The Wellness Dividend:
How Employers Can Improve Employee Health & Productivity

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Overview

This report provides employers and benefits consultants with a state-of-the-art, evidence-based overview of why investing in employee wellness makes sense. Also provided are practical insights about how to do this.

- Employers in Canada face significant pressures to find better ways to manage employee health issues. Employers will be better positioned to find solutions if they view employee wellness as a strategic advantage.
- There are signs that more Canadian employers aspire to improve employee health and reduce health-related costs.
- Yet most Canadian employers don’t offer any wellness programs at all. Only around one in four large employers have a comprehensive wellness strategy that addresses health risks and underlying causes of wellbeing and productivity.
- Wellness and engagement are closely linked, despite the fact they are usually managed as distinct goals and strategies in most organizations.
- Employee wellbeing is a leading indicator of future human capital costs for employers.

- Absenteeism is a widely used barometer of workforce health that many employers track. Reducing absenteeism has been a key objective of wellness initiatives.
- Calculating the cost of absenteeism can make a strong business case for wellness interventions.
- The overall quality of people management in an organization influences employee performance and wellbeing, with absenteeism being only one such indicator.
- A less visible but more costly problem is presenteeism, which can occur when individuals with prior health conditions come into work when they are not well or when a worker who has been injured or recovering from a medical condition returns to work from disability leave.
- Mental health problems, particularly depression, also are a major cause of presenteeism, absenteeism and disability. Depression can be caused or made worse by workplace conditions.
- Presenteeism can result when employees experience work-life conflict or heavy workloads.
- Cost savings can best be realized by addressing the root causes of absenteeism and presenteeism within the work environment.
- Effective solutions to high absenteeism require more than absenteeism management policies.
- Designing more proactive return-to-work processes can reduce presenteeism.
• Many studies confirm that the most successful workplace interventions provide individualized risk reduction and disease management within a comprehensive program design that includes a range of individual and organizational resources.
• By targeting high-risk employees, wellness interventions can lead to improved health status and reduced healthcare costs.
• Wellness program design must take into account workforce demographics, job characteristics and health status.
• Employee morale also influences participation, suggesting a potential synergy between workforce engagement and wellness that employers have not tapped.
• One way to involve employees and create a sense of ownership of wellness initiatives is through a broadly representative wellness committee.
• Participatory workplace redesign is another way of directly engaging front-line employees in efforts to improve health and safety.

• So far, a major limitation of most wellness initiatives is their focus on physical health. Yet workplace risks to mental health are more pervasive than risks to physical health.
• There is growing recognition that more action is needed to address mental health issues in the workplace.
• Workplace mental health promotion programs are still in early stages of development. The most effective initiatives combine diagnosis with education and training.
• Some researchers recommend focusing on depression, the most common mental health disorder.
• Hundreds of studies confirm that job characteristics, the work environment, and organizational factors play key roles in employees’ experience of stress. Work-family conflict is another source of stress.
• There is no doubt that job strain - the combination of high job demands and low decision control - is bad for workers’ health and costly for employers.
• Reducing job stress will create a more productive work environment. Numerous studies also show that employees are more creative and are able to achieve higher levels of job performance when they are in healthy psycho-social work environments.
• Research shows a strong relationship between job satisfaction - a key indicator of overall wellbeing - and both mental and physical health.
• The new voluntary National Standard of Canada for Psychological Health and Safety in the Workplace provides a framework for identifying, assessing and reducing psychological health risks in the workplace.
• The stigma of mental illness is a barrier that must be removed in order for workers who experience depression and other mental health problems to seek and receive treatment.
Lots of studies show the benefits of comprehensive wellness initiatives for both employees and employers. Typically, healthcare costs fall by an average of $3.27 for every dollar invested and absenteeism costs fall by $2.73 for every dollar spent.

Some large US companies use statistical modeling to predict future returns on investment from health promotion initiatives.

Few Canadian employers calculate their return on investment (ROI) from workplace health and wellness initiatives. Economics does not drive wellness investments in Canada to the same extent as in the US.

Nonetheless, examples from Canada mirror the more extensively documented ROI in the US.

An emerging trend is the mining of employee health claims data to provide a disease and health risk profile of the workforce.

