

Realising the Health Benefits of Good Work Program

Business Case to Support Implementation and Evaluation



Australian
Health Benefits of Good Work
Signatory Steering Group
MAKING IT HAPPEN

Health Benefits of Good Work
Signature Steering Group
2015

This document

Prepared by the Australian Health Benefits of Good Work (HBGW) Signature Steering Group for use by organisations seeking to drive change in their culture/employment practices and to implement the HBGW philosophy.

About Us

The Australian Faculty of Occupational & Environmental Medicine (AFOEM) established the Health Benefits of Good Work (HBGW) Stakeholder Executive Group in September 2014 to determine the strategic direction for the implementation of health benefits of work into the industry and health sectors to advance the Royal Australasian College of Physicians (RACP) policy.

The Stakeholder Executive Group recommended the formation of two steering groups to develop and implement coordinated initiatives into both industry and health sectors.

The Australian Health Benefits of Good Work (HBGW) **Signatory Steering Group (SSG)** is the industry steering group, comprising fifteen members from a range of stakeholders including statutory authorities, healthcare organisations, insurers and national employers.

Our Purpose

The purpose of the SSG is to further champion the integration of the HBGW policy agenda in the industry sector.

As a forum we share information and collaborate on initiatives that will enable organisations to implement Health Benefits of Good Work programs; as well as championing improvements throughout industry.

Your Business Case

This business case has been compiled as an initiative of the SSG. Its intention is to provide you with easy access to information which supports implementation and evaluation of an evidence based Health Benefits of Good Work Program. It will allow you to plan for and track key initiatives to determine the cost-effectiveness of your investment.

Compelling research indicates that those employers who invest in workplace wellbeing will experience stronger employee engagement and productivity. The goal is to provide evidence to support a universal application of an employees' health and wellbeing by;

- Ensuring workplaces are safe, and having a workplace culture conducive to health and wellbeing;
- Accommodating ill or injured workers to remain in the workplace where possible; and,
- Embracing inclusive employment practices.

Information Sharing

A primary goal of the Signatory Steering Group is to share information across the group, particularly the success stories associated with the implementation of the Health Benefits of Good Work. It is our request and hope, that in accessing this template you may be prepared to share your journey to allow others to learn from and celebrate your successes as you progress along this path. If you are prepared to share information and data relating to the outcomes from adopting a Health Benefits of Good Work approach in your workplace please contact the Chair of the Signatory Steering Group, Suzanne Jones via the following email; suzanne.jones@au.xchanging.com

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Introduction

Maximising employees' access to the health benefits of good work has far reaching benefits to employers beyond limiting worker's compensation and absenteeism costs. It leads companies towards achievement of their corporate social responsibility, produces increased productivity, enhances employee engagement and strengthens their brand in the competitive market.



Over 88 million days are lost to the Australian economy each year through absenteeism, at a cost of \$27.5 million to employers across the nation.ⁱ This impact is not restricted to the days lost. Evidence demonstrates that the longer an employee is off work, the less likely they are to return to productive employment with as much as a 30% reduction if an employee has up to 20 days off work.ⁱⁱ

The single biggest investment an employer will make is in their human resource capital, their 'people'. The investment in people, through recruitment and training, needs to demonstrate a return in productivity and financials for the company. If employees are not present at work, either physically or engaged, then achievement is not attainable.

Employers are a central stakeholder in the shared agenda to positively influence and drive outcomes in the promotion and awareness of the health benefits of good work. Employers can implement healthy workplace practices to ensure that they support their people to flourish in good, healthy as well as safe, work environments, and in doing so reap the financial rewards of business productivity.

At the heart of the **Australian Consensus Statement on the Health Benefits of Work** is a shared desire to improve the welfare of individuals, families and communities.



Why Health Benefits of Good Work?

Today every company operates in a competitive sphere, and success is derived from the continuing momentum in driving **financial** and **social** outcomes aligned to the company's overall purpose and strategy.

The key driver of both financial and social outcomes is with the company's **employees**.

