


The health of Australia's workforce

November 2005

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- Healthy employees are nearly three times more productive than unhealthy employees
 - Unhealthy employees take up to nine times more sick leave than their healthy colleagues
 - Poor employee health and absenteeism is costing Australian business \$7 billion annually¹

Healthy employees make a healthy business

A Medibank Private study has found that the healthiest Australian employees are almost three times more productive than their unhealthy colleagues.

Employers have a unique opportunity to improve the health and well-being of their staff. Employers can better understand and potentially influence the health problems and unhealthy lifestyles that can result in reduced worker performance and increased sickness absence.

Research commissioned by Medibank Private, in conjunction with vielife, found a measurable link between a person's health and lifestyle and how productive they are at work.

The results found that employees with poor overall health status are far more likely to be absent from work, and are nine times more likely to have sick days, compared to healthy employees.

Lifestyle 'risk' factors such as smoking, drinking, lack of physical activity and excess weight contribute to this time away from work.

Employee morale and stress in the workforce contributed significantly to absenteeism and sick leave.

The study also found that a worker's health status impacts upon their productivity at work. The healthiest Australian employees are almost three times more productive than their unhealthy colleagues.

An ageing workforce, and a skills shortage faced by many industries, is making the issue of employee health more pressing for employers. Many employers are becoming increasingly engaged in the health of their employees not only to be socially responsible, but to improve company performance.

About the workplace health survey

A study commissioned by Medibank Private recruited 3,620 employees from corporate (74%) and small business (26%) Australia.

Each employee completed an online assessment covering eight key areas that measure health and well-being, including:

- physical activity
- nutrition
- body weight
- stress
- risk behaviour (smoking, drinking, irregular use of sun-block)
- sleep
- pain
- medical health

Each employee was given a score from 0–100 based on their response for each of the areas above as well as for other indicators of health and well-being including job satisfaction, mood, life stressors and perception of overall health. The results were used to calculate an overall health and well-being (HWB) score to report on the employee's health.

Employees with HWB scores below 30 are classified as having poor health behaviours.

Employees who scored within 70–100 are classified as having good health and lifestyle habits.

The health profile of Australian employees

The survey revealed surprising information about the health profile of Australian employees.

Almost half (45%) of the employees surveyed have a HWB score between 0-30, and a further 26% have a score of between 30-50.

A summary of the research findings is outlined below.

- **Australian employees don't exercise enough**

10% of the Australian workers surveyed are completely inactive, 40% engage in only minimal exercise, and another 12% do less than one hour of physical activity per week. This is significantly less than the amount recommended by the Australian National Activity Guidelines, which recommends adults do at least 30 minutes of moderate to intense physical activity on most days.

- **Poor dietary habits**

Almost half (46%) of the Australian workers surveyed live on high fat diets. Only 8% eat five or more serves of fruit and vegetables per day – the amount recommended by the National Health and Medical Research Council.

- **62% of the Australian workers surveyed are overweight**

Of these, 28% are clinically obese and 34% overweight, as defined by the World Health Organisation.

- **More than half of the Australian workforce is stressed**

53% of the Australian workers surveyed feel over-whelmed with stress and pressure a significant proportion of the time. Stress related claims cost Australian business over \$200 million annually.

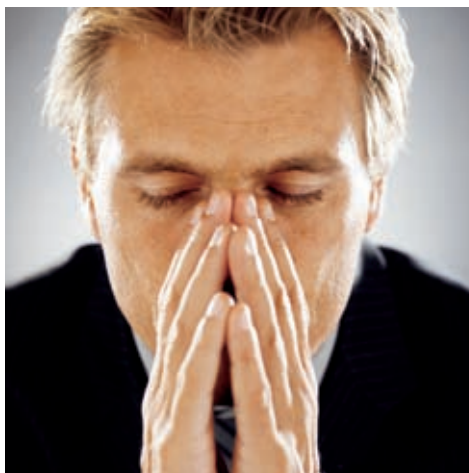
- **56% of the Australians surveyed are in the medium to high-risk area in participating in risk behaviours**

Risk behaviours include smoking, drinking and irregular use of sunblock. 21% of respondents smoke daily, 12% consume 15 or more standard drinks weekly and only 7% always apply sunblock when outside.



- **More than half of the Australian workers surveyed don't get enough sleep**

56% of the employees surveyed get less than seven hours sleep per night with 22% reporting feeling un-refreshed or exhausted during work, putting them at increased risk of road and work accidents. The average adult should have between seven and ten hours of good quality sleep per night².



- **21% of the Australian employees surveyed experienced a medical condition in the three months preceding the survey**

This includes back and neck pain (29%), hay fever (22%), heart disease (21%), migraine headaches (14%) and asthma (13%). Significantly, 12% of those surveyed reported that they were suffering from depression.