There is scope to introduce employee health risk assessments as a tool for identifying needs and tracking progress.

For those employers who already have workplace wellness initiatives, the next step involves expanding their reach to get at the full range of workplace determinants of health and performance.

For employers considering the introduction of a wellness program, addressing both the individual and organizational dimensions of wellness will bring quicker results.

Employee wellness initiatives can provide a springboard to sustained organizational success. Employers who promote employee health and safety reap cost savings and productivity advantages, as well as a healthier workforce.
Introduction

Canadian employers have made huge investments in workplace health promotion. While nobody tracks this number, we can be sure it is on the increase. Even during the global recession of 2008-2009, many companies did not cut this budget line, recognizing the need for a healthy and resilient workforce in the face of difficult times. Reflecting this trend, the research literature on healthy workplaces and employee wellbeing has grown exponentially. Managers need the best evidence to inform their human resource decisions, so it is timely to take stock of current thinking and practices regarding employee wellness.

This report provides employers and benefits consultants with a state-of-the-art, evidence-based overview of why investing in employee wellness makes sense. Also provided are practical insights about how to do this. The evidence shows that by focusing on three goals - an integrated approach to employee health promotion, a work environment that enhances health and safety, and a culture that values wellness - employers not only reduce employee costs but also improve business performance. We know enough about successful workplace wellness initiatives to identify the steps employer can take to achieve these goals.

Many experts propose a seamless integration of health into business strategy. In the future healthy organization, employee wellbeing will be synonymous with a fully engaged and high-performing workforce. To get there, corporate leaders must view employee wellness as a strategic goal. This requires a shift in thinking, away from a narrow focus on individual health to a broader understanding of how wellness and performance are linked.

The report is organized around the following topics:

- The strategic value of wellness
- Understanding absenteeism and presenteeism
- Ingredients of effective wellness programs
- Addressing mental health in the workplace
- Measuring impact and progress
- Building healthier organizations
The Strategic Value of Wellness

Employers in Canada face significant pressures to find better ways to manage employee health issues. Employee absenteeism costs are rising. Spending on drugs increased to $33 billion in 2012, although the rate of annual increase has slowed. The aging workforce will strain future drug, disability and other employee health costs. Lost productivity accounts for about one-third of the annual $51 billion cost of mental illness in Canada. And in a global knowledge-based economy, employers can’t let an unhealthy workplace reduce an employee’s potential to contribute their energy and ideas.

These indeed are big challenges. Employers will be better positioned to find solutions if they view employee wellness as a strategic advantage.

Let’s begin by defining wellness. It is a complete picture of a person’s quality of life, encompassing their physical, psychological and social wellbeing.

Wellness focuses on positive states of being, not just the absence of illness, disease or injury - although this too is a goal. Wellness is promoted whereas illness, disease and injury are prevented. Taking this approach, a healthy workforce aligns with retention, recruitment, engagement and other key human resource goals.
An Overview of Wellness Programs

There are positive signs that more Canadian employers aspire to improve employee health and reduce health-related costs. Indeed, some employers now talk about building a culture of health. This refers to encouraging employees to take responsibility for becoming and staying healthy, minimizing risk factors, and choosing the right health services from benefits plans.4

Yet despite the fact that some companies are addressing the cultural foundations for healthy behaviours, most Canadian employers don’t offer any wellness programs at all. According to the 2012 Sanofi Canada Healthcare Survey, only 40% of employees report that their employer offers such programs or services.5 Furthermore, among employees who have access to wellness programs, only 45% make use of what is available and typically in limited ways.

Similarly, a Conference Board of Canada survey of large employers found that only around one in four had a comprehensive wellness strategy that addresses health risks and the underlying causes of wellbeing and productivity.6 The most commonly provided health and wellness resources are employee assistance programs, flu shot clinics, CPR/first aid training, ergonomic assessments, and wellness resources and information.

