



Why your organisation needs individual employee health coaching



RETURN ON INVESTMENT
RESEARCH REPORT

Contents

- 3 Introduction
- 5 Return on investment from a health and wellbeing program
- 7 Proven benefits of health and wellbeing programs
- 10 What incentives achieve the best results?
- 11 What is health coaching?
- 15 How we can help

About Healthy Business

Healthy Business are a team of allied health professionals who support organisations and their people to improve health and wellbeing. We have over 21 years' experience delivering positive outcomes to a diverse range of organisations. When you partner with us, we will create a tailored solution for your organisation's unique needs and ensure peace of mind when it comes to the protecting both the physical and psychological health and wellbeing of your people.

At Healthy Business, we know that when you have healthier people, you have a happier, more productive and engaged workforce.

Introduction

Australia is facing a lifestyle health pandemic!

With all the advances in medical research, technology, equipment and evidenced based medical care that we have seen in over the years, it would be presumed that the health of the Australian population has also improved. Unfortunately, this is not the case.

Since 2015, almost all trends in health data, including the prevalence of lifestyle risk factors (except for tobacco use), chronic disease and preventable deaths, have all increased.

The Australian government has committed to reducing these health outcomes by 2025 and beyond. The slogan for this initiative 'Australian's deserve a healthier future. We can, and we must, do better' couldn't be more true.¹

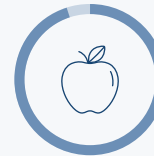
Prevalence of modifiable risk factors in Australian adults:



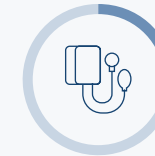
67%
are overweight
or obese¹



53.7%
Do not get enough
physical activity¹



95%
have Inadequate fruit
and vegetable intake¹



22.8%
have high blood
pressure¹



12%
are daily smokers¹



32.8%
have high cholesterol¹



Why the workplace is an ideal place to intervene

Looking after the health and wellbeing of your employees not only benefits them, but it's great for your business too. Put simply, people in good health spend more time at work and are more productive when they are there.⁶

Health and wellbeing within the workplace has largely been seen as a 'nice to have' and often takes the form of poorly targeted initiatives, or it is predominately addressed in a reactive way. However, there is a great deal of evidence that shows that when workplaces implement a strategic health and wellbeing program, it not only improves the lives of their employees and the Australia population as a whole, but also directly contributes to the organisation's bottom line.⁶

In the following report we take a detailed look at the data around workplace health and wellbeing programs, including:

- return on investment (ROI),
- the proven benefits, and
- what incentives achieve the best results for both the employees and the organisation.

The evidence is clear that workplace health and wellbeing is no longer just a 'nice to have', but for your organisation to really thrive, it's a 'need to have'.

Return on Investment

Calculating the return on investment (ROI) from your health and wellbeing program can be complex but is well worth the effort.

Many large consulting firms, including PwC, Deloitte, KPMG and Johnson and Johnson, have analysed the research around ROI, with calculations generally involving the analysis of absenteeism and worker's compensation (WC) claims data. Statistics on turnover and presenteeism (productivity at work) are also often taken into account.^{3,4}

These reports have provided overwhelming evidence of the positive financial benefits from health and wellbeing programs, with ROI estimates ranging from \$1.88 - \$5.83 for every dollar invested.^{3,4}

When it comes initiatives that specifically target mental health, a meta-analysis by Deloitte found that employers can expect an average ROI of 5.2:1. This analysis found a large spread of potential returns, ranging from 0.4:1 up to as high as 11:1. The highest returns came from large-scale initiatives with a preventative focus, and those that use technology or diagnostics to tailor support to those most in need.⁵

Study examples:

Johnson and Johnson

Single study - matched pairs, control and treatment groups

Sample Size: 31,823	Intervention type: Health coaching, lifestyle management and digital coaching program and challenges	ROI: \$1.88 to \$3.92 (per \$1 spent)
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Harvard University

Meta-analysis of 22 studies with control and treatment groups

Sample Size: 3,000 av.	Intervention type: Coaching for weight loss, fitness, smoking cessation, and multiple other risk factors	ROI: \$2.73
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Dell

Single study – comparison of participants and non-participants

Sample Size: 24,651	Intervention type: Health risk appraisal (HRA)/wellness, lifestyle management and disease management coaching programs.	ROI: \$2.48
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Deloitte

Meta-analysis of 12 studies

Sample Size: 50 - 1,706	Intervention type: Line manager workshops and individual health coaching, organisational-wide culture and awareness raising through tailored web portals and exercise sessions.	ROI: \$5.20
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A woman with dark hair tied back, wearing a dark blazer, is leaning over a laptop. A man with a beard and glasses, wearing a light blue shirt, is sitting at the laptop, looking at the screen with a smile. The background is blurred, showing other people in an office setting. The entire image has a light blue tint.

