

ürspace

## 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...



Over the past 25 years, policies relating to health and wellbeing have referenced the role of employers more explicitly and with increasing frequency. However, 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, including a failure to see employee health and wellbeing as a priority against other operational demands<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. Deloitte, 2017.

# 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>2</sup>. Separate figures from the Centre for Mental Health report 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>1</sup>.



One in five (20.1%) or 4.8 million Australians had a mental or behavioural condition, an increase from 4.0 million Australians (17.5%) in 2014-15<sup>4</sup>.



20%

Nearly half the Australian population will experience a mental health disorder at some time in their lives<sup>5</sup>.



50%

2. The Australian Bureau of Statistics, 2022.

3. TNS & Beyond Blue, 2014.

4. The Australian Bureau of Statistics, 2018.

5. Australian Institute of Health and Welfare, 2022

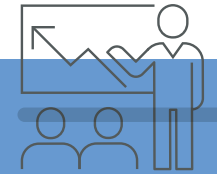
## Mentally unhealthy workplaces impact on employee behaviour

- 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>



61% of employees have experienced mental health related illness due to work or where work was a related factor.



**85%** of managers acknowledge that employee wellbeing is their responsibility

**30%** of line managers have taken part in mental health training

**68%** of managers still believe that there are barriers to providing support for the mental wellbeing of those they manage



**16%** felt able to disclose a mental health issue to their manager or HR.  
**11%** of respondents said that after they had disclosed a mental health issue, they were subjected to disciplinary procedures, demotion or dismissal.

### Senior Leaders

**58%** of senior leaders think that their organisation supports its staff but only **42%** of employees with no managerial responsibility said that staff with mental health issues are supported

3. TNS & Beyond Blue, 2014.

6. The Prince's Responsible Business Network, 2018.

# What is the relationship between wellbeing and work?

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

Research indicates that employment plays a fundamental role in individual identity, mental health and wellbeing by providing material and psychosocial benefits<sup>8</sup> and may therefore play a pivotal role in a person's recovery and prevention of mental health difficulties<sup>9</sup>. Further, evidence supports the proposition that work can be beneficial for an employee's well-being, particularly if good-quality supervision is present and there are favourable workplace conditions<sup>9</sup>.

Promoting mental and physical health is not at the expense of the overall workplace. Through the successful implementation of an effective action to create a mentally healthy workplace, organisations, on average, can expect a positive return on investment (ROI) of 2.3. That is, for every dollar spent on successfully implementing an appropriate action, there is on average \$2.30 in benefits to be gained by the organisation. These benefits typically take the form of improved productivity, via reduced absenteeism and presenteeism (reduced productivity at work), and lower numbers of compensation claims<sup>10</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. Wang et al., 2020.

9. Modini et al., 2016.

10. PWC, 2014.

# The good news

There is an abundance of literature and case studies supporting the idea that wellness programs have a positive impact on intermediate and bottom line benefits.

More than 600 Australian and international studies from the last 20 years provide 'compelling evidence' that workplace health and wellbeing programs improve productivity, creativity and innovation; increase staff morale; improve the management of ageing workers; cut sick-leave rates by an average 25.3 per cent; and slash workers' compensation costs by more than 40 per cent<sup>11</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>12</sup>.

11. Comcare, 2011.

12. Comcare, 2014.



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# Where to from here?

As a leading provider of employee assistance programs and wellbeing training in Australia, it is our mission to support individuals and their families through life's challenges.

All of the Uospace programs include core elements of Employee Assistance Programs such as coaching, counselling, manager assist, wellbeing enhancement and training delivered by specialists who understand both the nuances of human behaviour and importance of corporate objectives.

**02 6176 3442**

**[info@urpaceEAP.com](mailto:info@urpaceEAP.com)**

**[www.urpaceEAP.com](http://www.urpaceEAP.com)**

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