More American than Canadian employers offer wellness programs. Still, the Annual Review of Public Health reported that only seven percent of US companies use all the components needed for successful workplace health promotion.7 These components include health education, links to related employee services (such as employee assistance programs), a supportive physical and social environment for health improvement, and employee screenings with treatment and follow-up. Furthermore, these features must be integrated into the organization’s culture, fostering a healthy company.
Linking Wellness and Engagement

Wellness and engagement are closely linked, despite the fact they are usually managed as distinct goals and strategies in most organizations. As a Gallup researcher explains, “People that have high individual wellbeing are more likely to see their workplace as positive, productive, and engaging. Conversely, if they are struggling or suffering, it rubs off on the workplace and the team.” By creating a culture based on trust, respect and mutual support, employers will be enabling employee wellness and performance at the same time. Evidence bears this out.

For example, Aon Hewitt’s Best Employers in Canada study documents that employees in high-engagement workplaces report better physical health, lower job stress and less absenteeism than their counterparts in low-engagement workplaces (based on how companies score on the Best Employers Survey).

These correlations show that engagement and wellbeing go together. It is possible that higher levels of employee engagement directly contribute to positive health status. But equally plausible, the same conditions in the work environment that promote engagement also promote wellness.

At a Fortune 100 company, researchers discovered that overall employee wellbeing predicted future performance and cost-related outcomes. In other words, wellbeing is a leading indicator of future human capital costs for employers. These costs included employee healthcare utilization, productivity (absenteeism, short-term disability, presenteeism, job performance) and retention. The study defined wellbeing more broadly than health or wellness, using the following six dimensions: appraisal of one’s present and future life situation; daily positive or negative emotional experiences; physical health risks; healthy behaviours (e.g., diet, exercise, smoking); satisfaction with one’s work environment; and access to resources needed to be safe and healthy. These aspects of wellbeing can be measured in an employee survey, with the results used to predict future human capital costs and risks.

Employers therefore must look for synergies between their employee wellness and engagement strategies. Engaged employees have high levels of job autonomy and a good support network of coworkers and supervisors - all critical for reducing workplace stress. While wellness program components that help employees manage chronic conditions may seem only tenuously connected to engagement, engaged employees will more likely participate in such programs. Engagement equates with mental wellbeing and positive morale. Indeed, an organization may benefit more from a robust engagement strategy, especially in terms of lower absenteeism, presenteeism and turnover, than from a workplace health promotion program.
Present and Productive: A Basic Wellness Goal

The goal of any wellness initiative should be framed in positive terms, such as a thriving and productive workforce. Yet to achieve this goal, employers must first take steps to address two of the biggest and most costly symptoms of an unhealthy and unproductive workforce: absenteeism and presenteeism.
Absenteeism

Absenteeism is a widely used barometer of workforce health that many employers track. Reducing absenteeism has been a key objective of wellness initiatives. US employers face estimated absenteeism-related expenses of $74 billion US annually, including overtime and overstaffing to cover for this.\(^{12}\)

In the Canadian workforce, absenteeism has been rising since the 1990s, although this trend leveled out in the past five years. This is in contrast to the steady decline in lost-time work injuries over the past two decades. In an average week in 2011, 8.1 percent of full-time workers missed work due to their own illness or disability or for personal or family reasons (excluding maternity leave). Actual work time lost for personal reasons increased from the equivalent of 7.4 days per worker in 1997 to 9.3 days in 2011 - or over 100 million work days lost for all full-time employees.\(^{13}\)

Calculating the cost of absenteeism can make a strong business case for wellness interventions. For example, Vancouver Coastal Health (VCH - the health authority providing healthcare to the Greater Vancouver area) looked at attendance of their unionized staff, discovering that it had more than 1 million hours of short-term sick time for a cost of $35 million annually.\(^{14}\) It also calculated that each 0.1% of sick time equated to 18,000 productive hours. By reducing the rate of hours not worked due to sick time from 5.7% of total hours in 2008 to 4.7% in 2012, VCH gained more than 300,000 productive hours. This was achieved by an Attendance and Wellness Program that set and monitored attendance standards using processes that employees saw as fair. Ultimately, better staffing on units resulted in improved patient care.