How we can help

At Healthy Business, we can help your organisation to measure the total cost of absence, pinpoint areas of focus for health and wellbeing initiatives to drive optimum returns, and measure the effectiveness of these programs for both the organisation and the participating employees.

Proven benefits of health and wellbeing programs

The Health and Productivity Institute of Australia (HAPIA) has documented strong evidence on the effectiveness of running health and wellbeing programs in the workplace, outlining a magnitude of benefits for both the employee and the companies that employ them. Benefits included:

- ✓ **improvements in productivity,**
- ✓ **increased levels of creativity and innovation,**
- ✓ **increased staff morale', and**
- ✓ **improved management of ageing workers.⁶**

In a large meta-evaluation of more than 600 Australian and international studies over a 20-year period, they found that effective workplace health and wellbeing programs resulted in reductions in sick-leave rates, workers compensation costs, and disability management costs.⁴

In another report commissioned by the Department of Sport and Recreation, the benefits of health and wellbeing programs were categorised into four different groups:

1. Individual employee health benefits,
2. Economic benefits to organisations,
3. Environmental benefits to organisations and
4. Social benefits to organisations.⁷

Effective workplace health and wellbeing programs resulted in an average:

25.3%



reduction in sick-leave rates⁶

40.7%



reduction in workers compensation costs⁶

24.2%



reduction in disability management costs⁶

For the purpose of this report, we have broken the benefits down further into two classifications:

1. Factors that directly contribute to RIO (in bold), and
2. Factors that indirectly contribute to ROI.

For example, reduced absenteeism and presenteeism are factors that directly contribute to ROI, whereas increased physical activity is a factor that can indirectly contribute, as the results of this may then lead to reduced absenteeism and presenteeism.⁷



Individual employee health benefits

- Increased physical activity
- Improved nutrition
- Decreased alcohol consumption and/or substance abuse
- Reduced smoking rates
- Reduced body fat levels
- Improved cholesterol
- Reduced blood pressure
- Reduced stress levels
- Improved mental health
- Reduced risk of lifestyle diseases (e.g. type 2 diabetes or heart disease).



Economic benefits to organisations

- Improved job performance
- **Reduced absenteeism**
- **Decreased worksite accidents and injuries**
- **Reduced short-term disability rates and associated costs**
- **Decreased workers' compensation**
- **Reduced workplace costs**
- Improved cost to benefit ratio
- **Potential increase in productivity**



Environmental benefits to organisations

- Enhanced working conditions and safety
- **Decreased accidents and injuries**
- Improved working atmosphere
- Increased social support
- Improved leadership style
- Reduced job stress



Social benefits to organisations

- Increased job satisfaction
- Enhanced employee motivation, greater commitment and loyalty
- Increased morale
- Improved communication and teamwork
- Enhanced corporate image
- Improved recruitment
- **Lower staff turnover and better retention of quality staff**

Implementing a single health and wellbeing program will not improve all these factors concurrently, however it is unlikely that an organisation would need to improve on all of these. It is therefore imperative that organisations address health and wellbeing strategically, understanding what their specific needs are prior to implementing anything.

For example, if an organisation that hasn't experienced an accident or injury in the past five years and implemented a safety-focussed program, they wouldn't see the same ROI on this program as an organisation that averages five lost time injuries (LTI's) per week would.

If that same organisation identified high employee stress as a potential cause of increased staff turnover and absenteeism, then a coaching program with a focus on providing education around resilience and stress management strategies, would provide a much stronger ROI than a program centred on improving biometric measures would.

Therefore, we can see that organisations that identify their health concerns and key site trends early, and target interventions accordingly, are the ones that see the highest benefits from their health program.