The following table shows the prevalence of different medical conditions within this sample of Australian workers:

Medical condition	Population prevalence
Back, neck or spinal problems	29%
Hayfever, rhinitis or sinusitis	22%
Heart disease	21%
Migraine headaches	14%
Asthma	13%
Depression	12%
Arthritis	11%
Eczema or other skin condition	11%
Heartburn or acid reflux	11%
High blood pressure	11%
Anxiety	10%
High cholesterol	9%
Other serious health problem	5%
Diabetes	4%
Bronchitis or emphysema (COPD)	2%
Cancer	1%
Stomach ulcer	1%

The relationship between employee health and well-being and workplace performance

The information about an employee's health and well-being was compared to how many sick days they took, their overall productivity and how effective they were while at work.

In the study, respondents were asked to document over four weeks:

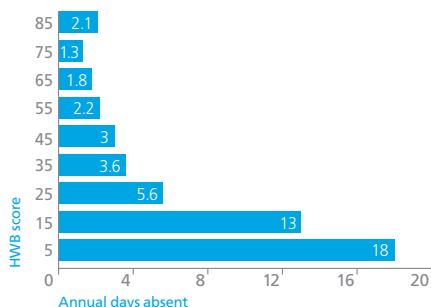
- the number of absent days they had in that time;
- a rating of their overall performance; and
- the total number of effective hours they worked for their employer.

When reviewing the data, keep in mind that 71% of the workers surveyed have a HWB score of under 50.

Absenteeism

The Medibank Private survey found that Australian employees with poor health behaviours have up to nine times the annual sickness absence of healthy individuals (18 days compared to two days per year) (Figure 1).

Health and well-being score vs annual days absent (year)
Figure 1



Performance

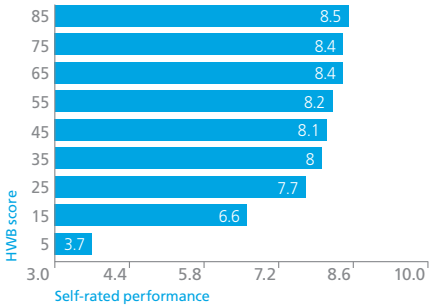
Presenteeism considers the extent to which employees are productive and engaged in their work.

The study also examined how health status relates to self-assessed work performance (on a scale of 0-10) for this group of working Australians.

The results show a clear association between performance at work and overall health status. Workers with a high HWB score rated their work performance much higher. In fact, there is a two fold better work performance for the most healthy individuals compared to the least healthy (Figure 2).

Health and well-being score vs productivity

Figure 2



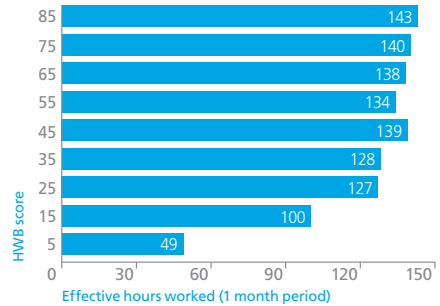
Effective working hours

Self-rated job performance was also used to calculate the duration of effective working hours a full-time employee performs during a month.

The results show a clear link between a worker's health and productivity with the healthiest employees nearly three times more effective than the least healthy. A worker with a high HWB score worked approximately 143 effective hours compared to 49 effective hours worked per month for a worker with a low HWB score (Figure 3).

Health and well-being score vs effective working hours

Figure 3



International studies

A literature review by Monash University, commissioned by Medibank Private, examined the role of workplace health on work performance. A review of literature from more than 152 studies worldwide was consistent with the findings of the Australian online survey – that health impacts upon productivity at work.

For example, a Canadian study examining the link between an employee's emotional well-being and their work productivity found that a 20% reduction in a person's well-being leads to a 10% drop in their performance. Conversely, a 20% improvement in morale leads to a reduction in absenteeism, turnover and workers compensation³.

Comparison of the Australian worker

Unhealthy

18 days annual sick leave
Self-rated performance of 3.7 out of 10
49 effective hours worked (full-time)
per month



- High fat diet
- Low energy levels and poor concentration
- Obese or overweight
- Irregular sleep patterns
- Poor stress management techniques

Healthy

2 days annual sick leave
Self-rated performance of 8.5 out of 10
143 effective hours worked (full-time)
per month



- Healthy diet
- Fit, energetic and alert
- Normal body weight
- More attentive at work, better sleep patterns
- Actively manages stress levels

Improving the health of your employees

The effects of a healthy workforce

Findings from workplace studies reviewed by Monash University suggest that companies that introduce workplace health programs enhance employee performance.

Research has found:

- economic benefits of health and safety activities⁴ as they help curb absenteeism⁵ and enhance productivity and efficiency⁶;
- employees that participate in workplace fitness programs report improvements in anxiety, stress and psychological well-being⁷; and
- importantly, even employees who don't utilise programs and benefits are still more likely to be loyal and satisfied with the organisation for being offered the program in the first place⁸.

Medibank Priority

Australia's largest health insurer, Medibank Private, recognises the need for a new kind of corporate offering and has developed Medibank Priority.

Medibank Priority is an integrated health cover and well-being program that combines:

- health cover developed exclusively for the corporate market; and
- unique health and well-being productivity tools that benefit both the employer and employees.

For more information, please call Medibank Priority on 1800 244 173.

As an employer who encourages employee health and well-being, you'll not only stand out as an employer of choice, but it's likely you'll also have a positive impact on your organisation's productivity.

Feel better now

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