Absenteeism is connected with other performance-related outcomes. For example, in England’s National Health Service (NHS), researchers combined results from the annual NHS Staff Survey with administrative data and other hospital-level performance indicators. They concluded that staff wellbeing is a significant predictor of not only absenteeism, but also work-related injuries, staff turnover, patient satisfaction, as well as clinical outcomes including patient mortality.\(^{15}\) **Targeting a one-third reduction in sickness absence rates across the NHS would result in 3.4 million additional available working days annually, equivalent to an extra 14,900 full-time staff with an estimated annual direct cost saving of $861 million.**\(^{16}\) Clearly, the overall quality of people management in an organization influences employee performance and wellbeing, with absenteeism being only one such indicator.
**Presenteeism**

However, absenteeism rates only tell part of the productivity story. A less visible problem is presenteeism, which imposes on US employers an additional $150 billion in hidden costs.\(^{17}\)

According to a US study, presenteeism costs (based on the level of self-reported work productivity) account for 61 percent of the total costs associated with ten common health conditions: allergies, arthritis, asthma, cancer, depression, diabetes, heart disease, hypertension, migraines and headaches, and respiratory disorders.\(^{18}\) Presenteeism also may occur when a worker who has been injured or recovering from a medical condition returns to work after being off on disability leave. An effective return to work process should monitor the individual's work limitations, supporting her or him to recover as close as possible to full functioning in their job.\(^{19}\)

Mental health problems, particularly depression, are a major cause of presenteeism, absenteeism and disability. However, unlike asthma or allergies, depression can be caused or made worse by workplace conditions. Depression accounts for over half of all mental healthcare diagnoses in the US and more disability days than chronic physical health problems such as heart disease, diabetes, high blood pressure and lower back pain. Even though most mental health conditions are invisible, they can be costly to employers. Yale University researchers tracked employees in three US corporations over a two-year period. They found that employees with chronic depressive symptoms, compared to those with no such symptoms, reported twice the number of missed workdays and were seven times more likely to report decreased workplace effectiveness.\(^{20}\)

Presenteeism also results when employees experience work-life conflict or heavy workloads. For example, one major study found that going to work when unwell was a consequence of high work-life conflict.\(^{21}\) More than four out of five employees with high work-family conflict reported doing this, significantly more than other employees in the study. This form of presenteeism also results from employees with heavy workloads feeling compelled to put in long hours - an unintended consequence of an employee's commitment to clients and coworkers.

In short, there are basically two perspectives on presenteeism, one focusing on working while sick or injured and the other on work pressures. Actually, these perspectives are connected.

That's because constant workplace change, rising workloads, and growing job pressures have become standard features of working life and therefore health risks in their own right.
Reducing Absenteeism and Presenteeism

When planning solutions to presenteeism and absenteeism, it is helpful to view these on a continuum rather than as separate issues requiring different interventions. Effective solutions to high absenteeism require more than absenteeism management policies. Cost savings can best be realized by addressing the root causes within the work environment.

A cluster of workplace factors can drive up absenteeism and erode the quality of work-life. These include toxic workplace relationships, an uncaring organizational culture, poor supervision, heavy workloads, and limited job autonomy and career development opportunities. Conversely, employees who have positive experiences of these job features are going to be healthier and more engaged.

Likewise, employers can take steps to address the sources of presenteeism. However, there is no commonly accepted definition of presenteeism or standard measures of its costs. Presenteeism generally refers to reduced work productivity but also can include increased errors and reduced quality. The best measurement tools typically are administered to workers who are returning to work after an injury or illness.

Designing more proactive return-to-work processes can reduce presenteeism, helping the employee, their supervisor and health professionals track improvements in a returning worker’s job performance. Workplace health promotion initiatives are more likely to reduce presenteeism if they offer monetary incentives for participation, provide longer exercise programs that are more frequent and intense, and are adapted to the characteristics of the workforce. Furthermore, health experts advise larger employers to provide on-site medical support for individuals with the most common chronic health problems, so they can manage their conditions in ways that improve work performance.
Ingredients of Effective Wellness Programs

The benefits of comprehensive worksite wellness programs are firmly established. Many studies show that the most successful workplace interventions provide individualized risk reduction and disease management within a comprehensive program design that includes a range of individual and organizational resources.24

The question for management is not whether to introduce wellness programs, but how to design, implement and evaluate programs to achieve the best outcomes.25
Comprehensive Workplace Health Promotion

By targeting high-risk employees, wellness interventions can lead to improved health status and reduced healthcare costs. One example is Tune Up Your Heart (TUYH), a cardiovascular wellness program at Chrysler Canada’s plant in Windsor, Ontario. TUYH was a unique partnership between the company, the Canadian Auto Workers Union, the local public health unit, healthcare professionals, researchers, and claims data providers. The 343 employees who volunteered for TUYH received an initial cardiovascular risk assessment. In addition to education and awareness-building, participants set health improvement goals for weight loss, smoking cessation, nutrition and physical activity. Over an 18 month period, TUYH participants experienced an average risk reduction of 12.7%. About three-quarters of the financial savings from moving participants into a lower risk category came from reduced prescription drug costs.

