



# *Work Smart Live Smart*

## **Building A Well Workplace Four Reasons Why Health Promotion Makes Good Business Sense**

**By  
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More than 64% of Canadian business have some form of health promotion program – the most popular being staff appreciation events, first aid and CPR courses, subsidies for external programs, flexible work programs and benefits, time-off in lieu of overtime pay, EAP, flu shots, time management training, and work station assessment. (Buffet Taylor National Wellness Survey)

For many companies, medical costs can consume a significant portion of the company profits. Worksite health promotion stands out as the long-term answer for keeping employees well.

### **Reason #1 – Much of the illness in Canada is preventable**

- Researchers have estimated that preventable illness makes up approximately 70% of the burden of illness and associated costs (Source: Fries, New England Journal of Medicine)
- The highest direct costs were attributed to Cardiovascular disease -- \$19.7 billion, Musculoskeletal diseases -- \$17.8 billion, Injuries -- \$14.3 billion, Cancer -- \$13.1 billion as reported by Health Canada
- 63% of Canadians are not active enough to achieve optimal health benefits which leaves them at risk for premature death, chronic disease and disability
- 1 in 3 Canadians feel that they are constantly under stress, trying to accomplish more than they can handle (Statistics Canada)

### **Reason #2 – Healthcare costs are an issue of significant concern**

- A report by [Health Canada](#) showed that the total cost of illness in Canada for 1993 was \$156.9 billion. This is roughly equivalent to 22% of the Gross Domestic Product or \$5,450 per capita
- Much of nation's health expenditures is committed to diagnosing and treating disease only after it becomes manifested

- 1996 study by the Conference Board Of Canada reported that between 1990 and 1994 employer's health spending grew by 26%
- Statistics Canada 1997 Labour Force Survey showed that each full-time employee missed an average 7.4 days in 1997. For a company of 1,000 employees, with an average salary of \$190 per day, this translates into \$1,400 per employee, per year for incidental absenteeism or a total cost to the company of \$1.4 million per year
- Statistics Canada reported that 70% of an organizations' benefit costs over a 10 year period were incurred in six disease categories – cardiovascular, muscuolskeletal, respiratory, digestive, cancer, stress
- Health Canada reported the national norms for benefit costs were:
  - Incidental Absenteeism: 16.39% of benefit costs -- 1.5% of payroll
  - Worker's Compensation: 20.77% of benefit costs -- 1.9% of payroll
  - Weekly Indemnity: 19.13% of benefit costs -- 1.75% of payroll
  - Short-Term Disability: 18.03% of benefit costs -- 1.65% of payroll
  - Long-Term Disability: 9.29% of benefit costs -- 0.85% of payroll
  - Drug Plans: 6.56% of benefit costs -- 0.6% of payroll
  - Extended Health Care: 8.2% of benefit costs -- 0.75% of payroll
  - Employee Assistance Program: 1.64% of benefit costs -- 0.15% of payroll
- Depression and distress cost Canadians at least \$14.4 billion in treatment (Health Canada)

### **Reason #3 – The worksite is an ideal setting to address health and well-being**

- 15 million Canadians spend half of their waking hours at work
- The environments in which people live, learn, work and play have a significant impact on health
- People are an organization's most important resource
- Concern and care for the health of its people is essential to the achievement of business success
- Work-life conflict cost Canadian organizations roughly \$2.7 billion in lost time due to work absences (Health Canada)
- Stress claims by Canadian employees will increase 50% in the next 30 years (Mindsets)
- The World Health Organization defines mental health as a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to their community. Special emphasis should be given to those aspects of work places and the work process itself which promote mental health. Eight areas of action have been

identified: increasing an employer's awareness of mental health issues, identifying common goals and positive aspects of the work process, creating a balance between job demands and occupational skills, training in social skills, developing the psycho-social climate of the workplace, provision of counselling, enhancement of working capacity, and early rehabilitation strategies.

#### **Reason #4 – Research validates that health promotion programs improve health, save money and produce a return on investment**

- Canada Life in Toronto showed a return on investment of \$3.40 on each corporate dollar invested on reduced turnover, productivity gains and decreased medical claims
- Dr. Roy Shephard found corporate wellness programs returned a cumulative economic benefit of \$500 - \$700 per worker per year
- Municipal employees in Toronto missed 3.35 fewer days in the first six months of their "Metro Fit" fitness programs than employees not enrolled in the program
- BC Hydro employees enrolled in a work-sponsored fitness program had a turnover rate of 3.5% compared with the company average of 10.3%
- The Canadian Life Assurance Company found that the turnover rate for fitness program participants was 32.4% lower than the average over a seven-year period
- Municipal employees in Toronto missed 3.5 fewer days in the first 6 months of "Metro Fit" program

With healthcare costs on the rise and much of illness in Canada being preventable, workplace wellness programs make a great deal of business sense.

Stress and wellness specialist, **Beverly Beuermann-King** translates current research and best practices information into a realistic, accessible and practical approach through her dynamic stress and wellness workshops, on-line articles, e-newsletters and media interviews and through a collaboration called *Awakening The Workplace*. Visit [www.WorkSmartLiveSmart.com](http://www.WorkSmartLiveSmart.com) for more on Beverly and her wellness work.

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