

ROBERT WALTERS WHITEPAPER

# THE VALUE OF PROMOTING EMPLOYEE HEALTH AND WELLBEING



ROBERT WALTERS

## FOREWORD

In the business world today, employee health and wellbeing is a key focus of some of the world's most successful and innovative organisations. For these companies, employee health and wellbeing isn't just something they pay lip service to; they invest great time, energy and resources into creating workplaces that embrace wellness and consider it a vital part of business strategy.

That's because time and time again, scientific studies have shown that the cost of not having a workplace wellness program is greater than the cost of implementing one. By the time you factor in high turnover rates, employee absenteeism and presenteeism and general employee morale and energy levels, not having a workplace wellness program can be very costly.

But how does an organisation go about implementing a successful wellness program? And what exactly do employees want and expect from their employer when it comes to health and wellbeing? This whitepaper seeks to shed some light on current attitudes towards workplace wellness programs from the perspective of employers and professionals, and discusses the factors that contribute to a successful wellness program. I hope you find it valuable.



**James Nicholson**

Managing Director - ANZ, Robert Walters

## METHODOLOGY

This whitepaper is based on the findings of research undertaken by Robert Walters. To conduct this research, Robert Walters surveyed over 1,000 hiring managers and more than 2,400 professionals across Australia and New Zealand.

For the purpose of this whitepaper:

- **Wellbeing** is a measure of a person's happiness and psychological, emotional and mental state
- **Workplace wellness program** refers to a workplace strategy being implemented to improve the health and wellbeing of employees. Examples of wellness initiatives could include encouraging employees to focus on key health behaviours such as increasing physical activity, improving eating habits and reducing stress.

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## INTRODUCTION

The purpose of this whitepaper is to explore attitudes towards employee health and wellbeing and the impact this has on the modern workplace, and to provide recommendations on how employers can better implement and benefit from workplace wellness programs.

Specifically this whitepaper explores:

- The prevalence of workplace wellness programs and their value to employees
- The impact of employee health and wellbeing on productivity and engagement
- Key elements of implementing a health and wellbeing program
- Health and wellbeing as a talent attraction and retention strategy



# THE PREVALENCE OF WORKPLACE WELLNESS PROGRAMS AND THEIR VALUE TO EMPLOYEES

# 92%

of professionals surveyed said that it was very important or somewhat important for them to work for an employer that offers a workplace wellness program.

Almost a third of professionals and employers surveyed said that their organisation offered a workplace wellness program that was fully implemented, effective and/or highly utilised. A slightly higher proportion of respondents stated that their organisation did offer a workplace wellness program but that it was partially implemented, ineffective and/or poorly utilised. Over a quarter of professionals and employers indicated that they worked for an organisation that did not offer a workplace wellness program and has no plans to offer one in the near future.

The vast majority of professionals surveyed said that it was very important or somewhat important for them to work for an employer that offers a workplace wellness program. In addition, 88% of professionals believe that employers have a responsibility to support and enhance employee wellbeing.

# 56%

OF PROFESSIONALS THINK THEIR EMPLOYER DOES NOT DO ENOUGH TO SUPPORT HEALTH AND WELLBEING

## Percentage of organisations who offer a workplace wellness program



- 35% Wellness program is offered but is partially implemented, ineffective and/or poorly utilised
- 29% Wellness program is offered and is fully implemented, effective and/or highly utilised
- 27% No wellness program is offered and organisation has no plans to
- 9% No wellness program is offered but organisation has plans to

Encouragingly, 98% of hiring managers understand that a workplace wellness program is important to employees, and 92% believe that employers have a responsibility to support and enhance employee health and wellbeing. However, 59% of employers and 56% of professionals believe their organisation does not do enough to support employee health and wellbeing.