Another evaluation of a comprehensive wellness program - called Healthy LifeWorks - in a Canadian government department found a positive relationship between risk reduction across 11 health risk categories, absenteeism and drug costs. Also interesting are the results from an evaluation of a comprehensive three-year health promotion program, called Take Care of Your Health!, at a branch of a Canadian financial services company. The program was based on six educational modules and included before and after employee health profiles. Over the study period, absenteeism declined 28%, turnover by 54%, and participants’ overall health status improved. The three-year time frame and the fact that the program was tied to a wider organizational renewal initiative help explain the positive results.

These evaluations show the value of multi-pronged, comprehensive wellness interventions. More broadly, recent reviews of numerous studies in this area identify common success factors for employer-sponsored wellness strategies:

- A corporate culture that promotes wellness as a means of enhancing employees’ quality of life, not just to reduce costs.
- Leaders and employees are motivated to support wellness initiatives and to improve their overall health.
- Policies and the physical environment enable employees to participate.
- Programs adapt over time to the changing wellness needs of employees.
- Community health organizations are partners in providing support, education and treatment.
- Technology facilitates health risk assessments and access to wellness education.
Successful Program Design Features

Wellness program design must take into account workforce demographics, job characteristics and health status. A review of 23 workplace health promotion programs found a median participation rate of 33% of eligible employees. Women were more likely than men to participate in programs, except for fitness centres, where there were no gender differences. Interestingly, participation did not vary by age, education or income. Analysis of programs with the highest participation rates reveals three success factors: offering incentives; a comprehensive, multi-component program design (e.g., offering a combination of fitness, education, counseling, nutrition, health risk assessments, stress management, smoking cessation, etc.); and focusing on multiple health behaviours rather than just physical activity.

In terms of demographics, older workers may be more resistant than their younger counterparts to employer-sponsored health promotion initiatives. But at the same time, helping employees to manage chronic conditions and conducting ergonomic assessments can address health issues more likely experienced by older workers. These resources should, of course, be available to all workers. Still, the most positive effects could be seen among older workers, possibly even resulting in delayed retirement - a key workforce planning goal for many Canadian employers.

Employee morale also influences participation. This suggests a potential synergy between workforce engagement and wellness that employers have not fully tapped. Wellness can be leveraged to increase engagement by involving employees in planning, implementing and monitoring initiatives. The World Health Organization defines health promotion as “the process of enabling individuals and communities to increase control over the determinants of health and thereby improve their health.” For example, successful wellness programs at companies such as BC Hydro and Telus actively engage employees at all stages of a new initiative. As a result, employees are more likely to participate and less likely to feel the program is being imposed on them by management. And there can be indirect benefits for morale through this participation.
One way to involve employees and create a sense of ownership of wellness initiatives is through a broadly representative wellness committee. Worksite wellness committees (WWCs) play a critical role in successful implementation of programs. A study of WWCs at PPG Industries Inc., a large multinational corporation, highlighted how committees can provide better health promotion services to more employees in an organization. The methods used by local-level WWCs, responding to local conditions, largely shape how corporate wellness goals are achieved. It is at the local or worksite level - not at the corporate level - that the systemic changes required to introduce and sustain behavioural changes for individual employees occur. High-impact WWCs do the following:

- Assess employee health risks and use these data to set priorities and targets;
- Have the capacity to facilitate change in terms of an adequate budget, resources and authority;
- Undertake systematic program planning;
- Set the stage for implementation by providing required training, coaching and consultation; and
- Conduct on-going monitoring and evaluation of the programs.

