



# Health & wellness in the workplace: Boosting the bottom line



# Health & Wellness in the Workplace: Boosting the Bottom Line

Health. Wellbeing. Wellness. These terms are growing in prominence in people management discussions across the country—and for good reason. Understanding the link between employee health and productivity, engagement, absenteeism, workplace safety, and performance is elemental to continued growth in a competitive business landscape.

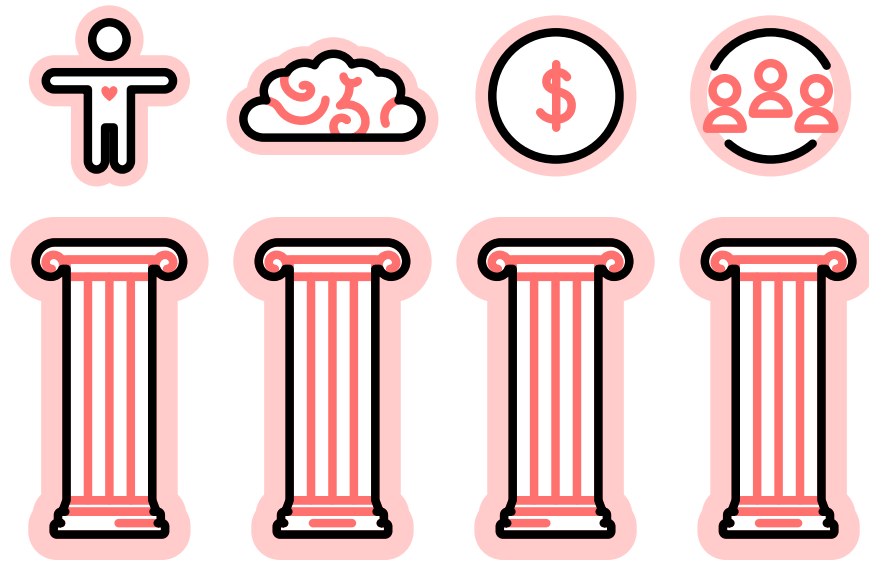
But what is health? [The World Health Organization \(WHO\)](#) defines health as a state of complete physical, mental, and social wellbeing and not merely the absence of disease or infirmity. WHO goes on to define a healthy workplace as one in which:

*...workers and managers collaborate to use a continual improvement process to protect and promote the health, safety and well-being of all workers and the sustainability of the workplace by considering the following, based on identified needs:*

- *health and safety concerns in the physical work environment;*
- *health, safety and well-being concerns in the psychosocial work environment including organization of work and workplace culture;*
- *personal health resources in the workplace (support and encouragement of healthy lifestyle by the employer); and*
- *ways of participating in the community to improve the health of workers, their families and members of the community.*

In other words, there's more to good health and healthy employees than simply not being ill. While avoiding acute and chronic illness is a commendable goal, health is a holistic concept that encompasses the broad spectrum of the human experience; to achieve a healthy state, all facets of a person's wellbeing must be nurtured and supported. Preventing and managing chronic conditions, such as obesity, cancer and cardiovascular disease, is requisite for good health, but supporting mental health, social wellbeing, and financial health is equally vital.

## 4 PILLARS OF HEALTH



PHYSICAL, MENTAL, FINANCIAL, SOCIAL WELLBEING = WELLNESS

### THE STATE OF THE EMPLOYEE NATION

With the majority of adults spending more hours at work than at any other activity, the workplace environment is now recognized as a key determinant of health.<sup>1</sup> Whether they're sitting at desks for eight hours a day, performing labourious or repetitive tasks, or working to strict deadlines, employees across the country face numerous challenges to maintaining optimal physical, mental, and financial health.

#### 1. PHYSICAL HEALTH

The leading cause of death and disability worldwide, major chronic diseases (e.g., cardiovascular disease, cancer, diabetes), is the cause of **65% of all deaths** in Canada. The 2016 Sun Life Canadian Health Index reported that half of Canadians have experienced one or more serious health issues. Indeed, 10% experienced a serious health event such as a heart attack, stroke or cancer.

Canadian cancer statistics are equally sobering. The leading cause of death in Canada, cancer, affects one

in two Canadians, with one in four dying from the disease, according to the [Canadian Cancer Statistics 2019](#) report.