ORGANISATIONS THAT IMPLEMENT HEALTH AND WELLBEING STRATEGIES CAN REDUCE THEIR EMPLOYEES' HEALTH RISK FACTORS BY UP TO 56%.<sup>1</sup>



<sup>1</sup> Wesley Corporate Health (2006), The future@work health report: Employees and their workplace



## KEY LEARNING #1:

**Organisations must ensure their workplace wellness programs are well established and operational at all times**

For a workplace wellness program to be successful, organisations must ensure that their initiatives are readily available and running smoothly – both at the time of launching the program and on a day-to-day basis. This means that employers must continue to regularly review usage of initiatives to ensure that they are being properly utilised, and seek input from their employees into which initiatives are valued and which are not.

## KEY LEARNING #2:

**Employers must do more when it comes to supporting health and wellbeing**

Whilst many organisations understand the value of supporting employee health and wellbeing, employers must avoid making the mistake of simply establishing a workplace wellness program and expecting it to be successful without any further attention. Instead, employers must look for ways they can do more to show their commitment to enhancing their employees' health and wellbeing. In particular, training team leaders and senior management throughout the organisation to nurture a culture of transparency and support when dealing with health and wellbeing issues.

# IMPACT OF HEALTH AND WELLBEING ON PRODUCTIVITY AND ENGAGEMENT

# 93%

of employers agree that a workplace wellness program can have a positive effect on organisational productivity.

More than half of professionals surveyed (54%) said they would look for a new job if they experienced health and wellbeing issues at work and were not supported by their employer. In contrast, only 19% of employers believe that employees would seek to leave the company if their health and wellbeing wasn't adequately supported. Employees also said they would take more time off work and put less effort into their work if they experienced health and wellbeing issues and were not supported by their organisation.

NEW ZEALAND LOST 6.7 MILLION DAYS TO ABSENCE IN 2014 – UP FROM 6.1 MILLION IN 2012 – ACCORDING TO THE 2015 SOUTHERN CROSS HEALTH GROUP AND BUSINESSNZ SURVEY REPORT. THE DIRECT COSTS OF ABSENCE AMOUNT TO MORE THAN NZ\$1.45 BILLION ACROSS THE ECONOMY IN 2014.<sup>3</sup>

A 2015 AIGROUP (AUSTRALIAN INDUSTRY GROUP) SURVEY REPORT ESTIMATES THAT ABSENTEEISM DIRECTLY COSTS ORGANISATIONS APPROXIMATELY \$578 PER EMPLOYEE PER ABSENT DAY. COUNTING DIRECT COSTS ALONE, THE ANNUAL COST TO THE AUSTRALIAN ECONOMY IS IN EXCESS OF \$44 BILLION. MEANWHILE, THE COSTS OF PRESENTEEISM (PRODUCTIVITY LOSSES AS A RESULT OF WORKERS ATTENDING WHEN UNWELL) ARE IN THE VICINITY OF \$35 BILLION.<sup>2</sup>

## EMPLOYERS UNDERESTIMATE THE VALUE OF HEALTH AND WELLBEING TO EMPLOYEES

**81%** of employers think that employees would not leave an organisation if their needs were not met.

However, **54%** of professionals say they would.

Promisingly, a large majority of both employers and professionals believe that a workplace wellness program can have a positive effect on organisational productivity. In addition, 78% of professionals and 74% of employers believe that poor employee health and wellbeing contributes to high turnover rates.

### How employees would be affected if they experienced health and wellbeing issues but weren't supported by their employer

I'd start looking for new jobs	54%
I'd take more time off work	48%
I'd put less effort into my work	43%
I'd care less about the performance of the company	38%
I'd start resenting my employer	26%
I'd talk negatively about my employer	13%

<sup>2</sup> AiGroup (2015). Absenteeism & Presenteeism Survey Report 2015

<sup>2</sup> 2011 Medibank report, 'The cost of presenteeism to your business and the economy'

<sup>3</sup> 2015 Southern Cross Health Society and BusinessNZ report, 'Wellness in the Workplace'



### KEY LEARNING #3:

#### **The costs of mismanaging health and wellbeing issues need to be fully understood**

Whilst many organisations understand that offering a workplace wellness program can improve productivity, employers should also be aware of the potential financial benefits a healthy workforce can have on their organisation. Ineffectively managing health and wellbeing issues can have serious cost implications and employers need to be proactive about preventing the occurrence of issues by paying proper attention and being better prepared to manage employee health and wellbeing levels.

