

The Business Case for workplace health and wellbeing



Healthier
Workplace WA 
>com>au™





Mark Batty,
Executive Manager Environment
and Waste, WALGA

*"A healthy and vibrant workforce
is vital for the productivity and
staff retention – HWWA helped
us achieve our goal."*



Ross Fitzgerald,
General Manager, Steel Blue

*"HWWA resources can support
your company to be healthier
- healthy workers are happy,
productive workers."*



Scott Anderson,
CEO / Managing Director,
McMullen Nolan Group

*"We strongly believe that a
healthy work, life and family
balance is the key to the
well-being of our staff."*













The benefits of investing

A healthy worker is motivated, productive and less at risk from diseases like type 2 diabetes, heart disease and some types of cancer.

Effective workplace health and wellbeing programs can:

- » Increase productivity at work by **29%**.¹
- » Improve overall worker health by **24%**.¹
- » Reduce absence due to sickness.¹
- » Result in healthier and safer workers.^{2,3}
- » Create a **positive work environment** and workplace culture.

The prospects

Within a few months	Within 1 - 2 years	Within 3 - 5 years
 worker morale and engagement	 individual work performance and productivity	 workplace injuries and associated expenses
 team cohesion	 attraction and retention of employees	 absenteeism and sick leave
	 improved corporate and recruitment image	 incidence of attending work when sick
	 individual health knowledge	 improved relations among workers and with management
	 job satisfaction	 return on training and development investment

Adapted from Workcover Tasmania (2012), Your Simple Guide to Workplace Health and Wellbeing

The bottom line

We've put together a 'typical' scenario of how sick leave and staff turnover could affect your business. Take a look at how these factors add up.



SICK DAYS = 30 (a)
Total number of sick days (per workplace/per year)

8 HOURS (b)
Average hours worked (per day/per worker)



\$7,200 - Total cost of sick leave for your workplace (per year)
(a x b x c)



Average hourly wage e.g. \$30 (per worker)



3 The number of workers who resigned (per year) (a)



\$60,000 (b)
Average gross wage of workers (\$) (per year/per worker)



75% (c) - Cost of replacing a worker (%) (National estimate is between 75% - 150% of the workers wage)



\$135,000 Total cost of replacing workers (per year)
(a x b x c)

Potential Business Savings



$$\$2,160 + \$13,500 =$$

*It is estimated that implementing a successful workplace health program can decrease staff absenteeism due to sick leave by an average of 30%.

It is estimated that implementing a successful workplace health program can decrease staff turnover by an average of 10%.

\$15,660
Potential savings from implementing a workplace health program

The figures used in this calculation are indicative only. For more information please visit our website hwwa.com.au/calc. We thank The Menzies Research Institute Tasmania and the Tasmanian Government for supplying the algorithms that underpin these calculations.

To calculate the cost of your workers'

health, visit hwwa.com.au/calc

Calculate sick leave

Calculate staff turnover

The costs of not investing in workplace health

Smoking, drinking too much alcohol, unhealthy eating and physical inactivity contribute to time away from work. Poor morale and stress also impact negatively on the bottom line.

Employers
could achieve

**significant
savings**

by reducing the
prevalence of obesity in
their workplaces ⁴

A variety of
studies have shown that for
every dollar employers invest in
health promotion over a 3-year
period, return-on-investment
ranges from

**\$1.40 to
\$4.70⁵**

**Poor
health**

increases the
likelihood of
industrial accidents
or injuries⁶

The cost of
presenteeism
(not fully functioning at
work because of medical
conditions) is nearly

\$26 billion⁷



Fiona Angelatos,
Deputy Principal,
Geraldton Primary School

“As a school we have the important job of developing children’s health and well-being. How better to do this when we ourselves are healthy and motivated.”

With these benefits, can you afford not to invest in workplace health and wellbeing?

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3. Hymel, P.A., et al., Workplace health protection and promotion. A new pathway for a healthier and safer workforce. Journal of Occupational and Environmental Medicine, 2011. 53(6): p. 695-702.
4. Finkelstein, E.A., et al., The costs of obesity in the workplace. Journal of Occupational and Environmental Medicine, 2010. 52(10): p. 971-976.
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6. Goetzel, R.Z., & Ozminkowski, R. J. , The health and cost benefits of work site health-promotion programs. Annu. Rev. Public Health, 2008. 29: p. 303-323.
7. Medibank Private Limited. The Health of Australia’s Workforce, 2005.



Copies of this brochure can be downloaded from the Healthier Workplace WA website or call us for a printed copy.

For help in building a business case

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