Participatory workplace redesign is another way of directly engaging front-line employees in efforts to improve health and safety. Auto manufacturer BMW used this approach to design a factory for workers age 50 and older. BMW recognized that the average age of its production workers would increase to 47 by 2017. While its older workers are absent more and work harder just to keep up, their expertise is essential for productivity. ‘Project 2017’ recruited a team of age 50-plus production workers (supported by engineers and health professionals) to redesign assembly-line work to reduce physical strains and the chance of errors. Worker-suggested changes were mostly simple and inexpensive, such as wood flooring, orthopedic footwear, magnifying lenses, adjustable work tables, large-handled tools, larger fonts on computer screens, rest breaks, and ergonomically optimal job rotation.

BMW’s solution for its aging workforce followed the basic principles for building healthier organizations. These principles can be applied to any wellness initiative:

- Consult with employees;
- Involve them directly in the design process;
- Be open to a wide range of solutions; and
- Evaluate and learn from changes.

While ergonomics often deals with equipment design, when employees are involved in the design process they take greater ownership for their overall health and safety.
Workplace Mental Health

There is growing recognition that more action is needed to address mental health issues in the workplace. This point has been championed by the Mental Health Commission of Canada (MHCC). Mental health problems are costly to employers, given that 20% of all absences and 30% of all disability claims are mental-health related. Employers need to be guided by two complementary goals: supporting employees who are experiencing mental health problems; and designing the work environment so that it contributes to positive mental wellbeing.

The MHCC provides the following definition, which can serve as a goal for employers: “Mental health is a state of well-being in which the individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully and is able to make a contribution to her or his own community.”

Mental Health Costs

20% absences

30% disability claims
Promoting Mental Health

So far, a major limitation of most wellness initiatives is their focus on physical health. Yet workplace risks to mental health are more pervasive than risks to physical health. Given the heightened awareness about mental health issues, we can expect wellness initiatives to expand in this direction.

Workplace mental health promotion programs are still in early stages of development. More research is needed to identify the most effective practices for improving mental health in the workplace. The most common goals of documented workplace mental health initiatives are stress reduction and better coping skills. Recent systematic reviews of interventions to prevent and manage depression in the workplace concluded that, at least based on rigorous scientific standards for evidence, only a few could be recommended. The most effective initiatives combine diagnosis with education and training, such as a stress inoculation training program.

Some researchers recommend focusing on depression, the most common mental health disorder. Also recommended is targeting known high-risk groups (e.g., younger women); using education to raise awareness about depression among managers, employees and HR and workplace health professionals; and taking other steps to de-stigmatize depression so that available tools and resources can be more readily accessed and used.
Reducing Job Stress

According to the 2011 Buffett National Wellness Survey, Canadian employers ranked work-related stress as their top employee health concern. A global wellness survey also flagged stress as the leading health risk motivating employers to invest in employee wellness programs.

Hundreds of studies confirm that job characteristics, the work environment and organizational factors play key roles in employees’ experience of stress. People feel under stress when their job demands exceed their resources to respond to these demands. High psychological job demands - urgent deadlines, too much work, unclear roles, competing or conflicting goals - and a low level of control over these demands increases a person’s exposure to job strain. Among knowledge workers, persistently heavy job demands can result in burnout, a psychological state in which people feel mentally exhausted, cynical about their work and professionally ineffective.

Work-family conflict is another major source of stress. As such, it contributes to dissatisfaction with life, psychosomatic symptoms, depression, psychological distress, use of medication, alcohol consumption, substance abuse, clinical mood disorders, clinical anxiety disorders and emotional exhaustion. High levels of work-family conflict also impose costs on employers, including turnover, low morale and increased absenteeism.

People feel under stress when their job demands exceed their resources to respond to these demands.
The Impact of Job Stress

There is no doubt that job strain - the combination of high job demands and low decision control - is bad for workers’ health and costly for employers. Stressed-out employees report more fatigue, depression, low motivation, headaches or stomach problems, and unhealthy coping behaviors such as increased smoking, alcohol consumption and poor nutrition - all symptoms that can be costly for employers. The chronic experience of job strain has been linked to degenerative disease processes, such as heart disease, as well as depression, diabetes, asthma, migraines and ulcers.