### KEY LEARNING #4:

#### **Employers mustn't lose sight of the individual**

Simply implementing a workplace wellness program – no matter how effective – is not enough to ensure that all employees' health and wellbeing needs are being fully met. Team leaders and senior managers must have regular one-on-one contact with team members in a confidential manner, to keep up-to-date on how each individual is feeling and what challenges they may be facing both at work and in their personal lives. This will allow managers to adapt their organisation's wellness initiatives and working environment to help make their team members feel more supported.

# KEY ELEMENTS OF IMPLEMENTING A HEALTH AND WELLBEING PROGRAM

**ONLY 13%**  
of respondents said their workplace wellness program was driven by the senior leadership team.

When asked which initiatives they would value most in a workplace wellness program, employees ranked the following most highly: flexible work options (76% of respondents), ergonomic/flexible work stations (32%), wide-ranging/generous leave policies (31%), on-site gym or fitness facilities (31%) and a healthy eating program (29%). Employers believed that professionals would most value flexible work options (79% of hiring managers), wide-ranging/generous leave policies (32%) and ergonomic/flexible work stations (31%).

Over a third of all respondents (36%) said that their organisation's health and wellbeing program was currently driven by the HR team; 13% of respondents said their workplace wellness program was driven by the senior leadership team and just 8% said the program was driven by everyone in the organisation. However, the majority (37%) of employees surveyed think a wellness program should be driven by everyone in the organisation, and 28% believe the program should be driven by the senior leadership team.

## Health and wellbeing initiatives most highly valued by employees

Flexible work options	76%
Ergonomic/flexible work stations	32%
Wide-ranging/generous leave policies	31%
On-site gym or fitness facilities	31%
Healthy eating program	29%
Exercise groups/classes	26%
On-site health services	13%
On-site childcare	10%
Free employee financial or legal support	7%
Concierge services (e.g. dry-cleaning)	6%

Organisations surveyed who did not offer a workplace wellness program stated the following reasons as the main inhibiting factors: insufficient management support, lack of budget, company culture not compatible with wellness and lack of business case to support implementation.

## Top reasons for not offering a workplace wellness program

  
**44%**  
**INSUFFICIENT  
MANAGEMENT  
SUPPORT**

  
**36%**  
**LACK OF BUDGET**

  
**18%**  
**COMPANY CULTURE  
NOT COMPATIBLE WITH  
WELLNESS PROGRAM**

  
**18%**  
**LACK OF BUSINESS  
CASE TO SUPPORT  
IMPLEMENTATION**



## KEY LEARNING #5:

### **A workplace wellness program should not just be the responsibility of the HR department**

To ensure that their wellness programs are successful and highly utilised, senior leaders must be seen to be the champions of the program by talking openly about the wellness initiatives and their own experiences with the program. In addition, organisations should give employees the chance to help drive the workplace wellness program. This could be achieved by creating an employee group who is passionate about health and wellbeing to own the program, as well as by giving all employees the chance to be involved at various stages of the program, from offering suggestions and implementing the initiatives, through to hosting staff discussion groups and feedback forums.

## KEY LEARNING #6:

### **Examine the evidence that supports the case for a workplace wellness program to overcome barriers to implementation**

If a lack of senior management support is preventing a company from establishing a workplace wellness program, other organisational leaders must outline the potential consequences of not supporting workplace wellness – such as high turnover rates – and encourage the examination of scientific studies that show that the cost of not having a workplace wellness program is higher than the cost of implementing one. Where budget is a concern, employers should also remember that a wellness program needn't necessarily include extravagant initiatives such as an on-site gym – employees highly value more practicable initiatives such as flexible working arrangements and generous leave policies.

# HEALTH AND WELLBEING AS A TALENT ATTRACTION AND RETENTION STRATEGY

# 87%

of professionals agree that an organisations workplace wellness policy is important to them when considering new opportunities.

