

FEATURE ARTICLE

Measuring the success of healthy workplaces: Outcome measures of health and wellbeing in the workplace

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I am often asked whether the investment in promoting health and wellbeing in the workplace would really make a difference in the organizational bottom line, and if so, how much. As health and wellbeing discussion in the workplace has become a mainstream, many organizations are curious about the real benefits of healthy workplaces and the return on investment (ROI). Healthy workplaces are the ones that consciously invest in spatial and environmental features, healthy eating and hydration, physical fitness and activities, and workplace policies to promote healthy behaviors of people for them to be in physically good shape and mentally well.

We have heard of many anecdotal success stories of wellness programs on positive outcomes in worker productivity, engagement, and physical health state. There are also plenty of business cases available online. However, it is rare to see rigorous studies that have employed scientific methods and objective measures to track down the impact of these wellness programs on the positive outcomes in a systematic manner. When it comes to the spatial and environmental features, healthy eating and hydration, and physical fitness and activities in the workplace, data are even rarer.

Then, how can we measure the impact of these efforts to promote health and wellbeing in the workplace in a more systematic manner? What benefits and positive outcomes can we really expect from these efforts? Do the benefits outweigh the financial investment and use of resources necessary to implement these efforts? I have



conducted extensive research to systematically examine the impact of the health and wellbeing features in CAPTIW© on the organizational benefits and bottom line. There was a plethora of literature on measuring the indicators and measures of health and wellbeing in the workplace, but only a handful amount of literature exhibited a more thorough and rigorous approach to tackling this matter. Especially, the Public Reporting Guidelines by the UK

Benefits of Healthy Workplaces

Higher Productivity

Healthy Organizational Culture

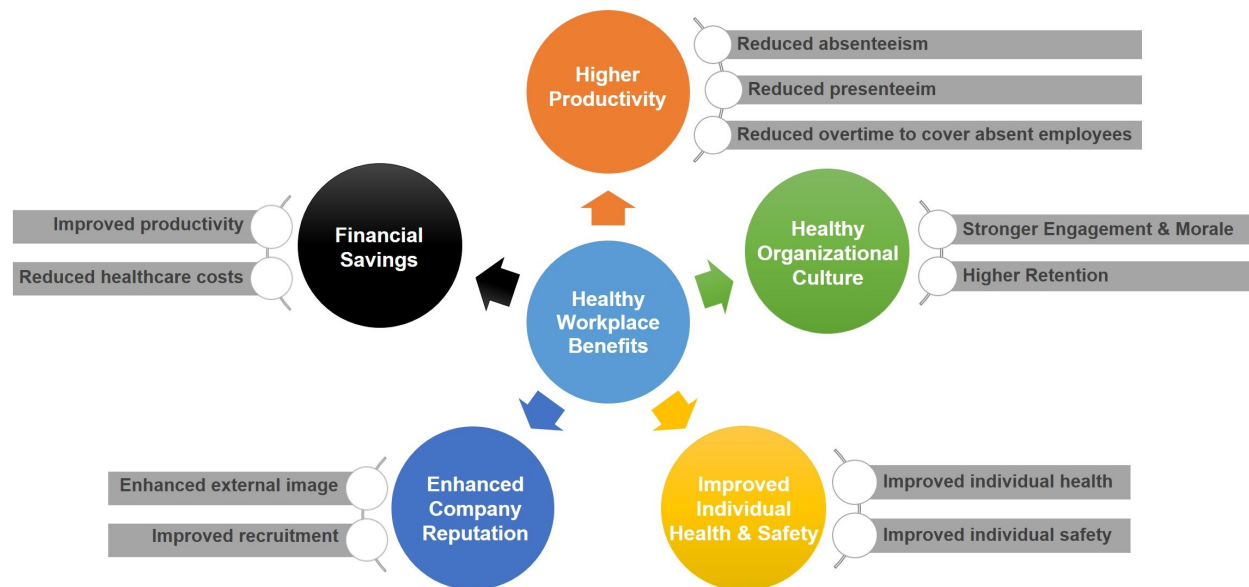
Improved Individual Health & Safety

Enhanced Company Reputation

Financial Savings

Business in the Community, the Workplace Health Promotion by the US Centers for Disease Control and Prevention, and Health Performance Indicators by Harvard T.H. Chan School of Public Health were most resourceful.