To illustrate the individual and organizational impacts of job stress, let’s consider the key findings from four recent studies. Here’s what they tell employers:

- **Stress can lead to long-term disability.** Long-term disability claims can be reduced by better regulating workers’ job demands and providing them with more decision latitude in how they do their jobs.46
- **Job stress contributes to neck and shoulder disorders.** Prevention strategies for musculoskeletal problems also must consider workers’ exposure to psychosocial risks in addition to physical or ergonomic causes.47
- **Job stress has a negative spill-over effect on leisure time activities.** Cumulative job strain can lead previously active individuals to become inactive.48
- **Employee health moderates the impact of job stress.** Promoting healthy lifestyles can reduce the risk of heart disease among employees exposed to high job strain.49

Taking a positive perspective, other research shows a strong relationship between job satisfaction - a key indicator of overall wellbeing - and both mental and physical health. A meta-analysis of 500 job satisfaction studies confirms this relationship.50 Basically, there is a continuum, with job dissatisfaction posing a significant risk to mental health (particularly burnout, low self-esteem, anxiety and depression), while high job satisfaction is associated with positive mental and physical health status.

Reducing job stress will create a more productive work environment. A meta-analysis of 169 job stress studies concluded that an employee’s job performance is negatively influenced by the presence of job stressors.51 Looking at this from a positive perspective, an employee with challenging job demands but who has the autonomy to make decisions, appropriate job resources and support from their coworkers and supervisor to manage these demands is more likely to experience wellbeing and fully contribute to company goals.

Numerous studies also show that employees are more creative and are able to achieve higher levels of job performance when they are in healthy psycho-social work environments. A meta-analysis of 57 studies in this area confirmed that the quality of an employee’s relationship with their supervisor, a sense of psychological empowerment, and a supportive culture and leadership contribute to job performance.52 These are the very same features that many workplace health experts consider critical for worker psychological wellbeing.
Providing a Psychologically Healthy and Safe Workplace

In 2013, the MHCC partnered with the Canadian Standards Association to launch the voluntary National Standard of Canada for Psychological Health and Safety in the Workplace (the Standard). The Standard provides a framework for identifying, assessing and reducing psychological health risks in the workplace. While the Standard it is not required by law, courts, tribunals and arbitrators are expected to take it into account when determining an employer’s responsibility to provide a psychologically safe workplace. In short, it has raised the bar for employer practices in the area of health and safety.

The Standard builds on the occupational health and safety (OHS) management systems many employers already have in place. Its approach to risk and needs assessment, planning, implementation, evaluation, leadership and continuous improvement will be familiar to OHS professionals. In this regard, the Standard offers an opportunity to develop an integrated approach to health, safety and productivity. This is consistent with experts’ recommendation that companies develop more coordinated programs in human resources, OHS and wellness.

Supporting the Standard are free resources that employers can use to conduct workplace assessments. These practical tools help employers to identify and take action on the underlying causes of stress in job design, work systems, relationships and organizational processes. The Standard describes 13 workplace factors that must be assessed. Included are many of the well-documented causes of work stress: job demands, workload, decision influence, and coworker and supervisor support. Also noteworthy, engagement is considered one of the positive influences on psychological health, reinforcing our earlier point about a strong engagement - wellbeing connection.
Removing the Stigma of Mental Illness

Stigma is a barrier, which is why most workers who experience symptoms of depression do not seek or receive treatment. This finding highlights the importance of making early diagnosis and treatment readily available in workplaces, particularly through employee assistance programs (EAP) and self-administered resources such as ‘Beating the Blues’.

Some employers have moved in this direction. For example, the City of Calgary’s mental health strategy expanded depression care by providing longer-term counseling through the EAP. In addition, the executive sent out regular employee communications with information on mental health. The city’s leadership program includes a mental health component. Employee educational opportunities include topics such as stress, resilience and mental health awareness.

Most urgently, concerted efforts are needed to break down the stigma attached to mental health issues. Employees need to be made more aware of the resources available and managers need to be educated about their role in supporting employees who have mental health problems.
Measuring Impact and Progress

Lots of studies show the benefits of comprehensive wellness initiatives for both employees and employers. A team of Harvard researchers reviewed 36 rigorous studies of the financial pay-offs of workplace health promotion. They found that healthcare costs fall by an average of $3.27 for every dollar invested and absenteeism costs fall by $2.73 for every dollar spent. These return-on-investment (ROI) calculations are based on comparisons between workers who participated in wellness programs, with their peers who did not. The health risks targeted by most programs were obesity and smoking, the two leading causes of preventable death in the US. In over 80% of the studies, employee health data were collected using health risk assessments - tools not yet widely used in Canada.