When considering new job opportunities, the vast majority of professionals said that it was important that a potential employer offers a workplace wellness program, and 64% said they would be more likely to apply for a role if the hiring organisation promoted its workplace wellness program in the job advertisement.

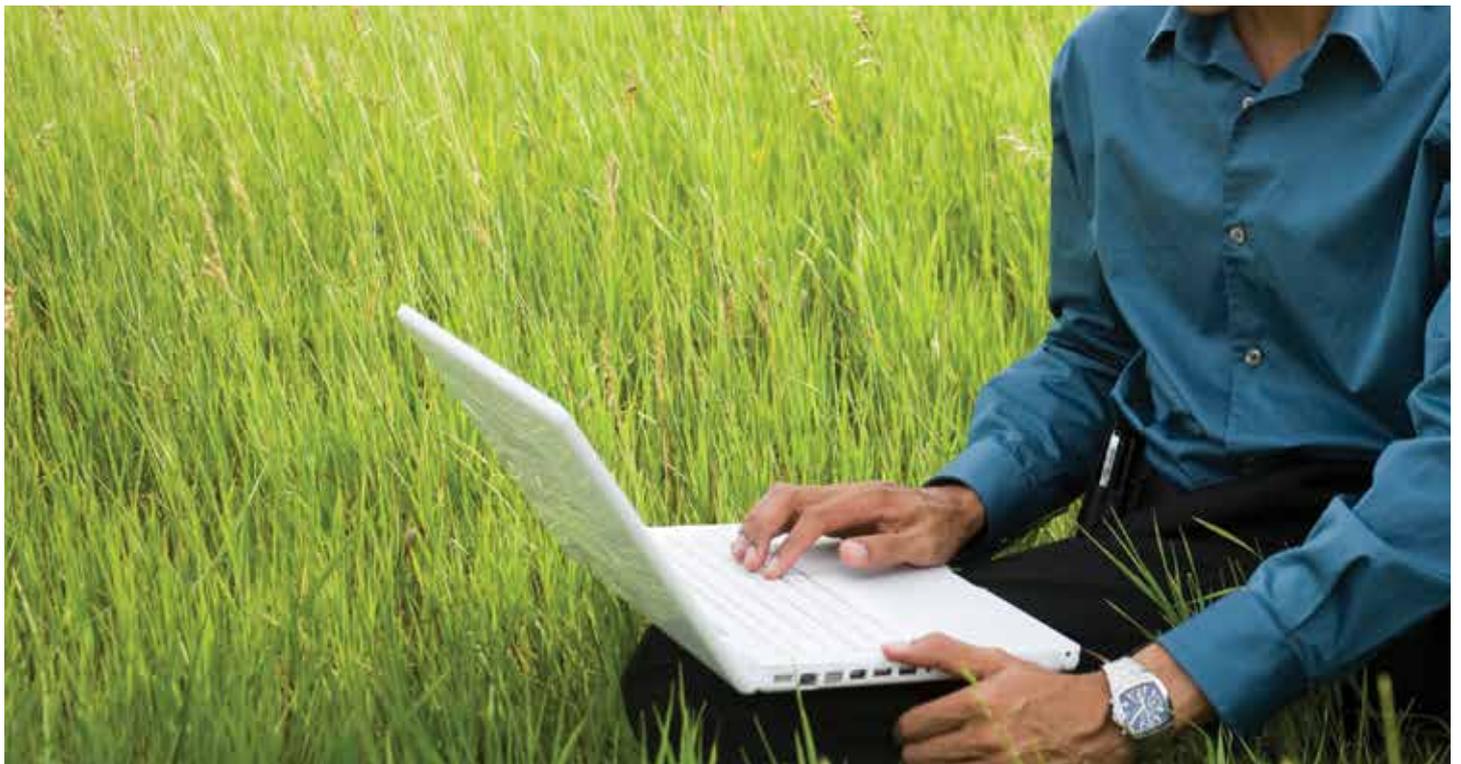
# 57%

OF RESPONDENTS SAY THEIR ORGANISATION DOES NOT ACTIVELY PROMOTE IT'S WORKPLACE WELLNESS PROGRAM TO EXISTING EMPLOYEES

Of all the respondents surveyed, less than half (43%) said their organisation actively promoted its workplace wellness program internally to existing employees. The channels most frequently used by organisations to promote their wellness program are web portal/intranet, posters/flyers and targeted emails. The most underutilised channels were mailings to home addresses, social media, and management/leadership briefings.