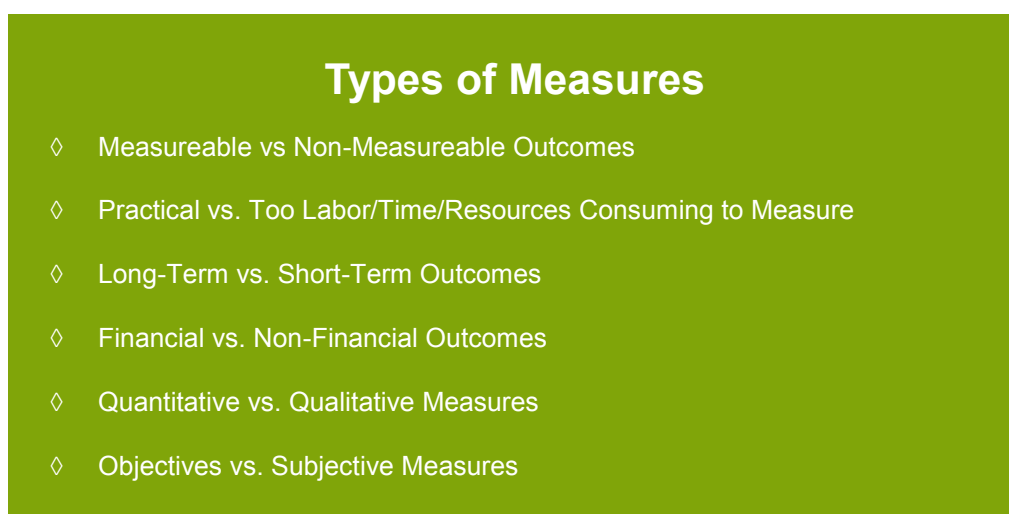
I have categorized the benefits into five categories, and identified eleven indicators with measures and measurements. The five positive benefits of healthy workplaces comprise of Higher Productivity, Healthy Organizational Culture, Improved Individual Health and Safety, Enhanced Company Reputation, and Financial Savings. One of the benefits of improved health and wellbeing in the workplace is increased productivity due to enhanced cognitive function such as better focus and concentration capability, better mental capability to cope with mental fatigue and stress, and more physical energy and less sicknesses. Improved productivity due to health and wellbeing promotion in the knowledge workplace can be measured by absenteeism rate, presenteeism rate, and overtime rate to cover absent employees. The benefits in strengthening the organizational culture are also significant. Physically, mentally, psychologically, and emotionally healthy workers are more engaging and have a tendency of high moral and loyalty to the employers that care about the health and wellbeing of their employees. Thus, healthier organizational culture can be measured by employee engagement/moral and retention rate.



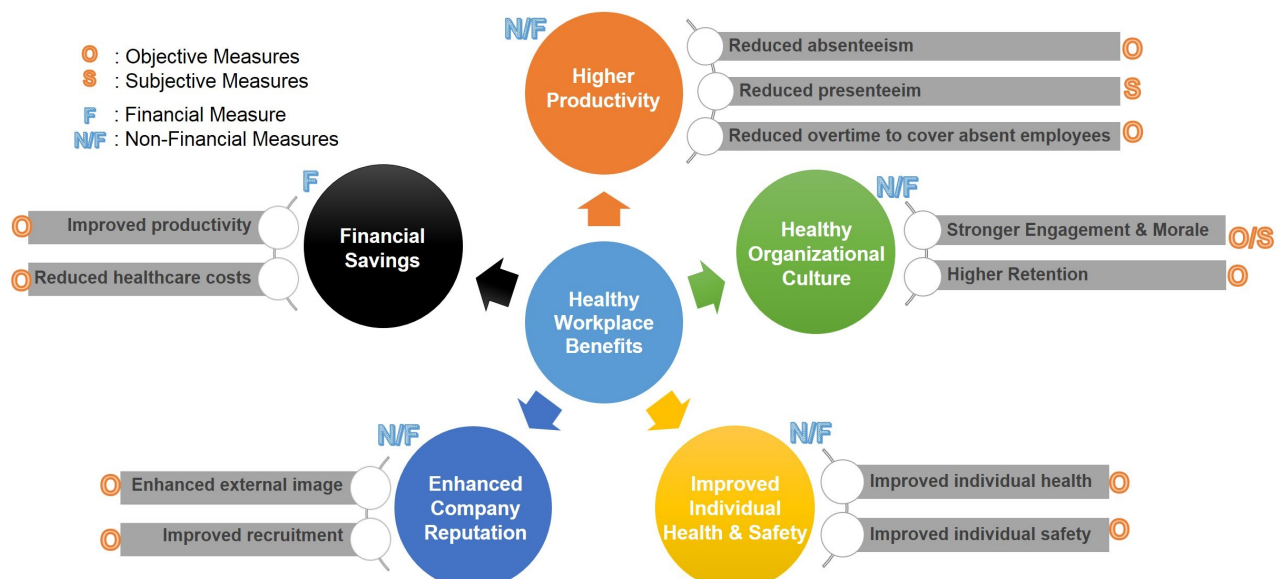
Such employee-caring companies have a better reputation, and are likely to attract more talented people. The reputation of a company can be measured by the public perception of the company's image as well as internal recruitment rate. While many of these benefits are from the organizational side, the benefits of the healthy workplace from the employee side are improved individual health and safety, which is a good foundation of work-life balance. Among the organizational-side benefits, these benefits not only strengthen the organizational culture and human capital but also generate financial savings. Improved productivity is directly related to the organizational bottom line. Improved individual health, safety, and wellbeing are also directly related to the healthcare premium costs. Financial savings can be measured by the savings from reduced absenteeism, reduced presenteeism, reduced overtime to cover absent employees, and lower healthcare costs. Below presents the summary

of the five categories of the benefits of healthy workplaces and eleven indicators.