Ensuring employees have access to the health benefits of good work is recognised by many companies as a mechanism to reduce expenses associated with absences, namely reduction in workers' compensation costs through the implementation of effective rehabilitation practices. However simply returning to work following injury or illness does not necessarily secure a durable return and or a sustained benefit for the company. As increasingly employees are in receipt of absence support through a range of employment and insurance arrangements, the focus is shifting to sustainable return to healthy work regardless of work-relatedness.

Evidence fundamentally supports that engaged employees are more likely to be adaptable to the changing business needs; therefore an employer offering **good work** will achieve positive returns on their investment through;

- Providing safe and healthy workplaces, in an environment where the workplace culture is conducive to the health and wellbeing;
- Supporting workers suffering injury or illness to remain at work; and
- embracing inclusive employment practices.

Delivering outcomes through Good Work



Framing your Business Case

In order to support initiatives based on the principles of health benefits of good work, it is important to frame an appropriate business case which:

- Identifies business trends;
- Outlines associated costs with managing the trend as opposed to not managing it;
- Considers a competitor analysis of what other organisations in your field may be doing;
- Details the tangible and intangible benefits of adopting health benefits of good work;
- Creates an action plan which is manageable and supported by key stakeholders.

The following framework is designed to assist you in the development of your business case for health benefits of good work.

Part 1 – Framing the tangible business benefits

1. Rationale for Health Benefits of Good Work

The following link will direct you to key research to assist in understanding the health benefits of good work (HBGW) for your own company's situation.

[insert hyperlinks to research resources; summary of research links, with key points based on evidence research prepared by RACP]

This evidence has been gathered and compiled by the Royal Australasian College of Physicians (RACP) and can be obtained from their website directly at www.racp.com.au.

2. Identifying key stakeholders across your business

One of the most critical foundations for a successful business case is to identify and establish a network of key influencers who will advocate for the health benefits of good work in your company.

While initiatives may naturally seem to fit within the human resources function, the business case for realising the health benefits of good work will be more compelling if broadly understood and supported throughout your organisation. In building your business case you should consider engaging with representatives from senior leadership, various business units and other employee representative groups to ensure common understanding and a level of engagement exists when you are ready to implement any initiative. Your health benefits of good work support network can also be used as a consultation group as you develop your business case and consider the questions posed below.

3. Data and Analysis

The next phase is to understand the key factors driving health in your business. There are a range of internal sources of information which will assist you in drawing together a picture of your business and the “health” issues within them. Consider data from some, or all of these sources:

- Absentee data (sick leave)
- Injury data: (what types of injuries are happening? How many are related to illness?)
- Income Protection data: (If your business provides this benefits, consider how many employees are accessing their income protection policy.
- Life and Total & Permanent Disability benefits through superannuation: (How many of your employees are accessing these benefits, either through your superannuation fund or through their own private arrangements?)
- Retention data (how many employees leave within twelve months)

When considering each of these it is important to also consider the following data sets:-

- Cost to your business to replace absent staff.
- Impacts on productivity when staff are absent from work
- Duration of absences from the business. Is there a high rate of 1 day absences or are their longer term absences?
- If known, the reason for the absence. It is beneficial to understand the type of absence to determine why they are occurring (ie. Long term absences may be due to chronic health issues).
- Impact on business insurance costs.
- How many staff have been absent from work in either a partial to total capacity for more than 12 months?
- Age cohort of your business.



Challenge yourself to question;

- Are there cultural issues within the business?
- Is there a genuine corporate commitment to employee health and wellbeing?
- If you can improve the outcomes of any of the above data sets by more than 10% what will the benefit be to your business?

4. Internal Business Initiatives

Consider what may already be happening within your business which promotes good health in the workplace. Examples of these are detailed below. If these things are not being done at present but you identify improvements are required to achieve good outcomes, how much?