**“MORE AND MORE WE ARE FINDING THAT TOP CANDIDATES ARE REALLY LOOKING FOR AN EMPLOYER THAT CAN OFFER THEM SOMETHING MORE – THAT EXTRA 10% THAT OTHER ORGANISATIONS WON'T. FOR THESE CANDIDATES, AN ORGANISATION THAT IS COMMITTED TO HEALTH AND WELLBEING AND HAS A STRUCTURED WORKPLACE WELLNESS PROGRAM IN PLACE WILL ALWAYS BE ATTRACTIVE. THIS WORKS IN REVERSE TOO: MANY CANDIDATES WHO ARE LOOKING TO LEAVE THEIR CURRENT EMPLOYER ARE DOING SO BECAUSE THEY FEEL THEIR PERSONAL HEALTH AND WELLBEING NEEDS ARE NOT BEING MET. SO IF YOU'RE IN THE MARKET FOR TOP CANDIDATES, ENSURE YOUR WORKPLACE WELLNESS PROGRAM IS PROMOTED AS MUCH AS POSSIBLE DURING THE RECRUITMENT PROCESS.”**

**James Nicholson  
Managing Director – ANZ, Robert Walters**





76%

of professionals would most value flexible work options as part of their workplace wellness program

## KEY LEARNING #7:

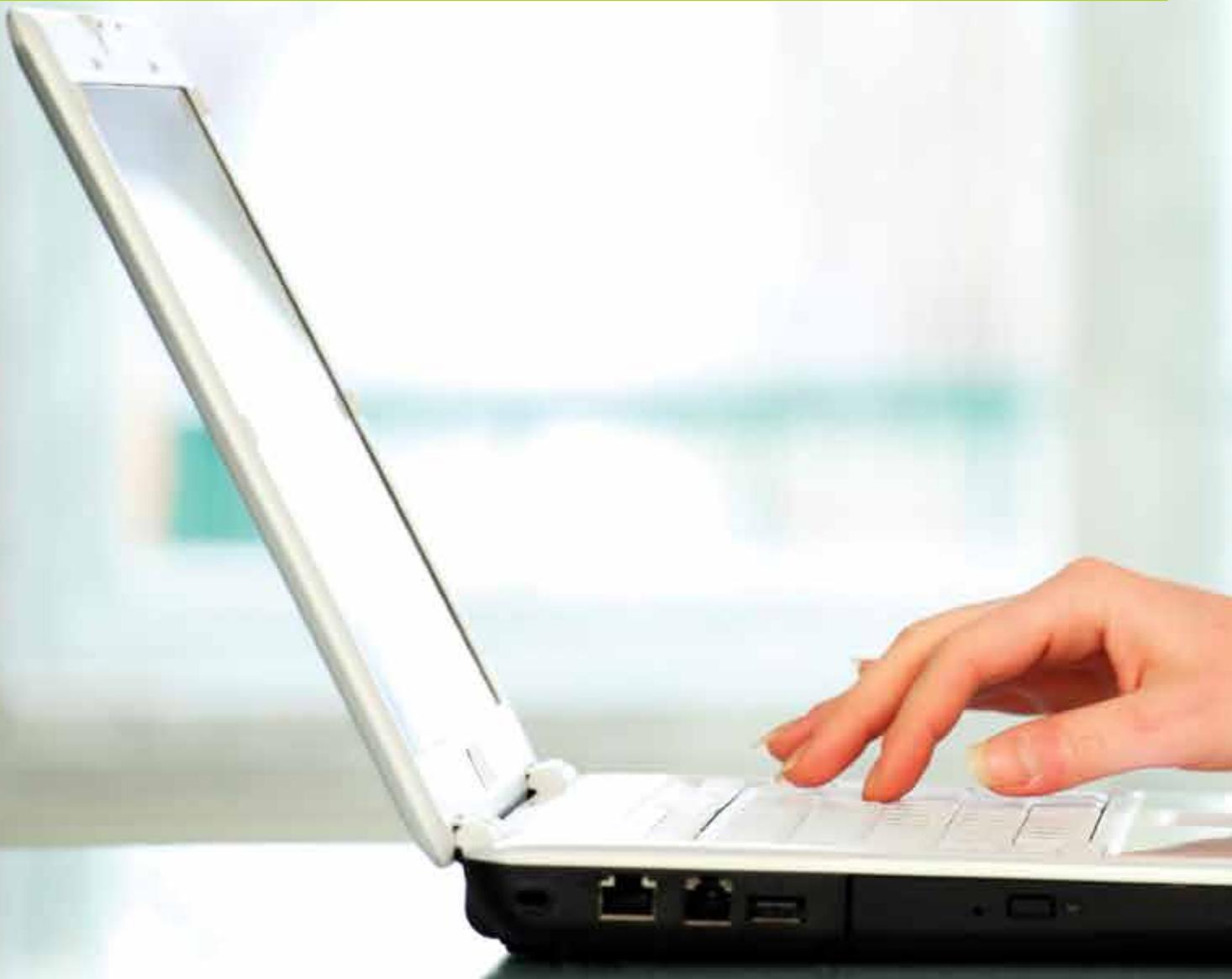
### **Employers must remember to promote their workplace wellness programs during the recruitment process**

