

MEDIA RELEASE

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Corporate wellness essential to organisational performance, study reveals

Organisations that ignore the health of their employees are putting productivity and profits at risk, with new research revealing a close link between organisational performance and wellness.

Right Management's *Wellness & Productivity Management* study of 28,000 employees in 15 countries, shows a clear link between health and wellness and organisational performance. When health and wellness is managed well, organisational performance increased more than 2.5 times (25% v 65%). Alternatively when health and wellness is not managed well, profitability decreased more than 3.5 times (13% v 46%).

The research also shows a striking link between wellness, employee engagement and retention. When health and wellness is managed well, the number of engaged employees increased nearly 8 times (7% v 55%). Where it is managed poorly, organisations were four times more likely to lose talent in the next twelve months (20% v 5%).

Right Management's General Manager, Australia & New Zealand, Bridget Beattie, said the research shows that managing health and wellness isn't a 'soft' issue, but critical to organisational performance. Moreover, the two concepts are closely linked.

"Employee engagement has been a focal point for some companies in recent years as they struggled to attract and retain talent. While this should remain an important issue, it's not enough on its own: wellness is the other crucial part of the equation.

"This study also demonstrates that failing to manage wellness effectively has a significant, negative impact on an organisation's profitability, so the business case for physical and psychological health is stronger than ever," Ms Beattie said.

Right Management says organisations should adopt an integrated approach to wellness that defines and measures wellness as involving physical health, psychological health and organisational engagement.

“The first step in any behaviour change program is to raise awareness through measurement at the individual and organisational level. In turn, this will allow leaders to make informed decisions about targeted and effective programs to address gaps and boost performance,” Ms Beattie said.

The Right Management study also revealed that while only 51% of Australians believe they work in organisations that promote health and wellness, Australia is in fact ahead of its global counterparts, where 49 per cent of employees do so.

Additionally, 57 per cent of Australians feel they can balance work and personal interests and still progress, compared to 50 per cent globally, and 56 per cent of local employees feel they have an appropriate workload, compared to 53 per cent internationally.

Similarly, while Australian employers are doing better than their global counterparts in terms of engagement (36 per cent of local employees are engaged in their jobs compared to 34% globally), Right Management says the opportunity for improvement is significant.

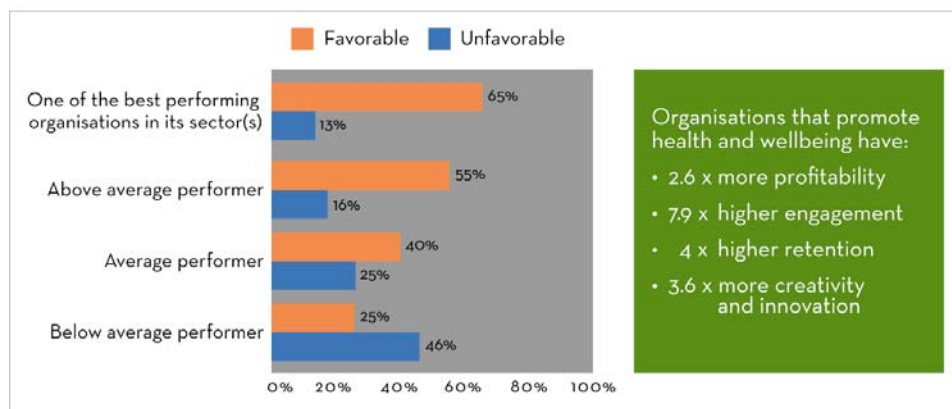
“To boost productivity, reduce costs and increase creativity, business needs to focus on overall organisational wellness. Engagement and Health should not be viewed as two unrelated constructs managed by separate departments, HR and OH&S – it needs to have a whole-of-company approach driven by the senior leadership team,” Ms Beattie said.

Practical solutions also need to go beyond gestures, Right Management argues.

“It is no longer enough to focus solely on attraction and retention initiatives by providing gym memberships and running employee engagement focus groups. Sustainable productivity improvement is created through improved communication, education, systems and behaviours that embed change.

“Creating wellness is not an event, it involves significant culture change. Such change will, however, allow the organisation to increase its productivity so that it will not only survive the economic downturn but be ready to take advantage of an improved economy when it arrives,” Ms Beattie said.

The figure illustrates the relationship between “My organisation actively promotes health and wellness” and Organisation Financial Performance



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About Right Management

Right Management (www.right.com) is the talent and career management expert within Manpower, the global leader in employment services. Right Management helps clients win in the changing world of work by designing and executing workforce solutions that align talent strategy with business strategy. Our expertise spans across talent assessment, leadership development, organisational effectiveness, employee engagement and workforce transition. Right Management partners with companies of all sizes. More than 80% of Fortune 500 companies are currently working with us to help them grow talent, reduce costs and accelerate performance.

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