Workplace Health and Safety Initiatives

- WHS performance across the business
- Workplace re-engineering (consider the way the work is structured and or how the tasks are completed, are they safe?)
- Equipment upgrades
- Psychological Health Management

Wellbeing initiatives.

- Employee health checks
- Mental Health education
- Wellbeing survey of employees
- Based on make-up of workforce, focus on men's or women's health issues.
- Self-help web portals dedicated to wellness.

Early Intervention Initiatives

- Recovery at work
- Management of injury and illness.
- Management of non-work related illnesses and injuries.



Challenge yourself to question;

- Would our employees feel comfortable about reporting a health issue at work?
- Are our managers and supervisors able to provide appropriate support?
- Do any current initiatives in place meet the framework of the Health Benefits of Good Work?
- How do you measure the outcomes and benefits gained from these initiatives?
- What additional things would you consider to meet a Health Benefits of Good Work framework?

5. Presenting the Cost Benefit Analysis

When the analysis of the business is done, clearly articulate:

- Scale of current issue and cost implications to the business.
- Understanding of what initiatives can be introduced to improve the productivity performance of the business aligned to cost savings to the business as a direct result.
- Cost of making these changes.
- Clearly articulate the tangible business benefits, for example;
 - Reduced Absenteeism
 - Reduced Fair Work claims
 - Reduction in at risk behaviour resulting in injury
 - Reduced insurance costs
 - Staff Retention
 - Reduced long term disability



Challenge yourself to question;

- What are the key performance indicators driving your business today?
- Do these encourage or foster a Health Benefits of Good Work ethos or are these counter productive?
- How can we afford to do this, or rather, how can we not afford to do this?
- In the overall budget for employee related costs, are these initiatives really such a big investment?
- What needs to change in your business to realise some or all of the tangible benefits listed above?

Part 2 – Framing the Intangible Business Benefits

For every financial argument, there is evidence that HBGW brings about other non-tangible benefits to a business and its workforce.

1. Educating the workforce

Regardless of the seniority of an individual within your business, they will be making daily decisions about their health and how to manage it. Education programmes for all employees to help them understand why work is good for them, may be sufficient to help someone change their approach to their health and put in place some strategies to improve their personal situation.

2. Educating the management team

Having helped everyone understand their own health benefits from good work, how does this then translate into a better understanding for Supervisors and Managers in how to work towards helping ill or injured employees gain the health benefits of work whilst recovering at work, or to support individuals to achieve their own goals to improve their health.

3. Outlining the other intangible benefits

- Growth – supported through capability retention and evidence of corporate social responsibility
- Improved customer service experience
- Increased diversity by supporting people with disabilities in the workplace
- Improved employee engagement
- Reduced staff turnover or evidence of presenteeism in the workplace (your employees engaged in work whilst at work).
- Enhanced employee resilience through wellbeing; Physical/Mental Health and suicide prevention

Part 3 – Measuring Success

Based on your above analysis, how will you measure success in achieving an understanding of the health benefits of good work and being able to measure improvement as a consequence?

1. Initiatives and Measurements of Success

Once you have a picture of what you may need, the next step is to consider appropriate initiatives that suit your business, and who you are going to measure what success looks like.

The premise of Health Benefits of Good Work, is

“Work is good for health and wellbeing and that loss of work, whether because of impaired health or for other reasons, is generally harmful.

The results of worklessness are plain to see: loss of self-esteem, standing and identity within the community besides, of course, a halt to material progress, social participation and fulfilment. But that is not all. Health, both physical health and mental health, soon become impaired. And where the cause of loss of work is itself impaired health then unwarranted delay in return to work is often associated with delayed recovery. In most instances we do not

have to recover completely before returning to work, provided there is a will and there are means to accommodate the fullest possible restoration of function; physically, mentally and socially.^{viii}

Examples of objectives for your company, and enablers to strive towards realising the benefits of good work, can be assessed through measuring your achievements. The following table outlines the key objectives from the Consensus Statement, examples of activities that enable an assessment of your return on investment in accordance with the evidence base.