Some large US companies use statistical modeling to predict future returns on investment from health promotion initiatives. A good example is The Dow Chemical Company, which analyzed combined data on workforce demographics, health risks and healthcare expenditures. It estimated that over a ten year period, the break-even point for its wellness program is a 0.17% annual reduction in ten workforce health risks. Greater risk reduction would yield a positive ROI.

Few Canadian employers calculate their ROI from workplace health and wellness initiatives. Economics does not drive wellness investments in Canada to the same extent as in the US. The two main reasons for Canadian employers to invest in wellness are creating a healthy and productive workforce and fostering a corporate culture that supports healthy lifestyles. Financial returns or cost reductions through reduced absenteeism and disability claims are less important. However, more employers are attempting to measure the impact of interventions on reduced employee health risks and related costs. American employers have a much greater incentive to do so, because they are responsible for 20% of all healthcare spending in the US.
Nonetheless, examples from Canada mirror the more extensively documented ROI in the US. BC Hydro’s return to work program provides an ROI of $2 to $4 per dollar invested. The company also measures the benefits of its health promotion activities by tracking and benchmarking absenteeism.63

CIBC introduced a back-up childcare centre for its employees. This initiative helped alleviate the stress associated with child-care worries, and at the same time reduced absenteeism by 2,500 days during the first year of operation, for a productivity saving of $1.5 million.64

An emerging trend is mining employee health claims data to provide a disease and health risk profile of the workforce. This can be done in partnership with the employer’s health and disability insurance providers. For example, when BP America Inc. analyzed its healthcare claims, it discovered that 6% of employees accounted for 60% of claims costs, a statistic that informed the design of a wellness program that bought healthcare costs down.65

Finally, there is scope to introduce employee health risk assessments as a tool for identifying needs and tracking progress. The 2012 Sanofi Canada Healthcare Survey found that 92% of employees currently in benefit plans would participate in on-site health risk screenings for heart disease, diabetes, stress, depression and other medical conditions. However, this sort of screening is offered by only 17% of employers surveyed.66 While health risk assessments (HRAs) have been used for several decades to diagnose health risks among employees, their impact on individual health behaviour and employer costs has been limited. To increase the positive outcomes from HRAs, more emphasis is needed on determining employees’ health interests, concerns and preferences.67

6% = 60%

of employees

of claim costs
Building Healthier Organizations

For those employers who already have workplace wellness initiatives, the next step involves expanding their reach to get at the full range of workplace determinants of health and performance. And for employers considering the introduction of a wellness program, addressing both the individual and organizational dimensions of wellness will bring quicker results.

Employee wellness initiatives can provide a springboard to sustained organizational success. Employers who promote employee health and safety reap cost savings and productivity advantages, as well as a healthier workforce. Further gains can be achieved by weaving a comprehensive approach to health promotion into a corporate engagement strategy.

Overall, the big wellness dividend is a healthier organization.

Healthy organizations are successful because they cultivate a healthy workforce as a means to higher performance levels. Moving in this direction requires leaders to build employee wellbeing goals into all corporate functions, from human resources, benefits, employee assistance programs, occupational health and safety, organizational development and business operations. The resulting positive work experiences for employees will enhance their contributions to business goals through increased skill use, learning, initiative and collaboration. These attributes describe the future workforce many employers will need. Today’s wellness investments will only strengthen these capabilities.

The research summarized in this report confirms that we know what’s needed to promote a healthy and productive workforce. Leaders who aspire to create a healthy organization take a holistic and long-term view of investing in people. And they foster a culture that promotes employee wellbeing not just as an end itself, but as a key determinant of customer satisfaction, product or service quality and shareholder value. These are the biggest wellness dividends of all.


23. See for example the Stanford Presenteeism Scale: http://stresshealthcenter.stanford.edu/research/measures.html


57. http://www.beatingtheblues.co.uk/


