



## A Business Case for Wellbeing

A healthy workplace starts with a mutual commitment between employers and employees to invest in each other.

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# Addressing the elephant in the room...



The last 15 years has seen a surge in the recognition of work based health and wellbeing programs, and despite strong evidence that employee mental and physical health has an undoubtable effect on the bottom line, organisations are still failing to incorporate wellbeing into their overarching business strategy<sup>1</sup>.

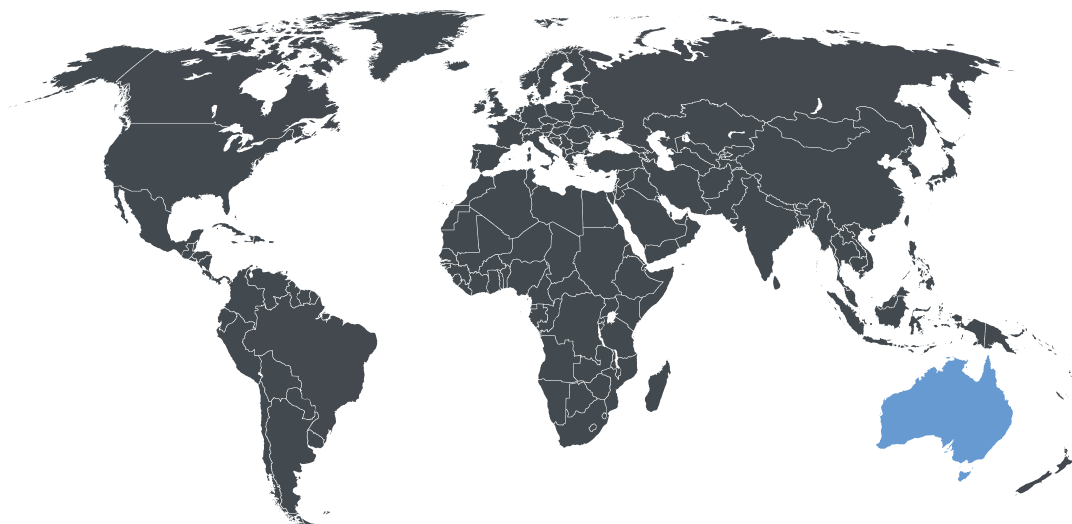
Here we explore the current research, national and international, into the benefits of implementing a robust wellbeing strategy, and the many variables to consider when it comes to designing workplace wellbeing initiatives.

1. Sentis, 2015.

# What the research says



According to an ABS study<sup>2</sup>, 45% of Australians between the ages of 16-85 will experience a mental health condition in their lifetime. It is estimated that untreated mental health conditions cost Australian workplaces approximately \$10.9 billion per year. This comprises \$4.7 billion in absenteeism, \$6.1 billion in presenteeism and \$146 million in compensation claims<sup>3</sup>. Separate figures from the Centre for Mental Health report<sup>4</sup> found that the cost split was estimated at around 10% due to the cost of replacing staff, 30% cost due to sickness absence, and 60% cost due to reduced productivity at work<sup>5</sup>.



One person in five has experienced a mental health disorder in the last 12 months<sup>3</sup>.



20%

Nearly half the Australian population will experience a mental health disorder at some time in their lives<sup>3</sup>.



45%

2. The Australian Bureau of Statistics, 2007.

3. TNS & Beyond Blue, 2014.

4. The Sainsbury Centre for Mental health 2007.

5. Deloitte, 2017.

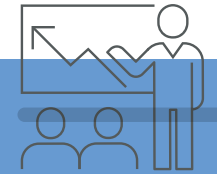
## Mentally unhealthy workplaces impact on employee behaviour

- In the past 12 months one in five Australians (21%) have taken time off work because they felt depressed, stressed, mentally unhealthy or anxious.
- This statistic is more than twice as high (46%) among those who consider their workplace mentally unhealthy.
- Workers who believe their organisation is mentally unhealthy are unlikely to seek assistance from management if they are experiencing a mental health condition. Furthermore they are unlikely to offer support to a colleague with a mental health condition, and this effects the bottom-line drastically<sup>3</sup>.

## Findings from the National Employee Mental Wellbeing Survey<sup>6</sup>



**84% of employees** have experienced physical, psychological, or behavioural symptoms of poor mental health where **work was a contributing factor**.



**76%** of line managers believe employee wellbeing is their responsibility.  
**22%** have received some form of training on mental health at work.  
**49%** would find even basic training in common mental health conditions useful.



**48%** of people with mental health problems said they would not be comfortable talking to their employer and only **55%** of employees believe their manager is concerned about their wellbeing.

**In the case of a staff member with depression:**

**68%** of female managers would feel confident responding to the issue, compared to **58%** of male managers.

6. The Prince's Responsible Business Network, 2016.

# What is the relationship between wellbeing and work?

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How a work environment affects a person's mental wellbeing is a complex question to answer<sup>7</sup>.

Researchers have found that individuals often classify work as providing numerous imperative outcomes including approval within society, a sense of purpose and opportunities for growth and may therefore play a pivotal role in a person's recovery and prevention from mental health difficulties. In addition, findings from several systematic examinations have shown that work can be beneficial for an individual's overall wellbeing, especially if good quality management is present and there are positive workplace conditions<sup>8-10</sup>.

