adapted from Conference Board of Canada Report October 2002. "Health Promotion Programs at Work – A Frivolous Cost or a Sound Investment?"

Critical Success Factors in Workplace Health Promotion

Throughout the current workplace health promotion literature there is widespread agreement on the conditions for successful workplace health promotion initiatives²⁶:

1. Senior management involvement

Evidence of enthusiastic commitment and involvement of senior management helps employees understand their employers' serious commitment to health.

2. Participatory planning

Workplace health planning should be undertaken in partnership with the workforce. Employees from all levels of staff should be actively engaged in the health and management aspects of the project as well as all on-going processes of any workplace health initiative.

“Management-related factors have been shown to contribute more to success than the content of the intervention.”

Source:
Michael O'Donnell, 2002.
Health Promotion in the Workplace 3rd Ed.

3. Primary focus on employees' needs

A workplace health promotion program should meet the needs of all employees regardless of their current level of health and recognize the needs, preferences and attitudes of different groups of participants. Program designers should consider the major health risks in the target population, the specific risks within the particular group of employees, and the organization's needs.

4. Optimal use of on-site resources

Planning and implementation of initiatives should optimize use of on-site personnel, physical resources, and organizational capabilities. For example, whenever possible, initiatives should use on-site specialists in such areas as health and safety, management, work organization, communication, and human resources.

How long does it take to see a return on investment?

- Positive changes in your workplace, such as employees engaging in healthy activities during work hours are usually seen within a few months.
- Within one year, your front-line managers see evidence of increased job satisfaction, commitment to work and improved productivity among workers. An increase in customer satisfaction should also be seen.
- It will take at least 3 years before an organization sees any significant quantitative improvements in health-related costs.

Source: CCIH, 2002

5. Integration

An overall workplace health policy should be developed. The policies governing employee health must align with the corporate mission, vision and values, supporting both short and long-term goals.

6. Recognition that a person's health is determined by an interdependent set of factors

Any health initiative must address multiple components of an individual's life. For example their lifestyle and their work environment.

7. Tailoring to the special features of each workplace environment

Workplace health initiatives must be responsive to the unique needs of each workplace's procedures, organization and culture.

8. Evaluation

Evaluation must include a clearly-defined range of process measures and outcomes both in terms of employee satisfaction and bottom line business benefits.

9. Long-term commitment

To sustain the benefits of the initiative, the worksite must continue the initiative over time, reinforcing risk reduction behaviours and adapting the programs to ongoing personal, social, economic, and workplace changes.

Supports Available

There are many resources available to assist businesses develop their unique approach to workplace health.

- The National Quality Institute (NQI), in partnership with Health Canada has developed the Canadian Healthy Workplace Criteria. These criteria serve as a roadmap for organizations in any sector that wish to encourage, support and offer exemplary health-related programs in the workplace.
- NQI has a number of resources and training workshops including a document for developing an individual healthy workplace plan: “A Four Step Guide to Building the Business Case for a Healthy Workplace” and background information and research: “Investing in Comprehensive Workplace Health Promotion.” Available at www.nqi.ca
- Health Canada Workplace Health Strategies Bureau www.hc-sc.gc.ca/whsb and the Canadian Council for Active Living at Work www.activelivingatwork.com have developed many resources and tools to develop comprehensive workplace health programs.

- Local public health units in Ontario have a specific mandate to support organizations in the promotion of health. www.health.gov.on.ca/english/public/contact/phu/phuloc. They can also put you in touch with key voluntary health associations and private human resource and management groups with expertise and resources to meet your specific needs.

Why Invest Now?

“There is a growing body of evidence that the case for a healthy workplace must be positioned within the context of achieving excellence and as an investment in not just the health of employees but in the long-term health of the organization.”

Source:
Dan Corbett, President & CEO National Quality Institute (NQI) 2003.

The rationale for investing in comprehensive workplace health promotion is clear. Health issues in the workplace cost the employer directly and in terms of lost opportunity. However sick employees also impact on families, communities, and the health-care system.²⁷ Creating healthy and productive workplaces takes time and dedication at many levels in an organization. Workplace health promotion is no longer just a fringe benefit but a necessity if organizations are to attract and retain high calibre workers and remain competitive in a global market. The question then becomes **how can organizations afford not to invest?**

Endnotes

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