“...organisations that identify their health concerns and key site trends early, and target interventions accordingly, are the ones that see the highest benefits from their health program.”



“The majority of research concludes that individually tailored health coaching is the most effective means of achieving positive health improvements for employees, and as a result, a greater return on investment for the organisation.”

What incentives achieve the best results?

A significant number of medium to large sized organisations now have some type of health and wellbeing initiative in place. However, after 21 years of designing and delivering health and wellbeing programs, we know that not all initiatives are created equal.

Some popular examples often include quick and easy to implement initiatives such as:

- free fruit in the lunchroom,
- subsidised or onsite exercise classes,
- lunch and learn educational webinars,
- mental health leave days,
- subsidised smoking cessation treatment,
- onsite physiotherapy,
- employment assistance programs,
- corporate massage,
- digital health platforms, and the list goes on!

While some of these examples are important components of a holistic health and wellbeing program, in isolation they do little to affect any real change. The majority of research concludes that individually tailored health coaching is the most effective means of achieving positive health improvements for employees, and as a result, a greater return on investment for the organisation.⁸

What is health coaching?

Health coaching is all about educating and empowering individuals to take control of their own health and wellbeing and providing them with the right tools to do so.

Put simply, health coaching is a holistic and individualised approach for improving a person's health outcomes. While the approach will vary across different industries, professions and practitioners, the guidelines for best practise suggests the inclusion of solution-focused techniques, such as motivational interviewing, goal-setting and problem-solving, are the most effective.⁹

Health coaching is collaborative intervention that focuses on communication, education and empowerment toward autonomy.⁸ The purpose of coaching is to provide individuals with skills and strategies to self-manage ongoing or future problems they may face. Following best practice methods, coaching should also tap into the individual's personal values (their 'why') and goal setting should be centred on achieving goals that are important for them.

Health coaching can be conducted one-on-one or in a group setting, and it can be delivered in various modes including face-to-face, phone or video. While the different modes of delivering coaching have limited effect on individual outcomes, one-on-one coaching has proven to deliver greater benefits than group coaching.⁸

A report by the Department of Veterans Affairs, analysed data from 45 studies regarding the effect of health coaching on clinical health outcomes, patient health behaviours and self-efficacy when compared to a control group. Not surprisingly, this report, along with an overwhelming majority of individual studies, found outcomes favoured the health coaching group. A summary of all data showed an improvement in almost every metric measured from the coaching group, when compared to the control group.⁸ The table below summarises the results of this meta-analysis.

Metric/Variable	Number of studies	Effect magnitude	Effect of coaching (positive/negative)
HbA1c (diabetes)	17	Small (-0.3)	Positive
Physical activity	17	Small (0.29)	Positive
BMI	16	Moderate (-0.52)	Positive
Dietary fat intake	6	Small (-0.21)	Positive
Self-efficacy	8	Moderate (0.41)	Positive
Diet adherence	6	Small (0.05)*	Positive
Functional status	2	Nil	Mixed
Smoking cessation	2	Nil	Mixed
Medication adherence	3	Nil	Mixed

**Denotes not statistically significant.*

It's evident that health coaching is a great modality to bring about positive change for the individual, but what does this mean for the organisation?

This question can be answered by using absenteeism and presenteeism data, and some predictive modelling and reverse engineering. There are many ways to show evidence of return on investment, including analysis of workers compensation claims, regrettable turnover and retention, and team culture, however for the purpose of this analysis, we have included absenteeism and presenteeism data only.

The table to the right shows the additional days of sick leave (absenteeism) and loss of productivity (presenteeism) from clinical health issues and individual health behaviours. It's impossible to know the effect of presenteeism per individual, so for the following calculations we will assume 'showing up sick only recoups about 25% of the productivity lost by not showing up at all'.¹⁰