Objectives	Enablers to realising the Health Benefits of Good Work	How do you know you have been successful?
<p>Providing safe and healthy workplaces, in an environment where the workplace culture is conducive to health and wellbeing.</p>	<p>Implementation of workplace health programs including^{iv};</p> <ul style="list-style-type: none"> • Senior Leadership commitment and participation; • Employee Group/Representative engagement • Health needs assessment • Targeted workplace interventions, for example; health checks/assessments; 	<p>Extensive evidence exists for the benefits that flow from integrated and effective health programs, including decrease in absenteeism by up to 25.3%; reduction in workers' compensation costs of up to 40.7%; 24.2% decrease in disability management costs and a ROI of 5.8:1.^{v vi}</p>
<p>Supporting workers suffering injury or illness to remain at work.</p>	<p>Early Intervention program to support employees recover at work following an injury or illness (either work related or non-work related); including;</p> <ul style="list-style-type: none"> • Early reporting of health concerns and or injury; • Recovery at work commitment. 	<p>The median days lost in Australia per employee due to absenteeism, either due to sickness or carers leave is 8 days pa, equating to a cost of \$2473 per employee pa based on the full time adult average weekly earnings. Targeting a Recover at work program will</p>

	<ul style="list-style-type: none"> • Provision of suitable duties aligned to the employees skills and abilities, to support and facilitate early return to work. <p>Building the capability of people leaders and management to facilitate communication and shared decision-making when supporting an employee back to work.</p>	<p>support an active decrease in extended absences and financial cost to organisations. vii viii</p> <p>Evidence supports that increased rates of sickness absence are related to poor line manager or supervisor support. This is significant because the line manager – employee relationship has a major impact on employee wellbeing.^{ix}</p>
Embracing inclusive employment practices	<p>Focus on improving workplace mental health including;</p> <ul style="list-style-type: none"> • raising awareness of mental health in the workplace. • creating a workplace culture and environment that reduces the stigma associated with mental health. • supporting employees with mental health conditions, and or employees who care for someone with a mental health condition, through the provision of employee assistance programs 	<p>With 45% of Australians between the ages of 16 and 85 experiencing a mental health condition at some point in their lifetime, it supports that companies need to ensure they are providing mentally healthy workplaces. Research supports that implementing effective actions to create a mentally health workplace on average can expect a positive return on investment (ROI) of 2.3.^x</p>

2. Companies Achieving Results

To assist in understanding how other companies are adopting these principles, links to corporate websites are below of current signatories who are established on their HBGW journey.

Consider competitor companies in your industry. Does adopting an HBGW approach provide a competitive edge?

Employers leading the way and are available to share their learning in implementing workplace practices to support the health benefits of good work include;

[link to RACP website with detailing Health Benefits of Good work case studies to be included once website construction finalised]

Part 4 – Pulling it Together

Findings

- What has your analysis told you about your company?
- What would signing the Consensus Statement achieve for your company? (Reputational and cultural).

Conclusions

- What is the cost benefit and return on investment in encouraging your company to adopt a health benefits of good work approach?

Recommendations

- Detail your recommendations for change or business improvements to achieve the outcomes you have forecast.

Conclusion

Employers are a central stakeholder in the shared agenda to positively influence and drive outcomes in the promotion and awareness of the health benefits of good work. **Realising the Health Benefits of Good Work** will lead your company towards achievement of their corporate social responsibility, achieve enhanced employee engagement and strengthen your company's brand in the competitive market.

Useful information

If your company is not yet a signatory, the Faculty of Occupational & Environmental Medicine (AFOEM) continues to grow the signatory list and welcomes your support. You can review the [Health Benefits of Work pack](#) and [became a signatory](#).

More Information

If you would like more information, please visit <http://www.racp.edu.au/advocacy/health-benefits-of-work> or contact the Chair of the Signatory Steering Group, Suzanne Jones via email at suzanne.jones@au.xchanging.com, and your enquiry will be referred to an appropriate SSG member in your state or industry.

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