The second leading cause of death in Canada, heart disease, affects approximately 2.4 million people, according to [Government of Canada](#) statistics. And stroke is the **third leading cause of death** in Canada and the tenth largest contributor to disability-adjusted life years (the number of years lost due to ill-health, disability or early death).

Unfortunately, 90% of Canadians have at least **one risk factor** for heart disease or stroke. Obesity is on the rise, with 26.7% of Canadians classified as **clinically obese** in 2015, up from 23.1% in 2004. The most **recent data** available (2016) shows that only slightly more than 2 in 10 adults met the [Canadian Physical Activity Guidelines](#) for aerobic and strengthening activity levels. Plus, an estimated **3.4 million Canadians have diabetes** and 16.9% of Canadians aged 12 and older are smokers, according to 2016 data from [Statistics Canada](#).

## 2. MENTAL HEALTH

According to the Centre for Addiction and Mental Health (CAMH), **one in five Canadians** experiences a mental health or addiction problem in any given year, including depression, anxiety disorders, schizophrenia, problem gambling and substance use disorders. By the time Canadians reach 40 years of age, 50% have, or have had, a mental illness.

The 2016 Sun Life Canadian Health Index noted similar findings, reporting that 29% of Canadians have experienced a mental health issue, such as debilitating stress, anxiety, depression or substance abuse.

Mental health is a significant challenge in the modern workplace, with 44% of surveyed employees reported experiencing a mental health issue, according to the **Building Mentally Healthy Workplaces study**.

*44% of employees have experienced a*

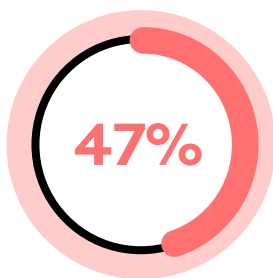
## 3. FINANCIAL WELLBEING

Financial wellbeing may not seem an obvious health determinant but it is a critical pillar of employee wellness. According to a 2017 **survey** by the Canadian Payroll Association, 47% of employed Canadians are living paycheque to paycheque and nearly half (48%) said they couldn't meet their obligations if their paycheque was delayed by just a week. Similarly, 35% of Canadians surveyed feel overwhelmed by debt and 41% spend all—or more—of their net pay.

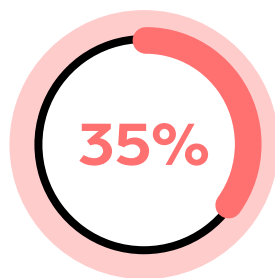
According to a 2017 Global Benefits Attitudes Survey, only 44% of Canadian workers are satisfied with their financial situation this year. The survey also found that almost a third of Canadian workers (30%) now believe their current financial concerns are negatively affecting their lives, compared with just 18% in 2015, and 53% are worried about their future financial state.

The 2016 Sun Life Canadian Health Index found that 29% of Canadian employees are distracted at work by financial issues. Indeed, more than 10% said that financial issues had caused them to miss at least one day of work in the last year.