Disease/Behaviour	Absenteeism (days/year)	Presenteeism (days/year)
Arthritis/Diabetes ¹¹	7.7	-
Arthritis/Heart Disease ¹¹	9.6	-
Arthritis/Hypertension ¹¹	7	-
Diabetes/Heart Disease ¹¹	12.7	-
Diabetes/Hypertension ¹¹	5.5	-
Heart Disease/Hypertension ¹¹	5.9	-
Arthritis/Diabetes/Heart Disease ¹¹	14.4	-
Arthritis/Diabetes/Hypertension ¹¹	6.9	-
Arthritis/Hypertension/Heart Disease ¹¹	10.4	-
Diabetes/Hypertension/Heart Disease ¹¹	8.3	-
Arthritis/Diabetes/Hypertension/Heart Disease ¹¹	7.8	-
Any chronic health disorder ¹²	1.9	7.9
2+ chronic health disorders ¹²	3.0	20.1
BMI – Category 1 – 25-30 ^(13, 14, 15, 17)	+2, +0.5 (M) +1.1 (F), +2, +0.22	+3.3 (M) +0.9 (F)
BMI – Category 2 – 30-35 ^(13, 14, 15, 16, 17, 18)	+2, +1.6 (M), +3.1 (F), +14, +0.8, +1.2, +2.9	+2.3 (M) +6.3 (F) +7.8
BMI – Category 3 – 35-40 ^(14, 16)	+3.8 (M) +0.5 (F) +1.7	+5.8 (M) +11 (F)
BMI – Category 4 – 40+ ^(14, 16)	+5.9 (M), +9.4 (F), +1.9	+21.9 (M) +22.7 (F)
High Cholesterol ^(19, 20)	+1.3, +0.2	+0.3, +0.5
High Stress ²¹	+1.5	+8.6
Depression ²¹	+0.7	+8
Poor sleep or insomnia ²¹	+0.2	+6.5
Hypertension ¹⁶	+1.1	
Cardiovascular Disease ¹⁹	+2.2	+6.1
Diabetes ^(16, 19, 21)	+1.1, +2.3, +1.2	+1.7, +2.7
Arthritis ^(19, 21)	+5.2, +4.6	+1.7, +6.5

Example 1:

One of your employees who is paid \$300 per day has arthritis and hypertension. To replace this employee as a result of a sick day will cost an additional \$350 due to another employee's casual loading/overtime. On average, this employee with hypertension and arthritis will take an extra 7 days of sick leave compared to a healthier colleague.

Total cost to the company = 7-day x \$350 = \$2,450 per year.



Putting it into perspective...

22.8% of Australian adults have high blood pressure and around 2 million have arthritis.¹

Example 2:

Your organisation employs 100 people in a high-pressure environment. All employees are paid \$250 per day (including replacement staff). After conducting a staff survey, you become aware that 20 of your employees are suffering from high stress, which results in an additional 1.5 days of absenteeism and 8.6 days presenteeism.

- Costs of absenteeism = 1.5 days x \$250 = \$375 x 20 employees = \$7,500
- Cost of Presenteeism = 8.6 days x (\$250 x 0.75) = \$1612.50 x 20 employees = \$32,250
- **TOTAL cost of absenteeism and presenteeism alone = \$39,750**



Putting it into perspective...

almost half (43.7%) of all Australia adults will experience a mental health disorder during their lifetime, and 1 in 5 will experience one within a 12-month period.²



“...all of these improvements across the workforce will add up to a cost-saving for your organisation”

Your employees want it, and your organisation needs it.

Whilst health coaching is not going to eradicate every chronic health condition from your workforce, nor will it turn every employee into a gym-junkie with the perfect lifestyle, it will have a consistent impact on each employee who participates. Whether the outcome is a minor reduction in stress or anxiety, improving lifestyle behaviours to reduce high cholesterol or blood pressure, or even just achieving the physical activity guidelines of 150 minutes per week, all of these improvements across the workforce will add up to a cost-saving for your organisation.

So, whether you are looking to reduce the costs of absenteeism and/or workers compensation claims, looking to boost productivity, create a better workplace culture or improve job satisfaction, an individual health coaching program is the most effective means to achieve not only the goals of your organisation, but also the goals of your employees.



How we can help

Healthy Business's individual health and wellbeing coaching program 'HealthCi' provides employees with individualised one-on-one coaching sessions. It combines the use of our allied health and wellbeing coaches with a 'check-in' survey and dedicated smartphone app to identify any health concerns that may be present. It also provides targeted support and education, and empower positive and sustainable improvements.

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Book a free discovery consultation with us today to find out more about
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