Promoting mental and physical health is not at the expense of the overall workplace<sup>11-12</sup>. A study examining data of over 5000 employees in a customer service organisation, established that work performance (using supervisory performance ratings) were uppermost when workers reported high levels of psychological wellbeing and job satisfaction<sup>13</sup>. Overall, findings from the research literature suggest that developing a mentally and physically healthy workplace is worth pursuing for its multiple benefits to individuals as well as organisations.

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7. UNSW, Black Dog Institute & Australian School of Business, 2014.

8. Fossey and Harvey, 2010.

9. Waddell & Burton, 2006.

10. Barack et al., 2009.

11. Harvey et al., 2011.

12. Wright & Cropanzano, 2000.

13. Wright et al., 2007.

# The good news

According to a study by Comcare, global research has found that when effective employee health and wellbeing programs are implemented the percentage of engaged employees increases from 7% to 55%.

This research also found self-reported creativity and innovation increases from 20% to 72%<sup>14</sup>.

Some more evidence from recent research findings include:

- Organisations with strong organisational health (i.e. investment in quality people management) exhibit better service delivery performance.
- Effective wellbeing programs are associated with stronger financial performance, typically 2.2 times above average.
- Implementing effective early intervention programs results in a five-fold return on investment, due to increased employee productivity<sup>15</sup>.

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14. Comcare, 2011.

15. Comcare, 2014.





# 4 crucial steps to implementing a robust wellbeing strategy



There are many variables to consider when it comes to designing and implementing workplace wellbeing initiatives. First and foremost, any successful program must have the backing and endorsement of senior leaders, without this, any solution implemented is destined to be a short lived fad rather than a sustainable initiative.

A comprehensive and robust solution for the implementation and effectiveness of wellbeing programs should be built on a solid foundation with an agile and adaptive approach to the delivery of initiatives.

1. Agenda & Culture
2. A Holistic Approach to Wellbeing
3. Design & Delivery
4. Analyse Intervention Effectiveness & Sustainability

## 1. Agenda & Culture

Organisations need to be clear on the agenda and why they are considering implementing or expanding on wellbeing initiatives within their workplace. For many, it is a knee jerk reaction to address workplace culture issues, levels of absenteeism and high levels of stress, whilst for other organisations the approach is coming from a human capital perspective with a focus on social responsibility, increased levels of engagement, talent attraction and staff retention. Neither of these factors alone are indicators of the success or failure of such initiatives.

Prior to the design and development of any wellbeing strategy it is imperative to conduct a comprehensive assessment of your workforce that is tailored specifically to understanding



your people's mindset and beliefs in regards to wellbeing. This data is paramount to inform the design and extent of any intervention. According to Comcare's Effective Health and Wellbeing Programs report employers need to place greater emphasis on, and resources into, implementing and evaluating wellbeing programs<sup>16</sup>.

## 2. A Holistic Approach to Wellbeing

Employers across all sectors are becoming increasingly aware of the impact of individual effectiveness on culture, business operations and the bottom line. Sustainable companies are measuring their success through profitability, social and environmental factors.

Organisations that aim to impact the social capital of their organisation and influence the behaviours and attitudes of their staff need to ensure that they have the resources and support to engage with their people at all levels. This enables them to best segment offerings at an individual, team and leader level.

In terms of importance, the workplace is matched only by the

education system as the most effective front line in tackling chronic disease and promoting wellness.

As part of employers work health and safety responsibilities they have an obligation to provide a physically and mentally safe workplace. A well rounded wellbeing initiative supports employees and employers by encouraging help seeking behaviour, reducing the stigma associated with mental illness and fostering connectivity in the workplace.



## 3. Design & Delivery

The design and delivery of any wellbeing initiative should be developed in consultation with all stakeholders, incorporating data gathered from organisational diagnostics and staff consultation. Initiatives should be designed taking into consideration the needs of the individual, the business operations and the desired objectives of any intervention.

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16. Comcare, 2010.



All solutions and programs should be well communicated ensuring that there is no ambiguity, and that staff involved have an understanding of the purpose and the intent of the initiatives.

Programs should be adaptable and easily modified to suit the environment and the particular nuances and challenges for those working in the organisation. Things such as sector specific risks and challenges should be reviewed and incorporated into program design and delivery.

Supervisors and team leaders should ideally be involved in the communication phase of any initiative and have access to relevant training and support to ensure that they can effectively lead and support their teams.

## 4. Analyse Intervention Effectiveness & Sustainability

It is imperative to ensure that any wellbeing initiative includes the means to evaluate and measure participant's experiences and how the initiatives meet organisational objectives more broadly. Evaluation should be an ongoing process giving

organisations the means to identify any gaps and make changes as required.

In our experience the thing that is often over looked when developing a wellbeing strategy is the maintenance and sustainability piece associated to any wellbeing initiative. Programs implemented should be viewed as a starting point to assist with awareness and education, lasting change and impact on culture requires ongoing sustainable practices.

Organisations should have both the means and the resources available to identify ongoing cultural initiatives that will assist employees to maintain the momentum and keep working toward individual and organisational goals.

Leaders are collectively standing up and taking note of the importance of investing in their employees' wellbeing. The statistics are undeniable and the age of paying lip service to wellbeing initiatives is fading fast.

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# Where to from here?

**Our job is to work with organisations to bridge the gap between employee wellbeing, workplace support and productivity based on leading research from around the globe.**

**Contact us now to find out about our offerings.**

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