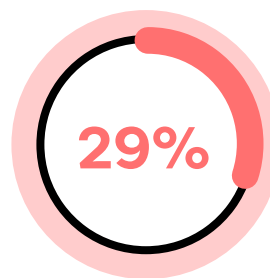
### CANADIANS ON FINANCIAL WELLBEING



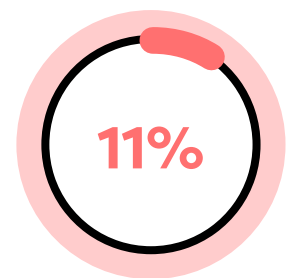
**LIVING PAYCHEQUE  
TO PAYCHEQUE**



**FEEL OVERWHELMED  
BY DEBT**



**DISTRACTED AT WORK  
BY FINANCIAL ISSUES**

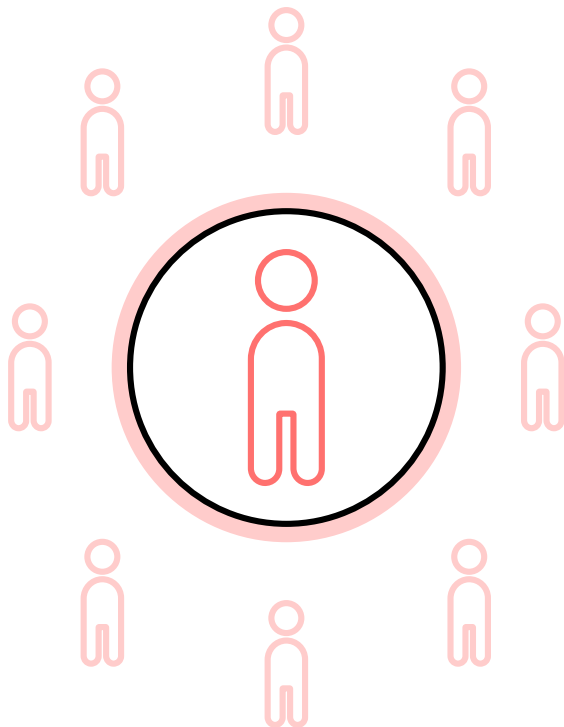


**MISSED WORK DUE  
TO FINANCIAL ISSUE**

#### 4. SOCIAL WELLBEING

Human beings are social creatures. The sense of belonging derived from emotional relationships and connection with others is the bedrock of social wellbeing. Abraham Maslow's theory of motivation, represented as a **hierarchy of needs**, demonstrates how a sense of belonging motivates human behaviour.

A person's social needs include acceptance, love and belonging which can be fulfilled by personal relationships with friends and family, workplace relationships, social groups, and community groups, among others. However, Canadians face challenges meeting their social needs, with many struggling with loneliness and social isolation. The most recent census data (2016) from StatsCan shows that, for the first time in the country's history, the number of one-person households (28.2%) has surpassed all other types of living arrangements.



Loneliness is becoming an epidemic. A 2017 **report** by the Vancouver Foundation found that nearly a third of 18- to 24-year-olds across Metro Vancouver experiences loneliness "almost always" or "often." Similarly, Dr. Robin Lennox, a family physician and assistant professor at McMaster University told Radio Canada International that "*more and more community surveys are finding anywhere between 25 and 30 percent of Canadians across various age groups are reporting persistent loneliness or social isolation.*"

*25%-30% of Canadians are lonely or socially isolated; ½ of CEOs are lonely at work; 42% don't have a close work friend*

Nurturing social wellbeing within an organization is a challenge. Although the workplace is intrinsically a social institution, workplace loneliness persists. A **2015 study** reported that employees with low levels of autonomy felt lonely, while **half of CEOs** feel lonely in their roles. With the rise of the gig economy and new models of working (e.g., telecommuting), employees have fewer opportunities for social interaction. Indeed, a 2018 Global Culture **report** found that 42% of people do not have a close friend at work.

## THE COST OF UNHEALTHY EMPLOYEES

The cost of unhealthy employees creates a significant burden for employers. As the aging Boomer cohort battles an increased prevalence of chronic disease, companies' health-related expenses are on the rise. Spiralling drug costs, coupled with the shifting of expenses from the public to the private sector, are impacting bottom lines and rendering current benefits plans unsustainable.<sup>3</sup>

According to Willis North America's 2014 Health and Productivity Survey, 61% of companies reported employee health habits as the primary challenge in managing rising healthcare costs. Employees with **three or more lifestyle risk factors** (sedentary, overweight, smoker, high alcohol intake) are absent 50% more frequently and cost employers two to three times more in health costs.

*Employees with **3+** lifestyle risk factors cost employers **2-3x** more in health costs*

### OBESITY

In a **workplace study**, obese employees were absent 14 more days annually than their normal-weight colleagues, with even greater differences for those who did not play sports regularly. A **study** of 11,728 health care and university employees demonstrated a linear relationship between obesity and the number of workers' compensation claims, lost workdays, medical claims costs, and indemnity claims costs. Similarly, a 2017 systemic review in **BMJ** found that overweight and obese employees incurred higher costs of lost productivity due to short-term and long-term disability, higher insurance claims, and increased absenteeism.

### SMOKING

Employees who smoke take a toll on companies' fiscal health, according to a Conference Board of Canada **report**. Each smoker, on average, costs his or her employer an estimated \$4,256—more than \$3,800 in lost productivity due to unsanctioned smoking breaks and more than \$400 in lost productivity due to absenteeism.