Organisations who promote their workplace wellness program during the recruitment process will differentiate themselves from other employers, and attract a greater share of the top candidates. Employers should therefore include references to their health and wellbeing initiatives in their job advertisements and on their career websites, and openly discuss health and wellbeing during interviews. It is important, however, that the initiatives promoted are consistent with the realities of the workplace wellness program in practice.

## KEY LEARNING #8:

### **Organisations could better publicise their health and wellbeing initiatives to existing employees using a range of resources**

Many organisations do not adequately publicise their workplace wellness program internally to their employees, which leads to under-utilisation of the program and a reduction in the benefits and productivity that can be derived from improved health and wellbeing levels. Employers should therefore invest greater energy into promoting their programs to employees, and consider more unusual and impactful methods of communication such as utilising social media channels and regular leadership briefings on the program's initiatives and up-take levels.





# CONCLUSION

Employee health and wellbeing is a topic that is critical to business performance right now. Organisations who invest time and resources into their wellness programs now will be better positioned for future success. Productivity gains of up to 15% can be achieved by upgrading the workplace environment.<sup>4</sup>

The keys to offering a successful wellness program include:

- Ensuring the program is sustainable and operational both at the time of launch and on a day-to-day basis
- Having an attitude of 'always doing more' for employee health and wellbeing
- Understanding the costs of mismanaging health and wellbeing issues
- Keeping a focus on the individual and not just the whole with regular one-on-one contact with employees
- Monitoring the needs of the workforce and seeking feedback on initiatives regularly
- Giving responsibility and ownership of the wellness program to people outside the HR department, and ensuring senior leaders play an active role
- Examining the evidence that supports the business case for implementing a workplace wellness program if there is resistance from senior management
- Promoting the workplace wellness program during the recruitment process to be an employer of choice and attract top talent
- Publicising the health and wellbeing initiatives to existing employees using a range of resources other than just intranet and posters.

<sup>4</sup> Wesley Corporate Health (2006), The future@work health report: Employees and their workplace

## CONTACT US

To discuss this whitepaper or your recruitment needs in more detail, please contact your Robert Walters recruitment consultant or **James Nicholson, Robert Walters Managing Director – ANZ**, on **+61 (0) 2 8289 3130** or **james.nicholson@robertwalters.com.au**.

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