When it comes to determining measures of indicators, important factors need to be considered to choose the correct measures for the purpose of work. First, it should consider whether the outcome is measurable. This is an extremely challenging issue in measuring the impact of the environment on people's productivity or even organizational bottom line. It is because it is difficult to separate the sole impact of the environment due to the complexity of workplaces where various facets influence one another as a dynamic system. Thus, we often see that indirect measures or proxies are selected to examine the impact of the environment. Once it is determined to be measurable, other issues need to be scrutinized: is it practical to measure without requiring too much financial commitment and man power; can it be measured within a reasonable period time; is a quantitative measure more appropriate; can an objective measure be employed; and is a financial outcome available? The most important thing to remember is to select the most appropriate types of measures for the topic being examined. I have summaries below the types of measures to be considered.



Below summarizes the five categories of the benefits of healthy workplaces, eleven indicators of the outcome measures for those benefits, and which types of measures each indicator is.



All these eleven indicators are measurable whether they are subjective or objective. Objective measures are more desirable in many studies but certain things can be measured by only subjective measures, especially things related to human feelings, thoughts, and opinions. These eleven indicators are all quantifiable, and have quantitative measures. Quantitative measures have an advantage when measuring the impact of healthy workplaces in terms of ROI because it provides an easy to understand interpretation for executives and senior management who are the decision-makers of the implementation of a healthy workplaces. I have summarized the measures of the eleven indicators and the measurement of each measure.

Productivity		Measurement	
Absenteeism	• Absence rate	Working days lost to absence per year	O
	• Sickness absence rate	Working days lost to sickness per year	O
	• Duration of extended absences	Working days lost to spells of sickness lasting over one month per year	O
Presenteeism survey		Example survey: WHO Health and Work Performance Questionnaire, Stanford Presenteeism Scale, etc.	S
Reduced overtime to cover absent employees		Total overtime to cover absent employee during year	O

Healthy Organizational Culture		Measurement	
Engagement	• Annual job satisfaction survey	Number of people in post (PiP) responding positively	S
	• Employee Engagement Index (EEI) from annual engagement survey	EEI shown as a mean response on a 1-5 scale	S
	• Wellbeing Index from annual wellbeing survey	Wellbeing index shown as a mean response on a 1-5 scale	S
	• Company funded training time per person	Total training days completed during year	O
	• Volunteering commitment	Volunteering days completed during year	O
	• Customer satisfaction of employees making use of services provided	Number of service users rating services "good" or above per year	S
Retention	• Staff turnover rate	Number of leavers during year	O

Individual Health & Safety		Measurement	
Individual health	• Health service data 1 (utilization rate for occupational health services (OHS))	Completed OHS referrals per year	O
	• Health service data 2 (utilization rate for employee assistance program (EAP))	Completed EAP cases per year	O
	• Healthcare claims data from healthcare provider (average)	Number of claims	O
	• Health & wellbeing status self-report/ log	Number of smokers, obese, stressed, etc.	O
	• Health & wellbeing status data from health screening, workplace health promotion program, etc.	Number of people with elevated BP, cholesterol, glucose, impaired mental health	O
Individual safety	• Accident & injuries (level of statutory health & safety incidents)	Incident reports per year	O

Company Reputation		Measurement	
External awards/ nominations		Number of awards for achieving external recognition by external bodies for health, safety, and wellbeing	○
Recruitment	Time to Fill (days open)	Total number of days of opened jobs	○
	First year turnover	Number of leavers during the first year	○
	Cost per hire	External costs + internal costs	○
	Qualified applicants per hire	Total number of qualified applicants	○

Financial Savings		Measurement	
Cost savings from improved productivity	• Cost savings from absenteeism*	Cost for average number of days of absenteeism per employee	○
	• Cost savings from reduced presenteeism	Cost for average number of days of presenteeism per employee	○
Cost savings from improved productivity	• Cost savings from recruitment costs due to staff turnover	Turnover costs per position for annual estimated staff turnover	○
Cost savings from healthcare	• Cost savings from healthcare premium cost	Premium cost difference from the previous year	○
	• Cost savings from healthcare costs (per capita)	Healthcare costs difference from the previous year	○

As the trend of healthy workplaces is getting popular, it is expected that more requests would follow to make sense of their investments on healthy workplaces from the management perspectives. They will request more data-driven evidence as well as more scientific and systematic approaches to understand the impact of healthy workplaces on their organization as a whole and the bottom line. This framework of the five categories and eleven indicators of successful healthy workplaces is an excellent foundation that can be utilized for an assessment examining the impact of specific features promoting health and wellbeing in the workplace on positive organizational outcomes. Along with such efforts, organizations can use CAPTIW[®] to understand how their workspaces function with regard to health and wellbeing. CAPTIW[®] addresses six dimensions of health and wellbeing in the workplace including: Physical Activity /Fitness; Cognitive Wellbeing; Social Wellbeing; Emotional Wellbeing; Non-Toxic & Clean Environment; and Physical Comfort. By connecting these six health and wellbeing dimensions to the outcome measures of healthy workplaces, organizations will be able to easily understand the impact of specific features of healthy workplaces on organizational success as well as future decision-making for the improvements and better ROI.