Presenteeism—the action of employees coming to work despite health issues—is linked to decreased productivity; the **cost of presenteeism** among employees who smoke has been conservatively estimated at \$450-\$1,800 annually, or a 1% to 4% reduction in productivity.

*Every employee who smokes costs employers **\$4,250+** in lost productivity*

### STRESS

Stress in the workplace not only triggers various mental health issues (e.g., depression, anxiety) but also promotes unhealthy lifestyle behaviour which, in turn, can increase the risk of other health issues such as hypertension, cardiac events, and workplace injuries.

With respect to an **employer's bottom line**, stressed employees can trigger an increase in absenteeism, presenteeism, accidents, health insurance claims, turnover, lawsuits and grievances, and short- and long-term disability. Conversely, stress in the workplace can decrease engagement and employee satisfaction. Significant costs are associated directly with these outcomes—including a **50% increase in health expenditures** for highly-stressed employees—but they also contribute to reduced productivity. Indeed, the Canadian Policy Research Networks estimates that stress-related absences cost Canadian employers about \$3.5 billion in lost productivity each year.<sup>4</sup>

## WHY EMPLOYEE WELLNESS PROGRAMS ARE ESSENTIAL FOR COMPANIES

There's no arguing that employees are the lifeblood of any company. With so many Canadians vulnerable to health issues—and given the positive impact healthy employees can have on an organization's bottom line—the case for supporting employee health and wellbeing in the workplace is abundantly clear. By launching initiatives that focus on reducing behaviours that have a deleterious effect on overall health and promoting behaviours that deliver health benefits, companies can increase productivity, drive performance, and attract and retain talent in an increasingly competitive environment.

Although a healthy work environment is essential to productivity, engagement, and employee satisfaction, developing an effective employee wellness program is a challenge. A 2018 Conference Board of Canada [survey](#) found that only one third of employers have a formal wellness strategy in place and a startling 20% of Canadian organizations have no wellness strategy at all. Despite the weak uptake, a 2018 Deloitte [survey](#) of Canadian business and human resources leaders found that 86% ranked employee wellbeing as important, with workplace wellness initiatives increasing in prevalence since 2009.<sup>5</sup>

**86%** of employers rank employee wellbeing as important

In fact, forward-thinking organizations are viewing wellbeing not just as an employee benefit or responsibility, but as a business performance strategy. Deloitte's 2018 Global Human Capital Trends survey found that only 23% of respondents designed their wellness program to reduce insurance costs. In contrast, 43% believe that wellbeing reinforces their company mission and vision; 60% said it improves employee retention, and 61% reported wellness improves employee productivity and bottom-line business results.

### Company Viewpoints on Wellbeing:

- Reinforces company mission & vision – **43%**;
- improves employee retention – **60%**;
- increases productivity & bottom-line results – **61%**

1. [HTTP://EVENTS.SNWEBCASTCENTER.COM/MANULIFE/GBRS/PROD/WSMH/EN/PDFS/BUILDING\\_MH\\_WORKPLACETOOLS\\_STUDY\\_ENG.PDF](http://events.snwebcastcenter.com/manulife/gbrs/prod/wsmh/en/pdfs/building_mh_workplacetools_study_eng.pdf)

2. [HTTPS://WWW.VERYWELLMIND.COM/WHAT-IS-MASLOWS-HIERARCHY-OF-NEEDS-4136760](https://www.verywellmind.com/what-is-maslows-hierarchy-of-needs-4136760)

3. [HTTPS://WWW.SUNLIFE.CA/STATIC/CANADA/SPONSOR/BRIGHT%20PAPERS/CHI%20BRIGHTPAPER%20E.PDF](https://www.sunlife.ca/static/canada/sponsor/bright%20papers/chi%20brightpaper%20e.pdf)

4. C. WILLIAMS, AND J. NORMAND, "STRESS AT WORK," CANADIAN SOCIAL TRENDS, NO. 70 (AUGUST). STATISTICS CANADA, (2003).

5. [HTTPS://WWW.BENEFITSCANADA.COM/SMALLBIZ/ONLY-ONE-THIRD-OF-CANADIAN-EMPLOYERS-HAVE-WELLNESS-STRATEGIES-IN-PLACE-108266](https://www.benefitscanada.com/smallbiz/only-one-third-of-canadian-employers-have-wellness-strategies-in-place-108266)